

**Proverbs 6:1-5**  
***Sure About Surety?***

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Sunday, March 14, 2010

## **Introduction**

### *The Practical Nature of Proverbs*

One of the things you have to love about the book of Proverbs is that it is an immensely *practical* book. It deals with just about every conceivable situation in life and gives us wisdom on how to handle it, whether it's making friends, investing money, controlling anger, the use of the tongue, honoring the king, choosing a godly wife, raising children, even what tone of voice to use when you greet someone in the morning.

Whoever blesses his neighbor with a loud voice,  
rising early in the morning,  
will be counted as cursing (27:14)

What could be more apparently trivial than that? It's because of the mundane nature of Proverbs that some people don't like the book. They always want to have their heads in the clouds and talk about spiritual things. I guess it is their endeavor to be more spiritual than God. For a pastor to deal (from the pulpit) with some of the things that Proverbs deals with seems to them quite out of place. But in my opinion, the practical nature of Proverbs is one of the things that gives the book its charm. It's what makes the book so attractive.

## *Overview of Chapter Six*

In chapter six Solomon deals with a number of different topics:

- In verses 1-5 he deals with becoming a surety for a neighbor
- In verses 6-11 he treats the subject of laziness and its consequences
- In verses 12-15 he discusses the wicked man who acts deviously
- In verses 16-19 he mentions seven things the Lord hates
- In verses 20-35 he returns to the subject of the forbidden woman, which he had addressed in chapter 5, and will deal with again in chapter 7

### **On Becoming a Surety for a Neighbor, vv. 1-5**

As we treat this subject, we should remember that the Bible both *commends* and *commands* generosity toward those in need.

Assistance is to be freely and cheerfully given whenever it is in our power to give it (**Deut. 15:7-11**). And when the help given is in the form of a loan, no interest is to be charged (**Lev. 25:35-26**).

Now, I should point out that this law against charging interest is given with respect to the poor who are in need of basic necessities. The law encourages the giving of interest free loans as a means of assisting the poor. We might call them charitable loans.

I should mention here that the law against charging interest does *not* apply to other kinds of loans: loans for business transactions, loans for luxury purposes, etc. These are loans of an entirely different character. And a lender is certainly within his rights to charge interest in such cases. In essence, what he is doing is *renting* his money. If you need a tool for a special project and don't want to buy one for yourself, you can go down to Mead Rental Center and rent one. They have accumulated some tools that others can use for a rental fee. In the same way, a lender has acquired some capital, some money, that he is willing to let others use...for a fee. When you borrow money, you are renting it. You have to give it back within a certain time frame and you have to pay for its use. The interest paid on borrowed money is just like a rental fee.

Now when such a loan was made in the ancient world it was often the case that the lender required a third party to guarantee repayment. This third party was called a surety. He would stand behind the borrower and pledge to make repayment to the lender, in case the borrower should happen to default on the loan.

And if you put yourself in the position of a lender you can understand why at times a surety should be required. If it's *your* money going out, *your* money being lent, you would want to have a reasonable guarantee that you're going to get it back.

The ESV and the NIV both express this in Proverbs six in terms of "putting up security" for a neighbor, assuring the lender that you will

pay off the loan if your neighbor finds himself in a scrape and is unable to pay it himself.

Now what this means, young people, in modern terms, is co-signing a loan agreement. Sometimes when someone wishes to borrow money from a bank, the bank will require a cosigner—someone who will sign the loan agreement along with the borrower pledging himself to pay off the loan if the borrower fails to pay it off himself.

The bank may require a cosigner if it is thought there is a higher than usual risk that the borrower might default on the loan. And if he *does* default on the loan, the cosigner becomes responsible to pay it off.

Do you understand? Say one day, when you are in college, a friend of yours comes to you and says, "I went to the bank to get a loan for a car, but the bank won't loan me the money unless someone cosigns the note; will you cosign it for me?" Now, you want to be nice. You want your friend to like you, and so you say, "Sure, I'll cosign for you." So your friend takes you with him to the bank to borrow the fifteen thousand dollars he thinks he needs for a new car, and you cosign the note. And six months down the road, or nine months, or a year later, he defaults on the loan. Now, your friend still owes \$12,000. The bank repossesses the car and is able to resell it for \$8,000. And the bank comes knocking at your door with a copy of your signature on the note looking to collect the \$4,000 balance, and says, "Pony up. You owe us \$4,000 to pay off the loan you cosigned for your friend." And you say,

"Friend? What friend? *Former* friend, you mean!" But what can you do? You're stuck. You're legally obligated for your friend's debt.

As Solomon says,

You have been snared in the words of your mouth,  
Caught in the words of your mouth (v. 2)

He's referring to the verbal promise given as a pledge in front of witnesses, which is what was necessary in ancient times. If Solomon were writing today, he would say, "You have been snared by the signature of your hand, caught by the signature of your hand." In other words, you're trapped! You are legally bound to pay off your (former) friend's debt.

Now, it may not be a case of willful neglect on the part of your friend. It may be that he's lost his job through no fault of his own, and so is unable to repay. Maybe he's been injured in an accident and is unable to work. Maybe he has died of a sudden illness and isn't around anymore to repay the loan. There are a number of things that could happen, that leave *you* stuck with paying off *his* debt.

Becoming surety, cosigning for a loan, is *risky* business. This is why Solomon tells his son, "If you have done this..."

Read 6:1-5

In other words, ask to be released from the obligation before you become stuck with it. Find some way to be absolved from the responsibility. Plead with your friend to find someone else (some other simpleton, some other fool) to take your place as surety.

We find similar admonitions in **11:15; 17:18; 22:26-27**

Now, do these passages imply an absolute prohibition against being someone's surety—an absolute prohibition against cosigning someone's loan?

No. It *can* be the case that cosigning a note is an act of kindness and charity that is consistent with both compassion and wisdom.

As I mentioned earlier, the Bible both commends and commands generosity toward those in need. We find it in the passages of the law that we read earlier, and we find it here in Proverbs also, in many places, 19:17, for instance.

Whoever is generous to the poor lends to the LORD,  
And he will repay him for his deed (Prov. 19:17)

See also **3:27-28**

We are required to be compassionate to those who have legitimate needs. Cosigning a note is *one* way in which that compassion might be expressed. It is not cosigning *per se* that is warned against as being

foolish. The emphasis in Proverbs is on the folly of becoming surety for a *stranger*. Note the parallelism in verse 1.

My son, if you have **put up security** for **your neighbor**,  
Have **given your pledge** for **a stranger**

The “neighbor” in the first half of the couplet is not a dear old friend. He’s a stranger, someone you don’t know, or don’t know *well*.

But if you *do* know the person well, if you have a history with him and he has given evidence of integrity and responsibility and a sound work ethic, well then, that’s a different story.

And if you add to this the qualification that you yourself are in a position in life where you can *afford* to assume responsibility for his debt if something should happen to him, then cosigning for a loan to help him out in a time of need is an expression of Christian compassion. Solomon is telling his son, just as he is beginning life as an adult, when he is not in a position to serve as a surety, “Don’t do it! Don’t tie yourself to someone else’s financial obligation.”

But if you are in a position in life where you can afford to help someone out in this way, and the person is responsible and deserving, then it can be an act of compassion.

In a first century B.C. work known as Ecclesiasticus, or the Wisdom of Jesus, Son of Sirach, the author says,

A *good* person will be surety for his neighbor,  
but the one who has lost all sense of shame will fail him  
(29:14)

Assist your neighbor to the best of your ability,  
But be careful not to fall yourself (29:20)

Be careful not to fall yourself, because, as he goes on to say,

Being surety has ruined many who were prosperous,  
and has tossed them about like waves of the sea;  
it has driven the influential into exile,  
and they have wandered among foreign nations (29:18-19)

The same author also gives instructions to those who receive the benefit of a cosigner, whom Ecclesiasticus calls the guarantor [the one who guarantees that repayment will be made].

Do not forget the kindness of your guarantor,  
for he has given his life for you.  
A sinner wastes the property of his guarantor,  
And the ungrateful person abandons his rescuer (29:15-17)

So what are to take away from all of this? If someone comes to you and asks you to cosign for a loan, should you or shouldn't you?

It depends. You need to ask yourself several questions. The first is this: What does he want to borrow money for? Is what he is looking to borrow money for a necessity or a luxury? Is he asking me to cosign a note for a car that he needs in order to get to work so that he can earn a livelihood? And is there really no other way he can get to work?

Maybe his place of work is within walking distance. It may be a bit of a stretch, but maybe it's within walking distance, or biking distance. Maybe he can take public transportation. Maybe he can get a ride with a co-worker, or someone else that works nearby. Perhaps it's a situation in which it would be more *convenient* to have a car, but having it is not really necessary. How easily we justify calling convenience necessity!

So the first question is: What does he want the money for and is it really necessary? Maybe he's asking me to cosign for a loan to buy a yacht, in which case, I say, "Fuggedaboutit. It ain't gonna happen." Maybe it's some hair-brained business venture that has no chance of being successful. The question is: What does he want the money for, and is it really necessary.

The second question is this: How well do I know this person? Do I know him well enough to know he can be trusted to repay the loan? Is he honest? Does he work hard? If he should suffer a reversal of fortune so that I'm stuck paying off his loan, is his character such that when his situation improves he's going to pay me back even if he's not legally obligated to do so? What kind of a man is he? Character is everything.

The third question is: Can I afford to take the risk? Can I afford to assume the responsibility he's asking me to assume? If I am, in the end, stuck with the responsibility of paying off my neighbor's debt, is it going to put me in a financially precarious position?

Do you see this? The Bible is immensely practical. It's very down to earth. It not only shows us the way to heaven; it not only speaks of spiritual things like the glories of Jesus Christ and the redemption he purchased for us with his blood; it also shows us how to live while we're here on earth—to live both righteously and wisely.

Now let me ask you something. Are these Biblical instructions concerning money matters (loans and interest and surety-ship) only for individuals? Do they not also apply in larger relationships? Do they not apply to corporations and even to governments? Consider what our federal government has done in recent years in the housing market. First it created a housing boom by putting pressure on lenders to lend to people who would not otherwise qualify for a home mortgage because their income was too low, their credit history was bad, or there were other factors suggesting they were too great a credit risk. Granting these home loans was not something that federal regulatory agencies merely permitted. It was something which—under pressure from politicians—these agencies threatened lenders into doing in the name of providing “affordable housing.”

In order to do this, lenders had to help buyers find other ways of financing the loan besides the traditional fixed-rate 30 year mortgage. These included

No-down-payment mortgages

Mortgages on which only the interest is paid at first—for the first two years monthly mortgage payments cover only the interest, followed by larger monthly payments over the next 28 years that cover principal and interest together

Often this was combined with an adjustable-rate mortgage—where the interest rate fluctuates, rising and falling over time, depending on the what the market is doing

So lenders were pressured by the federal government to make high risk home loans. This was further complicated by the fact that the Federal Reserve artificially lowered interest rates which encouraged home buyers to purchase larger, more expensive homes than they would have done otherwise. Depending upon the cost of the home, a difference of 2 percent in the interest rate can translate into a couple hundred dollars difference in one's monthly mortgage payment. So when interest rates are low, people naturally look to take advantage of it and buy a larger, more expensive home. But when the interest rate is artificially low because the FED is looking to manipulate the housing market for political purposes, and a home-owner has an adjustable rate mortgage, what's going to happen when the rate goes back up. It makes the monthly mortgage payment more than they can handle. This is exactly what happened, and hundreds of thousands of home-owners defaulted on their mortgage.

“The housing market collapse was set off when the Federal Reserve returned interest rates to more normal levels, but it was a financial house of cards that was due to collapse, sending shock waves through the economy. It was just a matter of when, not if.” (Thomas Sowell)

All this government intervention in the housing market was done, of course, in the name of compassion, even though it looks to many observers more like politicians buying votes. But let's give the politicians the benefit of the doubt and assume they were motivated by compassion to make housing "affordable". Even so, compassion doesn't suspend the laws of economics. They are as fixed, as sure and certain, as the law of gravity.

The housing boom, created by government intervention in the markets, had to inevitably lead to a bust. But here's the point I wish to make: In all of this, the federal government has made the taxpayer the surety for all these risky home loans. The federal government rushes in with TARP (the Troubled Asset Relief Program) to come to the aid of financial institutions who were hit especially hard by the mortgage crisis—a crisis that politicians were largely responsible for. But where does the federal government get its money? From us, the taxpayers. What the federal government has effectively done is to make the taxpayer the surety for these risky home loans. Now, it's one thing when an individual becomes a surety by his own consent to guarantee a loan for a friend. It's quite another when the federal government forces its citizens without their consent to become the surety for perfect strangers who got themselves into a mess for signing on to a risky home loan. This is like someone forging your signature as a cosigner on someone's home loan and legally obligating you to pay it off when the owner defaults.

This is what is so maddening, so unethical, about the whole thing. The crisis was created in large part by politicians looking to buy votes; when the crisis comes, they blame bankers (whom they accuse of being greedy), and then they rush in with truckloads of money to look like the good guy, but the money they bring to the rescue is money taken from taxpayers.

### 6:6-11 *The Consequences of Laziness*

Now, just briefly, in the next section, verses 6-11, Solomon warns his son about the consequences of laziness.

Perhaps he intends a connection with what had spoken of in verses 1-5. Perhaps he offers this as a remedy for the man who stands in need of a surety. Perhaps he's suggesting that if the man worked hard, he would prosper and have no need for a surety when taking out a loan, and perhaps not even need to take out a loan at all.

Be that as it may, the first thing we should point out is that laziness is a *moral* failure. It is not merely that laziness is unwise, it is *sinful*. God has called us to work, to be productive. He himself set the pattern for us. Six days of work, one day of rest. Jesus said, "My Father is working until now, and I am working" (Jn. 5:17). If we sit on our tokhes all day we are sinning against God.

Laziness is a moral failure and like all moral failures, the consequences are very difficult to bear. And what is the consequence of laziness?

Poverty!

A little sleep, a little slumber,  
a little folding of the hands to rest,  
and poverty will come upon you like a robber,  
and want like an armed man (vv. 10-11)

If you want to be lazy, be lazy. But realize there is a price to be paid for it.

A sack hand causes poverty,  
But the hand of the diligent makes rich (Prov. 10:4).

We are to learn one of the biggest lessons of life from one of the smallest of God's creatures—the ant (vv. **6-8**). In light of this...what are you doing in bed!

How long will you lie there, O sluggard?  
When will you arise from your sleep? (v. 9)

Get up and get to work! Don't say, "I wish I had this; I wish I had that." Get up and work for it!

The work habits of ants have been noted by many people in different cultures (e.g. Aesop's fables). They really are amazing little creatures to watch, aren't they? Constantly, moving, constantly working. Have you ever seen an ant just stand still?

What are you doing to make your life better? *What* are you doing? Sitting around and wishing ain't gonna cause it to happen. Finding someone to blame isn't going to change things. Claiming to be a victim of circumstances, or a victim of the system, isn't going to improve your lot in life. *Working will*. Get moving. Go to school. Get good grades. Do something worth recognition. Get some technical training. Apply yourself. Put in a full day's work. Work harder and smarter than the next guy. If you do you'll be promoted. You'll be entrusted with more responsibility and receive greater pay. You can sit around all day on your tokhes playing video games, watching the idiot box, and listening to your tunes, but none of that is going to lead to prosperity.

Go to the ant, you sluggard! Consider her ways and be wise!

Amen!