

Dialogue II

Charging Interest: Is It Biblical?

A Response

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“The Biblical Prohibition Against Charging Interest: Does It Apply To Us?” concludes that “The biblical prohibition against charging interest was not a blanket prohibition for all people at all times” and “we need to discover what part of the prohibition, if any, applies to us” (Elder). Elder’s thesis is popular and expected. Subsequent to the 16th century, charging interest for money has received little criticism. However, widespread acceptance of a practice does not constitute an adherence to God’s will.

As Elder recognizes, the topic requires continuous discussion, and few absolutes can be ascertained. This paper will offer additional propositions that do not directly counter Elder’s position, but attempt to enrich and encourage further discussion.

Defining Usury and Interest

Interest and *usury*, in colloquial modern English, have two distinct meanings. *Interest* is

“a price for the loan of money or a premium” (Divine, p. 4) while *usury* is an “exorbitant charge for a money loan or a charge that exceeds the legal rate” (Divine, p. 4). Interestingly, a more proper definition of *usury*, according to Webster’s New Collegiate Dictionary, does not distinguish between the two terms. “Interest” and “lending of money with an interest charge for its use” are Webster’s two primary definitions for *usury*. “An unconscionable or exorbitant rate or amount of interest” is the third definition (Webster). In his essay, Elder chooses to use the less preferred, but more popular definition of *usury*, “exorbitant interest.”

Though Elder observes that, prior to the 16th century, *usury* and *interest* had identical meanings (i.e., any interest assessed to a loan), he does not explain that the repeal of the prohibitions of interest (i.e., of usury in the original sense) and the establishment of a legal rate spurred usury’s definitional

change. “When the century began, to live by usury as the husbandman doth by his husbandry had commonly been treated as ignominious, immoral or positively illegal: when it ended, money-lending was on the way to enjoy[ing] the legal security of a recognized and reputable profession” (Wilson, p. 106). One might ponder if the modification of usury’s meaning is indicative of humans’ attempts to rationalize charging of interest and alter the teaching of God. Is this another game of semantics, attempting to mitigate an action’s sinfulness? A child contends that a *fib* is not a lie, a president asserts *fellatio* is not *sex*, and Christians profess that *interest* is not *usury*.

What Is An *Exorbitant Interest Rate*?

Difficulties exist when accepting the popular colloquial usage of usury—*exorbitant interest*. The term is relative. Double digit mortgage rates (e.g., 15 percent) appear exorbitant today, but were common in the late 1970s.

Is *exorbitant* interest only those interest rates that are illegal (Divine, p. 4)? History shows otherwise. At the end of the Middle Ages, “forbidden to

charge interest, business men had circumvented the statute by investing their capital in goods, selling them on credit, and charging high prices for what was, in effect, a concealed loan” (Wilson, p. 156). A present day example might be the company Rent-A-Center, where one is able to own a refrigerator after 24 monthly payments of \$119.96. Given that a comparable refrigerator sells for \$825 at Sears, Rent-A-Center is providing finance of this *necessary* household item at a rate greater than 150 percent annually.¹ Is this usury, or a legitimate *legal* return for undertaking the risk of selling to a low-income customer?

Arguments Against Interest

In 1499 Conrad Summenhart wrote an authoritative, thorough analysis of the unnaturalness of usury. Summenhart “... offers [23] natural-law reasons in favor of the usury prohibition, criticizes, modifies, and rejects most ... and ends with two tenuous formal arguments against usury left standing” (Noonan, p. 340). Elder, in an abridged fashion, presents and dismisses four arguments opposing usury.

The argument in Elder’s essay that is rebutted least

persuasively is his third: “we need to honor those Old Testament commands which were renewed by Jesus.” Elder’s chief refute is that many teachings from Jesus’ Sermon on the Plain and Mount are illogical. Concerning Luke 6:35, “... lend to them without expecting to get anything back ...,” Elder writes, “The last time I gave to someone who begged from me, I watched as he took the money to the nearest liquor store. Jesus tells us in the sermon to pluck out our eye if it causes us to sin ... but there are no Christians who have plucked out their eyes because of the sin.”

Elder’s precept that other tools (e.g., church tradition, creation, science, reasoning, etc.) are often useful when interpreting Scripture is shared by others (e.g., Chewning, Porter, Vander Veen), but logic alone is often insufficient. For most people, God becoming flesh and dying on a cross is not logical. Christians are often accused of, and are sometimes guilty of, creating their own religion. That is, embracing Scripture that is easy and affirming to us (e.g., only Christians are saved; “I am the way the truth and the life. No one comes to the Father except through me” John 14:6), but rejecting or rationalizing

Scripture that is difficult and condemning to us (e.g., Luke 6:35).

Biblical Teachings

Elder writes that, other than Luke 6:35, “no other New Testament passages deal with this topic [interest].” This is debatable, with at least two additional verses² that, directly or indirectly, strengthen the precept that usury is not proper. Matthew 5:42 instructs, “Give to the one who asks you, and do not turn away from the one who wants to borrow from you.” Romans 13:8 exhorts us not to borrow, “Let no debt remain outstanding, except the continuing debt to love one another ...”

Granted, these verses are difficult to understand and follow. The economic system of most developed nations is grounded in usury. Most everyone participates in usury, be it borrowing interest-bearing funds (e.g., mortgages, student loans, automobile loans, etc.) or lending and receiving interest in return (e.g., savings accounts, certificate of deposits, money market funds, etc.).

Concluding Thoughts

Elder contends that the biblical teaching regarding the year of Jubilee is applicable only

to the Jews of the Old Testament. However, a growing coalition of Christians disagree, support Jubilee 2000 (www.one.world.org/jubilee2000), and are campaigning for the cancellation of the backlog of unpayable debts of the most impoverished nations. Though usury is often instrumental in helping economies and people, it may also be detrimental and crippling.

“In some indebted countries, interest payments alone are more than the value of exports—even when those countries export food that should go to their children ... the developing world pays the West three times more in debt repayments than it receives in aid. Africa spends four times as much on debt repayment as it does on health care” (Vandergrift).

Given that Christ’s greatest commandment is to love God (Matthew 22:37) and that we exhibit love for God when giving to those in need (Matthew 25:40), shunning usury and embracing the year of Jubilee may well be sound Christian practices.

ENDNOTES

¹Rent-A-Center and Sears numbers are based on observation and phone call inquiries.

²This, therefore, totals three verses, adhering to Chewning’s suggestion that, “... whenever possible bring at least three passages of

Scripture to bear on any pronouncement of truth in the areas involving faith and learning” (Chewning, p. 91).

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