

# What dangerous financial arrangement should you avoid? (11:15)

He who is guarantor for a stranger will surely suffer for it but he who hates being a guarantor is secure.

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## THE TEXT (NASB)

He who is guarantor for a stranger will surely suffer for it but he who hates being a guarantor is secure.

*He that is surety for a stranger shall smart for it and he that hateth suretiship is sure. Classic KJV - Proverbs 11:15*

## INTRODUCTION



Don't vouch for another's financial obligations.

A guarantor is someone who pledges to repay another's debt, if that debtor fails to pay. It's clearly easier to take on that risk with a brother or other family member, someone with strong personal ties. There's less anxiety in rescuing a close relative, than in rescuing a complete stranger.

Don't always assume that you should rescue someone in financial difficulties. Those difficulties may be part of a God-designed school to teach important life lessons.



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## COMMENTARY

There is a time not to be generous.

If a debt is secured with a tangible asset, and the debt repayments are missed, then the asset can be seized by the lender. If debt is not secured by an asset, and another person guarantees the debt, then the guarantor risks losing their assets or freedom. It's dangerous to guarantee unsecured debt.

### Translation: *Surety*



The Hebrew root word for “surety,” עֶרֶב ('ā•răḇ, pronounced “ah-rav”), appears as a noun in Genesis 38, where Judah used his cord, staff, and signet ring as collateral, a pledge for future payment. Yet becoming the guarantor for another’s debt is underwriting their entire financial circumstances. The text firmly warns against that, especially if we know little about them. Hence the need for detailed credit checks before committing to carry their obligations. The text does not prohibit debt as such, but cautions strongly against financial entanglement with someone we don’t know well.

### Beware of Business Partnerships



The text provides an indirect warning about general business partnerships. Partnerships are easy to enter and difficult to exit. Each partner is an autonomous unit, and as such, each has his own unique relationship with God. God often uses financial “setbacks” as a “curriculum” to train people to trust Him. In a general partnership, there is a pooling of resources and a pooling of liabilities. Thus one partner may experience the spillover effect of financial errors made by another partner.

### Helping the Wicked



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King Jehoshaphat of Judah, the southern Hebrews around Jerusalem, made a big mistake in his joint ventures with the kings of Israel, the northern Hebrews of Galilee. First, he was warned by God (2 Chronicles 19:2) not to help those who hate the LORD, lest he invite calamity on himself. Jehoshaphat did this once with Ahab king of Israel and it almost cost him his life. He did it again with Ahaziah, Israel's next king, and that cost him his entire investment—a total loss (2 Chronicles 20:35-37).

What's the point? If you want to follow God, avoid joint ventures with those who hate God and God's ways. Most of our business dealings are with pagans, sometimes virtuous pagans, mostly people whose souls are completely unknown to us. But joint ventures tie us to our business partners, and we should avoid being yoked to malicious or grasping partners.

## **Pooled Credit Means Higher Costs**

Under the modern “pooled credit system,” where credit checks are minimal, everyone underwrites each other with easy credit. The result? The costs of the easier defalcation (funds misappropriated by an agent) and embezzlement are reflected in higher interest rates charged by the lenders (often credit card companies). The unfulfilled obligations of a few add to the costs of goods and services for everyone. Everyone pays for those who default on their loans or declare bankruptcy.

## **OUR CREATOR, REDEEMER, AND FRIEND**

Unlike mere mortals with limited resources, Jesus has infinite resources. Jesus was the sacrificial “Lamb of God, who takes away the sins of the world,” John 1:29.

His last words on the cross were, “It is finished!” These have financial overtones. In Greek, the word τελέω (pronounced “tell-eh-ō”) can also be translated, “paid in full!” (John 19:30).

Jesus—and only Jesus—is our guarantor. Jesus paid a debt He did not owe, to redeem us from a debt we could not pay.

## **APPLICATION**



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- Memorize the text in your favourite Bible translation and think about it often.
- Avoid co-signing for others, especially if you don't know them.
- Reduce your use of credit cards. Use debit cards or cash as much as possible.
- Try to negotiate a cash discount, even if it is only a 2% discount.
- Are there other ways to help those who ask you to co-sign a loan? (e.g. Cash gift?)

Which of these steps, if any, does Jesus want you to take now? Ask Him.



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## KEY WORDS

anxiety, bankruptcy, collateral, credit, debt, guarantee, guarantor, less assets (quantity), obligation, partnerships, safety, stability, stranger, suffering, underwriting, bf sharing

## ILLUSTRATION

### Who is Self-Centered Sam?



Self-Centered Sam looks out for number one. Who's that? It's Sam, of course! Sam doesn't consider himself to be self-centered. One of his favourite books is ["The Richest Man in Babylon."](#)

What does Sam do with his income? The cream, the very best goes to his own long-term growth fund. His motto is 'pay yourself first.' Some call him Stingy Sam. But he's not stingy; he's just making careful preparation for his own future, comfort, and well-being. He is part of the "me" generation. He typifies the Maslow's hierarchy of needs with self-actualization as apex of all values. Sam is a dedicated humanist. He doesn't recognize any higher power than himself. He's a tough negotiator.

Sam doesn't ignore charity. But how could he possibly help anyone one else unless there was something in it for him? Therefore any and all charitable donations must have full and public credit given to the donor. The more people are aware of his generosity the better. After all, a little bit of advertising is good for business. When his corporation gives a gift it comes as a percentage of profits, not revenues.

His financial hero is the multi-millionaire, whose assets once exceeded the entire US treasury:

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The great Railroad and Steamship Baron [Cornelius Vanderbilt](#).

