

# Finance: Capital Structure

## Raising Capital by Borrowing



In the business world, the definition of capital is borrowed sums or equity with which the firm's assets are acquired and its operations are funded.

When a person or company acquires a company, there is usually an **equity** component (cash from buyer and investors) and a **debt** component (loan). When a

business needs money to grow, there is usually an **equity** component (cash flow generated from operations, infusion of cash in return for an ownership interest) and a **debt** component (line of credit, equipment loan, etc.).



The capital structure is the **debt/equity** ratio (capital = debt + equity). A related concept is the cost of capital – how much does it cost to borrow money (**debt**) or attract investors (**equity**).

When a business is “under-capitalized,” that means it does not have enough money to buy the assets it needs (equipment, technology, real property) and/or it does not have enough money to fund operations (working capital of receivables less payables). Many promising businesses have failed because they didn't have enough money to implement good plans or exploit good opportunities, or just keep the bills paid while waiting to get paid.

It is a fact, it costs money to start and grow a business, and there are only three ways to do it: (1) share ownership in exchange for investment (**equity**); (2) self-finance out of earnings or infuse your own cash (**equity**); or (3) borrow money (**debt**).

As the CFO of a business, you must decide how to **raise capital** in order to satisfy the needs of the business and the strategic plans of the ownership. As the CFO of your household, you must decide how to **raise capital** to satisfy the needs of the household and the plans you have for your family.

The objective of this study is to discover what the Bible says about how to **raise capital**. We will tackle head-on the thorny question of whether a Christian business or household should raise capital by borrowing. We will learn the difference between debt and surety. We will consider the difference in God's eyes, if any, between consumption loans and production loans. We are going to examine with a biblical lens both borrowing and lending practices. And finally, another thorny question, is it ever okay for a Christian to file bankruptcy?

**This first study is going to focus on what the Bible says about raising capital by borrowing.**

**Deuteronomy 28:1-2**

1 "Now it shall be, if you will diligently obey the Lord your God, being careful to do all His commandments which I command you today, the Lord your God will set you high above all the nations of the earth.

2 "And all these blessings shall come upon you and overtake you, if you will obey the Lord your God.

One of the covenants that the Lord made with Israel as the promised descendants of Abraham, Isaac and Jacob, and as the people the Lord had redeemed from bondage into an earthly power, was a *conditional* promise to bless them in many specific ways if they obeyed and followed His commandments.

This is separate from, and in addition to, the Abrahamic covenant that was an *unconditional* promise to Abraham and his descendants of a seed (a Messiah – Jesus Christ), a land (a specific land grant in the middle east) and a nation (Israel).

Deuteronomy is a book of instruction that told God's people how to live in the land God was giving them in order to receive the blessings God wanted to give them.

*Read Deuteronomy 28:1-2 from the left panel.*

What is the condition, the "if", in order to receive the blessings listed?

*Read Deuteronomy 28:3-14 from your Bible and list the specific blessings promised if they meet the condition.*

**Deuteronomy 28:15**

15 "But it shall come about, if you will not obey the Lord your God, to observe to do all His commandments and His statutes with which I charge you today, that all these curses shall come upon you and overtake you.

Now continue and read Deuteronomy 28:15 from the left panel. What are the consequences of not meeting the conditions?

*Read the remainder of Deuteronomy 28* and list the specific curses promised if they did not meet the condition.

**Deuteronomy 28:12-14, 43-45**

12 "The Lord will open for you His good storehouse, the heavens, to give rain to your land in its season and to bless all the work of your hand; and you shall lend to many nations, but you shall not borrow.

13 "And the Lord shall make you the head and not the tail, and you only shall be above, and you shall not be underneath, if you will listen to the commandments of the Lord your God, which I charge you today, to observe [them] carefully,

14 and do not turn aside from any of the words which I command you today, to the right or to the left, to go after other gods to serve them.

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43 "The alien who is among you shall rise above you higher and higher, but you shall go down lower and lower.

44 "He shall lend to you, but you shall not lend to him; he shall be the head, and you shall be the tail.

45 "So all these curses shall come on you and pursue you and overtake you until you are destroyed, because you would not obey the Lord your God by keeping His commandments and His statutes which He

Compare and contrast these two lists. Are you surprised that there are three times more verses about curses than blessings? Do you think God was serious about wanting His people to obey Him? Do you think this is just an old testament concept?

*Read John 14:15, 21, 23, 15:10; 1 John 2:1-6, Galatians 6:7.*  
Discuss and record your thoughts.

**Now let's zero in on our topic of raising capital.** Read the verses from the left panel (Deuteronomy 28:12-14, 43-45) and mark lend and borrow, head and tail.

Is the Lord prohibiting the practice of lending and borrowing?

What was God's intention regarding who would have the capital, and why?

We must be careful when applying old testament commands, especially those regarding the ceremonial law and the sacrificial system, to new testament believers, for many provisions of the old testament do not apply to those of us living under the grace of the new covenant. (*Read Galatians 3:1-14*). Also, I believe that the Abrahamic covenant regarding the seed, the land and the nation is still in effect for the nation of Israel, therefore there are certain provisions of that covenant, including perhaps these blessings and curses, that might still be in effect for Israel, but not for us. (*Read Romans 11.*)

commanded you.

However, that does not mean that we should ignore the principles underlying the covenant blessings and curses.

*Read 2 Timothy 3:16-17; Romans 15:1-4; 1 Corinthians 10:1-12.*  
What do these verses teach about the applicability of the old testament scriptures to us?

A principle in God's Word is different than a command in God's Word. A command, when interpreted properly in context, is meant to be obeyed promptly without a lot of hand-wringing and soul searching. A principle, on the other hand, is a universal truth that is meant to be individually applied relying on prayer and wise counsel regarding how.

What is the principle underlying the blessing of being the lender (the head) and the curse of being the borrower (the tail).

Now let's drill down a bit and **study the instructions that the Lord gave Israel regarding their lending practices**, looking for principles that we can apply. Remember, He expected them to be the lenders so we're not surprised that He gave them instructions how to do it.

*Read Exodus 21:1-23:13.* This is a section of the civil and criminal law code for the nation of Israel, given to them by the Lord Himself after their dash for freedom out of Egyptian slavery. List the various offenses and situations discussed. What are your first impressions?

**Exodus 22:25-27**

25 "If you lend money to My people, to the poor among you, you are not to act as a creditor to him; you shall not charge him interest.

26 If you ever take your neighbor's cloak as a pledge, you are to return it to him before the sun sets,

27 for that is his only covering; it is his cloak for his body. What else shall he sleep in? And it shall come about that when he cries out to Me, I will hear [him,] for I am gracious."

Now go back and *read Exodus 22:25-27* from the left panel.

Does God prohibit lending to a fellow Israelite?

What are the instructions for lending, and why?

Do these instructions address consumer or business lending?

Every 7<sup>th</sup> year the people were to rest the land, grant a remission of debts for fellow Hebrews, and release their fellow Hebrews enslaved as indentured servants for failure to pay debts. This was called the Sabbath year. Every 50<sup>th</sup> year there was supposed to be another Sabbath year back to back, and also everyone was to regain possession of their ancestral lands if they had mortgaged them or sold them. This was called the year of Jubilee.

*Read Leviticus 25:35-43 from your Bible.*

What are the instructions for lending in this passage, and why?

*Read Deuteronomy 15:1-18.*

What are the instructions for lending, and why?

Given this command to forgive debts every 7 years, do you think the lenders closed on many 10 or 20 or 30 year loans? ☺ Is there a principle here perhaps?

Note in Deuteronomy 15:9-11 the Lord's stern warning to those with the resources. What is the Lord's heart regarding the poor and the responsibility of the rich?

Do these instructions address consumer or business lending?

*Read Leviticus 25:10-18 from your Bible.*

The property referred to here are the original land grants given to the tribes and families when Israel conquered the land. It was God's intention that the land He promised to Israel would never be permanently sold.

Therefore, a man wasn't permitted to sell his family property if he needed to raise money, and he probably couldn't mortgage it either for the reasons we've already discussed. But he was permitted to lease it for whatever number of years there were remaining until the next Jubilee.

Do these instructions address consumer or business lending?

Is there a principle here regarding taking a multi-generational view toward building family wealth?

In Deuteronomy 23 we find more instructions regarding how the people were to live in the land promised to them. *Read Deuteronomy 23:19-20 from the left panel.*

What additional information does this passage give us?

Would God permit lending money at interest to foreigners (non-Jews) if it were immoral to do so? Remember also from Deuteronomy 15:1-11 that there was no required remission of debts for the foreigner. Yet He does not permit the charging of interest to their fellow countrymen. What does this suggest about the practice of borrowing money at interest?

#### Deuteronomy 23:19-20

19 "You shall not charge interest to your countrymen: interest on money, food, [or] anything that may be loaned at interest.

20 "You may charge interest to a foreigner, but to your countryman you shall not charge interest, so that the Lord your

God may bless you in all that you undertake in the land which you are about to enter to possess.

**Deuteronomy 24:6, 10-13, 17**

6 "No one shall take a handmill or an upper millstone in pledge, for he would be taking a life in pledge.

10 "When you make your neighbor a loan of any sort, you shall not enter his house to take his pledge.

11 "You shall remain outside, and the man to whom you make the loan shall bring the pledge out to you.

12 "And if he is a poor man, you shall not sleep with his pledge.

13 "When the sun goes down you shall surely return the pledge to him, that he may sleep in his cloak and bless you; and it will be righteousness for you before the Lord your God."

17 "You shall not pervert the justice due an alien or an orphan, nor take a widow's garment in pledge."

By the way, the Hebrew word translated "interest" literally means "a bite" which is apropos don't you think?

*Read the Deuteronomy 24 passages from the left panel.*

What is the word we use for "pledge" in today's banking language?

Does the Lord prohibit the taking of pledges to secure a loan?

What conditions does the Lord put on the lender regarding the taking of pledges?

How do our conventional lending and collections practices measure up to these conditions?

What do these restraints and conditions on lending imply about the kind of lending that is acceptable to the Lord?

What we have studied thus far were instructions given to the people in preparation for entering the land and establishing their nation. But they did not obey the Lord and He exiled them from the land for 70 years to make up for the Sabbath years not observed, as well as many other transgressions.

Nehemiah was the man God chose to lead the people back from exile and to rebuild the city walls. When he returned he found a small remnant living in the destroyed city. He assessed the situation and decisively began to straighten out the mess. We pick up the story in the book of Nehemiah.

*Read Nehemiah 5.*

What were the complaints of the people to Nehemiah and what was his response, and what was their response to his response, and what was his response to their response?



- Complaints of the people
- Nehemiah's response
- The nobles' response
- Nehemiah's response

Does this have anything to do with consumer or business lending?

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By the way, the Hebrew word translated "usury" in verse 7 and verse 10 is different than the word translated "interest." While it seems to be used as a synonym, there is an aspect of this word that expresses an excessive or oppressive charge. Usury is today understood to be the practice of lending money at such rates as are not legal or fair. Some scholars believe usury in biblical times referred to a practice of charging additional interest after a defaulting debtor was taken into bondage – kind of like the piling on of late fees and penalties by creditors today.

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The prophet Ezekiel weighs in on the topic in Ezekiel 18:1-13. In this passage Ezekiel is explaining that a man is responsible for his own sin, not his father's sin or his son's sin. He goes on to illustrate by contrasting a righteous father and an unrighteous son.

Read Ezekiel 18:1-16 and list the characteristics of each.

Righteous Father	Unrighteous Son

Read Ezekiel 33.

What is the act of repentance described in Ezekiel 33:15 that relates to our study?

Read Proverbs 28:8.

What wisdom for godly living is given in this Proverb?

Does this have anything to do with consumer or business lending?

There is not a single reference to interest or usury in the New Testament. But Jesus startled the crowd with His radical teaching on what the true Christian life is supposed to look like, including lending practices. Read Luke 6:27-38.

Record your observations from this passage regarding lending practices.

**Proverbs 28:8**

8 He who increases his wealth by interest and usury, Gathers it for him who is gracious to the poor.

Has the Lord made Himself clear about lending to the poor?

What have we learned thus far about lending money to a business?  
(By the way, if you extend credit to your customers, you are a lender.)

What have we learned thus far about raising money for a business?

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Now lets switch sides and study the instructions given to **borrowers**.

There are two principles taught very clearly in God's Word about borrowing.

The first is summed up neatly in Psalm 37:21. Psalm 37 contrasts the wicked with the righteous. In this context the psalmist is contrasting those who do right in God's eyes with those who do wrong in God's eyes.

*Read Psalm 37:21 from the left panel.*

If a person borrows and does not pay back, are they righteous or wicked in God's eyes?

What is the first borrowing principle?

**Psalm 37:21**

21 The wicked borrows and does not pay back, But the righteous is gracious and gives.

I believe the root of the matter is that the Lord expects us to **keep our word**. When we borrow money, we give our word that we will pay back what we borrowed in accordance with the conditions of the loan. Biblical language for this is a vow.

(Our word is not good enough for the lenders of course, we usually must also give many signatures signifying that we cheerfully agree to give the lender full assurances he will be paid including our homes and cars and valuable personal effects, that we are willing to pay enormous penalties if we fail to do so, and oh yes, should the lender have to sue us in court, we are happy to pay his legal expenses as well.)

**Matthew 5:33-37**

33 "Again, you have heard that the ancients were told, 'You shall not make false vows, but shall fulfill your vows to the Lord.'

34 "But I say to you, make no oath at all, either by heaven, for it is the throne of God,

35 or by the earth, for it is the footstool of His feet, or by Jerusalem, for it is the city of the great King.

36 "Nor shall you make an oath by your head, for you cannot make one hair white or black.

37 "But let your statement be, 'Yes, yes' [or] 'No, no'; and anything beyond these is of evil.

**Numbers 30:2**

2 "If a man makes a vow to the Lord, or takes an oath to bind himself with a binding obligation, he shall not violate his word; he shall do according to all that proceeds out of his mouth.

*Read Matthew 5:33-37 from the left panel.*

This passage is part of Jesus' "sermon on the mount" which is a radical message about true righteousness and how the righteous are to live. Jesus contrasts the conventional teaching on making vows with true righteousness when making vows. I'll give you a cultural hint – the Jews believed that only a vow made to the Lord in a certain way about certain things was binding. What principle is Jesus teaching here regarding making vows and giving our word?

Apply this principle to a loan agreement.

*Read Numbers 30:2 from the left panel.*

What does the Lord expect from His people regarding obligations that we enter into freely? (If time permits, read on in this chapter and note the man's role in protecting his family from making unwise vows.)

What does He expect of us when we bind ourselves with a binding obligation regarding a debt?

Okay, what should the Christian do if they cannot pay their debts and the law provides a way of escape in bankruptcy court?

First question – in a general sense, does making something legal make it right? Can you think of examples in America of things that are legal, but not right?

Our bankruptcy laws are rooted in the provisions that the Lord prescribed to protect the poor in the nation of Israel. A man could only be forced to work for six years to pay off a debt he owed to another, and he was not released empty-handed either. (Exodus 21) Keep in mind that this was six years of indentured servitude where every dollar he earned went towards the debt, not a release from the debt and a clean credit record in seven years so he can go into debt again. Also, every seventh year, known as the Sabbath year, there was a general remission of all debts. (Deuteronomy 15) Although some scholars believe that the Sabbath year only provided a year of respite from debt repayment, and that the debt remained and payments had to be made again the next year, others believe it was a total remission of debts every seven years. And, every 50<sup>th</sup> year, known as the Jubilee, all debts were canceled including land sales of ancestral property. (Leviticus 25)

Now, we must remember the context. The debt we are talking about seems to be that debt specifically incurred by the poor to make ends meet. The Bible seems to be silent about consumer debt incurred for non-essential things and business debt incurred for production. One modern commentator, Rabbi Gunther Plaut, argues that the Old Testament's distinction between loans to foreigners and loans to other Jews derived from the fact that loans within the Jewish community were for charitable purposes only while loans to foreigners were for purposes of trade only.

What do you think of this explanation?

So back to the question at hand. Does God's Word allow a Christian to avoid paying back what he has borrowed by unilaterally canceling that debt by filing bankruptcy?

We see this principle in God's Word that He put provisions into the law to protect the poor from being enslaved long term by their debt, to free families from long term generational debt, to encourage giving instead of lending to meet real needs. He judged harshly the lenders who oppressed the poor by not restoring their pledges (collateral).

On the other hand, debtors were still required to work as a slave up

to six years before they were released from their debt. The remission of debt part sounds pretty good, but working as a slave for several years doesn't. We can't just pick and choose what we like from God's Word when it comes to applying His principles today. Certainly, God's law about these matters served to curtail long term lending and frivolous borrowing.

Here is a question to ponder. Do we have the right in God's eyes to demand something for our benefit that He prescribes as an obligation for someone else? Do we have a right in God's eyes to demand remission of our debts, especially if the secular law code allows it? Can we use the OT law as justification?

Who pays the price for bankruptcy? Is it just the lender? What about our testimony? (Proverbs 22:1)

Do you think it makes a difference to the Lord whether technically the corporation that you own and control incurred the debt instead of you as an individual? Doesn't this sound a bit like what Jesus was criticizing in the Sermon on the Mount regarding vows? Certainly that distinction doesn't matter to small business lenders because they usually require personal guarantees (pledges and sureties) for corporate debt. But what if they don't? Is the Christian businessman still obligated to pay back all that he has borrowed even if he is incorporated? Is there a difference between what we are obligated to do and what we should do?

Do you think it makes a difference to the Lord if the debt incurred was for necessities like food, shelter, health care? Do you think the Lord views non-essential consumer debt or risk-taking business debt the same as survival debt?

### Proverbs 6:1-5

6:1 My son, if you have become surety for your neighbor, Have given a pledge for a stranger,

2 [If] you have been snared with the words of your mouth, Have been caught with the words of your mouth,

3 Do this then, my son, and deliver yourself; Since you have come into the hand of your neighbor, Go, humble yourself, and importune your neighbor.

4 Do not give sleep to your eyes, Nor slumber to your eyelids;

5 Deliver yourself like a gazelle from [the hunter's] hand, And like a bird from the hand of the fowler.

### Proverbs 11:15

What role does the church have in these bankruptcy situations? Take a look at Acts 2:42-47, 2 Corinthians 8,9 to see how the early church operated and how it was supposed to operate.

Now lets study the second principle regarding borrowing, the principle of **surety**. The Hebrew word translated surety means something given in exchange. This is what collateral is – something of value given in exchange for a loan of money. Apparently it was the practice for the lender to actually take possession of the collateral, like a pawn shop, rather than the contractual pledges of today.

We already surveyed what the Bible says about surety from the lender's perspective. By way of review, what did we learn?

Now lets look at all the verses that give **instruction to the borrowers about surety**.

*Read Proverbs 6:1-5 from the left panel.*

Is this proverb directed to the borrower (verse 1)?

What inspired wisdom (remember, all Scripture is inspired by God, 2 Timothy 3:16) is Solomon imparting to his son in this proverb?

*Read Proverbs 11:15 from the left panel.*

What is the principal regarding surety?

15 He who is surety for a stranger will surely suffer for it, But he who hates going surety is safe.

**Proverbs 17:18**

18 A man lacking in sense pledges, And becomes surety in the presence of his neighbor.

**Proverbs 20:16**

16 Take his garment when he becomes surety for a stranger; And for foreigners, hold him in pledge.

**Proverbs 27:12-13**

12 A prudent man sees evil [and] hides himself, The naive proceed [and] pay the penalty.

13 Take his garment when he becomes surety for a stranger; And for an adulterous woman hold him in pledge.

**Proverbs 22:26-27**

26 Do not be among those who give pledges, Among those who become sureties for debts.

27 If you have nothing with which to pay, Why should he take your bed from under

*Read Proverbs 17:18 from the left panel.*

What is the principal regarding surety?

*Read Proverbs 20:16 from the left panel.*

What is the principal regarding surety?

*Read Proverbs 27:12-13 from the left panel.*

What is the principal regarding surety?

*Read Proverbs 22:26-27 from the left panel.*

What is the principal regarding surety?

Lets summarize what we've learned about surety.



you?

Is the stingy lender who harshly evaluates our request for funds and demands collateral, a friend or foe?

How can we borrow money and avoid these bad consequences if we are unable to repay the interest and principal? There is a way.

*Read Proverbs 22:7 from the left panel.*

This proverb reminds us of the passages we read in Deuteronomy at the beginning of this study regarding the Lord's desire for His people to *rule* instead of *be ruled*. What is the truth communicated in this passage about ruling power and debt?

*Read 1 Corinthians 7:20-24 from the left panel.*

Paul is emphasizing in this chapter that Christians are to be totally devoted to the Lord. This passage focuses on the Christian who is a slave. What is the Christian slave's dilemma?

What is the Lord's encouragement to the Christian slave?

Keeping in mind that one cause of slavery at this time was indebtedness, how can we apply verse 23 to our present circumstances? What are the ways that we can become slaves of men in our culture, and thus not able to render total devotion to the Lord?

#### Proverbs 22:7

7 The rich rules over the poor, and the borrower [becomes] the lender's slave.

#### 1 Corinthians 7:20-24

20 Let each man remain in that condition in which he was called.

21 Were you called while a slave? Do not worry about it; but if you are able also to become free, rather do that.

22 For he who was called in the Lord while a slave, is the Lord's freedman ; likewise he who was called while free, is Christ's slave.

23 You were bought with a price; do not become slaves of men.

24 Brethren, let each man remain with God in that [condition] in which he was called.

**Colossians 2:6-15**

6 As you therefore have received Christ Jesus the Lord, [so] walk in Him,

The word translated "condition" in verses 20 and 24 could also be translated "calling." Does this change your understanding of this passage? How does this apply to us today?

From what we have learned thus far, what do you think about raising capital for your business or household by borrowing?

Is this prohibited by the Word of God?

Is this encouraged by the Word of God?

How does God's Word on the subject of borrowing compare to the wisdom of the world on the subject?

Do you think it is possible to do business without borrowing? What are the pros and cons? How can it be done?

7 having been firmly rooted [and now] being built up in Him and established in your faith, just as you were instructed, [and] overflowing with gratitude.

8 See to it that no one takes you captive through philosophy and empty deception, according to the tradition of men, according to the elementary principles of the world, rather than according to Christ.

9 For in Him all the fullness of Deity dwells in bodily form,

10 and in Him you have been made complete, and He is the head over all rule and authority;

11 and in Him you were also circumcised with a circumcision made without hands, in the removal of the body of the flesh by the circumcision of Christ;

12 having been buried with Him in baptism, in which you were also raised up with Him through faith in the working of God, who raised Him from the dead.

13 And when you were dead in your transgressions and the uncircumcision of your flesh, He made you alive together with Him, having forgiven us all our transgressions,

14 having canceled out the certificate of debt consisting of decrees against us [and] which was hostile to us; and He has taken it out of the way, having nailed it to the cross.

Do you think it is possible to manage our households without borrowing? What are the pros and cons? How can it be done?

*Read Colossians 2:6-15 from the left panel.*

How is our sin described in verse 14?

*Read John 19:30 from your Bible.*

It was the practice in that day when a debt was satisfied to write "It is finished!" across debt papers and have it nailed on the door for all to see. What did Jesus mean when He said it on the cross?

Have you ever wondered why God the Father did not benevolently forgive our sins without the brutal sacrifice of God the Son, His beloved Jesus?

What does this reveal about God and sin and debts?

Is it any wonder then that the Lord would insist that we pay our debts in full as well? Is it any wonder then that the Lord would be displeased if we voluntarily enslave ourselves to men and the elementary principles of the world when we have been bought with so dear a price to be enslaved to Him, to be adopted by Him?

15 When He had disarmed the rulers and authorities, He made a public display of them, having triumphed over them through Him.

## BIBLICAL PRINCIPLES DISCOVERED

We discovered the following principles regarding what the Bible teaches about borrowing.

- The Lord does not prohibit the practice of borrowing, but He wants His people to be the lenders and to lend in accordance with His instructions and principles for the good of others. There is no evidence in the Scriptures that the Lord ever accomplished His purposes by requiring His people to borrow money.
- The borrower is the lender's slave, both figuratively and literally.
- We are warned not to assist others in getting into debt by becoming surety (personally liable) for their debts.
- The Lord's restrictions and restraints regarding debt outlined in the Sabbath year and year of Jubilee requirements suggest that borrowing should be relatively rare versus the norm, that borrowing should be short term versus long term, that no one should be enslaved by debt indefinitely (implies lender responsibility) and that borrowing should be the last resort for basic needs versus borrowing for non-essentials or business speculation.
- The lender (creditor) is not to abuse his authority, especially when the borrowing is for subsistence. The Lord favors giving versus lending to meet basic needs for survival, especially within the community of believers.
- The Lord describes both abusive and greedy creditors and those who do not repay what they have borrowed as wicked behavior.
- There is little direct mention of borrowing for non-essential consumer spending and business purposes, implying these four possible positions:
  - The Lord's instructions on lending and borrowing do not apply, thus creditors are free to abuse and borrowers are free not to repay.
  - The Lord's instructions on lending and borrowing do apply, thus creditors are not free to abuse and borrowers are not free not to repay.
  - The Lord's instructions on lending and borrowing do apply when dealing with Christians, but do not apply to non-Christians.
  - The Lord's instructions on lending and borrowing apply only when it is in my best interests to apply them, or insist others abide by them to my benefit.

## BUSINESS APPLICATION

1. Do you believe that the Lord's instructions on lending and borrowing apply to business lending and borrowing?
2. How do your lending practices line up with God's Word?
3. How do your borrowing practices line up with God's Word?

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## Prayer Requests

## Prayer Requests