

TWO CATEGORIES OF LOANS IN THE OLD TESTAMENT: SUBSISTENCE LOANS WITHOUT INTEREST AND PRODUCTIVE LOANS WITH INTEREST

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ABSTRACT

Two categories of loans are detected in Deut. 23.19-20, the main biblical passage at the centre of the usury debate throughout church history then and today. This paper first clarifies the main issues and provides a description of three possible interpretations: (1) radical ethnic status with a total ‘usury’ ban; (2) ethnic status with a two-tiered ethic; and (3) ethnic and economic status with a contrast between poor Israelites and foreign merchants. Then, three main claims are developed to support the third viewpoint: (a) *nešek* (‘interest’, used in Deut. 23.19) has a predominant contextual focus of protection for the poor; (b) *nokrî* (usually translated ‘foreigner’) conveys a distinctly economic association, designating a foreign merchant or trader in Deut. 23.20; and (c) finally, the three Torah usury passages together (Exod. 22.25; Lev. 25.35-37; Deut. 23.19-20) present a conceptual *explicit-implicit parallel* regarding the restriction and the permission of interest-taking on loans. Thus, subsistence loans for the working Israelite poor must be without interest, while productive loans offered to foreign merchants or traders can charge interest. Furthermore, offering interest-free subsistence loans for the working Israelite poor is an important component of Old Testament compassion and generosity (see Deut. 15.8; Ps. 112.5).

Introduction

Commercial loans have been a common business practice throughout human history. For example, we have Sumerian cuneiform documentation around 2300 BCE of a loan of silver and barley in southern Mesopotamia.¹ Furthermore, an important hallmark of Old Testament teaching is compas-

1. Marc Van de Mierop, ‘The Invention of Interest: Sumerian Loans’, in Goetzmann and Rouwenhorst (eds.), *Of Value: The Financial Innovations that Created Modern Capital Markets* (Oxford: Oxford University Press, 2005), p. 20.

sion for the poor and needy, which extended into the economic realm, as Michael Williams explains:

The [biblical] laws prohibiting the charging of interest recognize the potentialities of human need and human callousness and promote genuine assistance, thereby expressing God's demand for justice and social responsibility... This sort of religiously based valuation of human beings is in marked contrast to the main concern of ancient Near Eastern penal law, which is simply economic; that is, the safeguarding of property and the restitution of losses.²

Along with this important concern for the care of the poor, the present study also includes a concern for persons working in the arena of commerce. For example, not only does the woman in Proverbs 31 open 'her hand to the poor' (Prov. 31.20), she also regularly engages with merchants in commercial enterprise (Prov. 31.18, 24)—the tone of the reference implies trading with merchants is a good activity—in the course of providing for her household (Prov. 31.27).

Unfortunately, for most of history, the Christian church adopted a more restrictive application in which interest-taking on *any* loans was banned among all Christians, resulting in a severe constraint on common business practices for merchants, traders and shopkeepers throughout the Middle Ages. Finally, in the Reformation era, both Protestant and Catholic theologians reassessed the total-usury-ban interpretation applied to all Christians, resulting in a clarification between legitimate and illegitimate usury, since 'usury' was the sole term meaning any 'interest' until about the eighteenth century.³ As David Jones notes, John Calvin made an important contribution in this field: 'Of all the major Protestant reformers, Calvin's treatment of lending money at interest is the most systematic in regard to the Church's traditional arguments against the practice of usury... Calvin claimed that as long as usurious transactions [usury in the legitimate broader sense] do not harm either the borrower or the lender, they may be tolerated.'⁴ A study of

2. Michael J. Williams, 'Taking Interest in Taking Interest', in Sacher Fox, Glatt-Gilad and Williams (eds.), *Mishneh Todah: Studies in Deuteronomy and its Cultural Environment in Honor of Jeffrey H. Tigay* (Winona Lake, IN: Eisenbrauns, 2009), p. 128.

3. One can verify that 'usury' was the sole term for any interest by consulting a 1611 King James Bible. For example, in Mt. 25.27 and Deut. 23.19, where the KJV has 'usury', contemporary translations employ the word 'interest'.

4. David W. Jones, *Reforming the Morality of Usury* (Washington, DC: University Press of America, 2004), pp. 72, 81. Jones analyses the views on usury by John Calvin, Martin Luther and a group of Anabaptist reformers. For a treatment of the Scholastic engagement on usury during the Middle Ages, see John T. Noonan, *The Scholastic Analysis of Usury* (Cambridge, MA: Harvard University Press, 1957).

usury and lending will need to keep in mind a genuine concern for both the poor and the businessperson.

The purpose of this chapter is to re-examine the Old Testament data on usury and lending, offer a brief survey of the main issues, and identify two distinct categories of loans that are acknowledged in the Old Testament: subsistence loans without interest and productive loans with interest.⁵ The primary Old Testament passage for the ban on usury is found in the Torah, in Deut. 23.19:

You shall not charge interest on loans to your brother, interest on money, interest on food, interest on anything that is lent for interest.⁶

Why did this particular passage, understood as teaching a general prohibition against taking interests on loans, generate so much attention throughout church history?

There are three Torah passages that command that no interest should be taken on loans. For *two* of these passages, interest could not be taken on loans particularly for the working poor (Exod. 22.25; Lev. 25.35-37). Yet for the third passage, Deut. 23.19, there appears to be no such limited focus.

Exod. 22.25

If you lend money to any of my people with you who is poor, you shall not be like a moneylender [*nōše*’, participle] to him, and you shall not exact interest [*nešek*, noun] from him.

Lev. 25.35-37

[35] If your brother becomes poor and cannot maintain himself with you, you shall support him as though he were a stranger and a sojourner, and he shall live with you. [36] Take no interest [*nešek*] from him or profit, but fear your God, that your brother may live beside you. [37] You shall not lend him your money at interest [*nešek*], nor give him your food for profit.

Deut. 23.19-20

[19] You shall not charge interest on loans [*nāšak* II, verb] to your brother, interest [*nešek*, noun] on money, interest [*nešek*] on food, interest [*nešek*] on anything that is lent for interest [*nāšak* II, verb]. [20] You may charge a foreigner [*nokrī*] interest [*nāšak* II, verb], but you may not charge your brother interest [*nāšak* II, verb], that the LORD your God may bless you in all that you undertake in the land that you are entering to take possession of it.

5. For further details, see Klaus Issler, ‘Lending and Interest in the Old Testament: Examining Three Interpretations that Explain the Deuteronomy 23:19-20 Distinction in Light of the Historical Usury Debate’, *JETS* 59 (2016), pp. 761-89. For an orientation to the usury literature, see John M. Houkes, *An Annotated Bibliography on the History of Usury and Interest from the Earliest Time through the Eighteenth Century* (Lewiston, NY: Edwin Mellon Press, 2004).

6. Scripture references are from the ESV, unless otherwise noted.

The core of the usury debate involves the apparent difference of focus from the ‘poor brother’ (Exod. 22.25; Lev. 25.35) to the ‘brother’ without any explicit connection to being poor (Deut. 23.19). After clarifying the scope of the study and treating some background matters, we will outline the main issues and interpretations of Deut. 23.19-20. Then, an argument will be offered that supports one of these interpretations.

At the outset, let me state the obvious. The discussion refers to the matter of loans that were offered to fellow Israelites who had the potential for paying the loan back. One does not offer a loan to someone who has no means of paying it back; in that case one offers charity. The subject of charity is a different one, for which the Old Testament makes provision through other means—for example, gleaning (Lev. 19.9-10), the sabbatical year (Exod. 23.10-11), and triennial tithes (Deut. 14.28-29). Our topic here is lending, not charity.

1. *Scope of the Study on Interest and Lending in the Bible*

What does the Bible say about interest and lending? In the New Testament, the word for ‘interest’ (τόκος) appears only twice, in two of Jesus’ parables: talents (Mt. 25.14-30) and minas/pounds (Lk. 19.11-27). In both parables, the master scolds the lazy servant for not engaging in business with the money entrusted to him, and recommending that at least he could have earned some interest by depositing the money in the bank (Mt. 25.27; Lk. 19.23). Yet these New Testament passages were not included in the historical usury debate to affirm interest-taking as a legitimate practice within certain economic contexts. A likely reason is that Jesus’ parables were understood as conveying mainly allegorical meanings regarding the various particulars of the storyline. Parable scholar Craig Blomberg notes, ‘*Throughout the history of the church, most Christians interpreted the parables as allegories. That is, interpreters assumed that many of the individual characters or objects in the parables stood for something other than themselves.*’⁷ Thus, certain economic details that have relevance for us today (for example, a positive reference about earning interest from the bank) were overlooked. It was viewed that these parabolic details did not provide substantive, theological data to be considered in the usury debate until more recent times. Yet, as Bradley Root notes, ‘The parable [of the talents and minas] not only assumes a monetized economy, but also mentions banking and lending money at interest.’⁸

7. Craig Blomberg, *Interpreting the Parables* (Downers Grove, IL: InterVarsity Press, 2nd edn, 2012), p. 19 (italics original).

8. Bradley W. Root, *First Century Galilee* (WUNT II, 378; Tübingen: Mohr Siebeck, 2014), p. 62. I indirectly address some relevant factors in the parable of the talents in

In the Old Testament the term ‘interest’ (Heb. *nešek*), occurs twelve times, of which six appear in the foundational section of the Old Testament, the Torah, in the three passages quoted above: Exod. 22.25 (one time), Lev. 25.35-37 (two times) and Deut. 23.19 (three times). A factor that has not always received sufficient attention is v. 20 that follows Deut. 23.19: ‘You may charge a foreigner interest, but you may not charge your brother interest’ (Deut. 23.20). Here, interest-taking is permitted on Israelite loans to a ‘foreigner’ but not with a ‘brother’. What is meant by these two pairs of terms has been explained in three differing ways. Before exploring these options, a few background matters need our attention.

2. Background Information

There is some confusion in the literature about two particular sets of Hebrew verbs that need clarification. A common misunderstanding concerns the relationship between the noun *nešek* (‘interest’), its related verbal form, *nāšak* II (‘to earn interest’), and a verb with the same Hebrew letters, *nāšak* I (‘to bite’). Earlier Hebrew lexicons, such as the Brown-Driver-Briggs *Hebrew and English Lexicon*, stated there was only one root, and it meant both ‘to charge interest’ and ‘to bite’. Thus, charging interest was like taking a bite, indicating a negative action. For example, the following quotation illustrates this blending of two meanings. Hillel Gamoran reported in 1971 that ‘The most widely accepted view today is that *neshek* was derived from the Hebrew root *n sh k*, “to bite”, and referred to interest “bitten off” or deducted before the loan was advanced...’⁹ But recent Hebrew lexicons note a clear difference between these two verbal meanings and explain them as a case of homonymy: root I ‘to bite’ (12 times in the Old Testament, mostly of snake bites), and root II ‘to earn interest’.¹⁰ Our focus is with the second verb, *nāšak* II.

Also, there are two different Hebrew verbs that relate to our particular subject of lending. Lending with *interest* (*nāšak*, root II, just noted above, used 5 times) is the term occurring in Exod. 22.25. The other term, lending with *a pledge* (*nāšā*, used 12 times), appears, for example, in Deut. 24.10: ‘When you make your neighbor a loan of any sort, you shall not go into his house to collect his pledge’. Thus, when translating a passage, one must

Klaus Issler, ‘Five Factors of New Testament Economic Interpretation: Rohrbaugh’s Parable of the Talents’, *Journal of Markets and Morality* 20 (2017), pp. 243-61.

9. Hillel Gamoran, ‘The Biblical Law against Loans on Interest’, *JNES* 30 (1971), pp. 127-34 (131).

10. For example, this difference of root is found in David Stec, ‘*nš*k I’ and ‘*nš*k II’, *The Dictionary of Classical Hebrew*, V, pp. 777-78; Robin Wakely, ‘*nāšak* I’ and ‘*nāšak* II’, *NIDOTE*, III, pp. 185-89.

attend to which particular term appears in the Hebrew text, either lending with interest (*nāšak*, root II), or lending without interest but with a pledge (*nāšāʿ*). By not attending to this distinction some English Bibles (for example, ESV, NIV, NRSV) have brought confusion to the topic.

For example, the word ‘interest’ appears in some English translations in Neh. 5.7 and 5.10, ‘You are exacting interest, each from his brother’ (5.7, ESV; NASV has ‘usury’). Yet another Hebrew term occurs here in Neh. 5.7, 10 (and also 10.31), *maššāʿ* (used only in these three verses). This word comes from the verb *nāšāʿ* I, ‘to lend against a pledge’, noted above. Thus, the NET Bible correctly translates Neh. 5.7 as ‘Each one of you is seizing the collateral from your own countrymen!’ The main problem Nehemiah confronts is the matter of loan pledges, not taking interest, as David J.A. Clines explains: ‘The reason for his rebuke is apparently not because they were charging interest, but because of the evils which arose from demanding pledges’.¹¹ With these clarifications, let us consider the matter in Deut. 23.19-20.

3. Overview of the Main Issues

Table 1: Three Interpretations of the Contrast in Deuteronomy 23.19-20

CONTRAST of Brother–Foreigner in Deut. 23.19-20? Three Interpretations:	A. SCOPE of Ban on ‘Usury’	B. RELATIONSHIP of Three Torah ‘Usury’ Passages	C. MORALITY of ‘Usury’
1. Radical Ethnic Status with a Total ‘Usury’ Ban Israelites vs. the foreigner as Israel’s enemy	<i>Ban on ‘usury’ for all</i>	<i>Is dissimilar: Deut. 23.19-20</i>	<i>‘Usury’ is essentially immoral</i>
2. Ethnic Status with a Two-Tiered Ethic No ‘usury’ among Israelites but ‘usury’ is legitimate with non-Israelites	<i>Ban on ‘usury’ among All Israelites</i>	<i>Overrides Exod. 22.25 and Lev. 25.35-37</i>	<i>‘Usury’ is morally legitimate (within certain economic contexts)</i>
3. Ethnic and Economic Status with a Contrast between Poor Israelites and Foreign Merchants No ‘usury’ from the Israelite poor, but ‘usury’ is legitimate for loans with foreign merchants	<i>Ban on ‘usury’ to Israelite poor only</i>	<i>Is similar: Deut. 23.19-20 affirms Exod. 22.25 and Lev. 25.35-37</i>	

11. David J.A. Clines, *Ezra, Nehemiah, Esther* (NCBC; Grand Rapids, MI: Eerdmans, 1984), 168.

‘Usury’ referred to any interest, not just usurious interest, until about the eighteenth century.

Table 1 provides an overview of the three interpretations of Deut. 23.19-20, in which each respective view takes a stand regarding the following three relevant issues:

- A. *Scope of Usury Ban.* To whom does the ban against interest on loans apply: only to the poor (as stated in Exod. 22.25; Lev. 25.25-37) or to the ‘brother’ (as stated in Deut. 23.19-20)?
- B. *Relationship of Three Torah Usury Passages.* Does Deut. 23.19-20 override or affirm the two other usury passages (Exod. 22.25; Lev. 25.35-37)?
- C. *Morality of Usury.* Is it morally legitimate or illegitimate to take interest on a loan?

Thus, regarding the contrast intended between ‘brother’ and ‘foreigner’ in Deut. 23.19-20, there are three possible interpretations that incorporate decisions about these three issues listed above.

First Interpretation: Radical Ethnic Status with a Total ‘Usury’ Ban: Israelites versus the Foreigner as Israel’s Enemy. According to this view, the distinction in this passage is one of difference of ethnicity that regards all non-Israelites as adverse enemies and as under God’s judgment for destruction (*ḥāram*; see, e.g., Deut. 20.17; Josh. 6.17-18, 21). One treats those within the Israelite covenant of ‘brotherhood’ well by not charging interest, but foreigners are viewed as enemies who deserve worse treatment, as Ambrose (d. 397 CE), an early church father, explains,

Upon him whom you rightly desire to harm, against whom weapons are lawfully carried, upon him usury is legally imposed... From him exact usury whom it would not be a crime to kill. He fights without a weapon who demands usury, without a sword he revenges himself upon an enemy, who is an interest collector from his foe. Therefore where there is the right of war, there also is the right of usury.¹²

As in war times one can use weapons of destruction against one’s enemies, so this passage permits using immoral means (taking interest) to make one’s enemies suffer.

For this interpretation, Deut. 23.19 is viewed as offering the last word on the matter, different from the other two Torah passages. Within the covenant of the Israelite ‘brotherhood’ community, charging any interest on a loan

12. Ambrose, *De Tobia* 15.51 (*S. Ambrosii De Tobia: A Commentary, with an Introduction and Translation* [trans. Zucker; Patristic Studies, 35; Washington, DC: Catholic University of America Press, 1933], p. 13); http://www.povertystudies.org/Ambrose_DeTobia_Zucker.pdf [accessed 25 November 2015].

is always banned—and that is the ideal, normative also for us today. Passages in the rest of the Old Testament are viewed as confirming this blanket prohibition; as Roland Boer notes, ‘It is the assumption of a surprising number of biblical texts that advise giving credit without extracting interest (Deut.15:7-8; Ezek. 18:16), ban interest (Exod. 22:24 [25 ET]; Deut. 23:30-21 [19-20 ET]; Lev. 25:35-37), or see interest as a sign of depravity (Ezek. 22:12) or as punishment (Isa. 24:2; 50:11; Job 24:9; Ps. 112:5-6).’¹³

For many years throughout church history, a complete ban on any interest on loans was understood to be what the Old Testament taught. For example, Robert Maloney notes: ‘The Fathers saw the Old Testament prohibition [against usury] as still binding,’ and in their view ‘usury was incompatible with Christian love’.¹⁴ Likewise, Brenda Ihssen states, ‘One safely concludes that they [i.e., the Greek church fathers] did not consider usury to be either a moral, justifiable or advantageous action, but in fact, almost unanimously argued against the practice.’¹⁵ According to Bruce Ballard and many others, this view is the right one also today: ‘The Old Testament clearly condemns lending money or anything else at any interest at all... If my exposition of the doctrine of usury is correct, then interest-taking is as much a sin as ever.’¹⁶

Second Interpretation: Ethnic Status with a Two-Tiered Ethic: No ‘Usury’ among Israelites, but ‘Usury’ Is Legitimate with Non-Israelites. As in the option above, the distinction is one of ethnicity, but not so radical. According to this view, Deut. 23.19-20 supersedes previous legislation and teaches that Israelites ought to take the higher moral ground by not charging interest on loans among themselves, whereas it is lawful to charge interest and receive interest from foreigners. Edward Neufeld clarifies,

While the provisions in Exodus and in Leviticus are limited only to an impoverished Hebrew borrower, the Deuteronomic law prohibits absolutely the loans at interest to a Hebrew ‘brother’ without reference to his economic status. The permission to lend at interest to a *nokri* [foreigner], no matter whether he be poor or rich, though implicit in the terms of Exodus and Leviticus is explicitly granted in Deuteronomy.¹⁷

13. Roland Boer, *The Sacred Economy of Ancient Israel* (Louisville, KY: Westminster/John Knox Press, 2015), p. 157.

14. Robert Maloney, ‘Teaching of the Fathers on Usury: An Historical Study of the Development of Christian Thinking’, *VC* 27 (1973), pp. 241-65 (242).

15. Brenda Ihssen, *They Who Give from Evil: The Response of the Eastern Church to Moneylending in the Early Christian Era* (Eugene, OR: Pickwick, 2012), p. 188.

16. Bruce Ballard, ‘On the Sin of Usury: A Biblical Economic Ethic’, *Christian Scholar’s Review* 24 (1994), pp. 210-28 (214, 227).

17. Edward Neufeld, ‘The Prohibitions against Loans at Interest in Ancient Hebrew Laws’, *HUCA* 26 (1955), pp. 355-412 (358).

Similarly, Samuel L. Adams acknowledges that although ‘the law in Exodus leaves open the possibility of interest among insiders of certain means, this expanded statute from Deuteronomy [23.19-20] allows interest-bearing loans only to a “foreigner”’.¹⁸ Taking interest on loans is a legitimate economic practice with foreigners, but never permitted within the Israelite covenant community, neither on loans for the poor nor on productive loans of commerce.

Third Interpretation: Ethnic and Economic Status with a Contrast between Poor Israelites and Foreign Merchants: No ‘Usury’ for the Israelite Poor, but ‘Usury’ is Legitimate for Loans with Foreign Merchants. The intended contrast in Deut. 23.19-20 is about both ethnic *and* economic features for each party identified, with a different command applied to each. As to parties, in v. 19 the ‘brother’ is both ethnically Israelite and economically poor. In v. 20 the ‘foreigner’ is ethnically, a non-Israelite, and economically, a wealthier merchant who engages in commerce with wealthier Israelites.¹⁹ As to the relevant commands, no interest is allowed for a loan to a poor Israelite ‘brother’ who, through an unfortunate loss, needs a subsistence loan to make it through until the next annual harvest (or series of harvests) when he hopes to re-pay the loan. On the other hand, it is right to give loans with interest to a business merchant who willingly enters an interest-bearing loan contract with an Israelite and has sufficient surplus to repay the loan with interest (v. 20). Bernard J. Meislin and Morris Cohen clarify, ‘The implications of permitting loans at interest to such foreigners may evidence an indulgence in permitting commercial investments at interest ... This was not subsistence or distress loans to Gentiles’ consequently, it cannot be construed in that regard as a dual ethic.’²⁰ David L. Baker concurs,

The [Deuteronomic] law gives permission to charge interest on a loan to a foreigner (נוכרי, v. 20a). Although only explicit in Deuteronomy, this is probably implied in Exodus and Leviticus as well. Unlike the resident alien (גר [ger]), foreigners are not part of the covenant community and non-members are not subject to the law—either to keep or to benefit—so they are not treated in exactly the same as fellow-Israelites (cf. 14:21; 15:3; 17:15).²¹

18. Samuel L. Adams, *Social and Economic Life in Second Temple Judea* (Louisville, KY: Westminster John Knox Press, 2014), p. 108.

19. The argument for inferring that a ‘poor’ brother is implied in v. 19 is developed later in the chapter. An explicit reference to the poor brother and lending appears earlier in Deut. 15.7-9, as will be noted. The argument about ‘foreigner’ in v. 20 as a foreign merchant is developed later as well.

20. Bernard J. Meislin and Morris L. Cohen, ‘Backgrounds of the Biblical Law against Usury’, *Comparative Studies in Society and History* 6 (1964), pp. 250-67 (264).

21. David L. Baker, *Tight Fists or Open Hands? Wealth and Poverty in the Old Testament Law* (Grand Rapids, MI: Eerdmans, 2009), p. 263.

Similarly, Christopher J.H. Wright affirms this distinction:

The taking of *interest* for loans was prohibited between Israelites (Exod 22:25; Lev. 25:36-37; Deut. 23:9-20). This did not refer to interest as we understand it in a commercial investment. Deuteronomy's permission to charge interest to a 'foreigner' probably has that kind of commercial trading in mind.²²

Since the main focus of the ban on interest is to care for the Israelite poor and needy, productive loans of commerce are explicitly permitted with foreigners, and probably also among Israelites engaged in commerce. Baker clarifies this inference as follows:

The context of these laws in the Book of the Covenant [in which Exod 22:25 appears] and Holiness Code [in which Lev 25:35-37 appears] is exploitation of the poor, so it does not follow that it is forbidden to lend at interest to the *rich*. From ancient times there has been a distinction between productive loans, providing capital for trade or investment, and unproductive loans, which are made to supply immediate need.²³

This third interpretation affirms that all three Torah passages restrict the ban on interest only for subsistence loans to the Israelite poor. In the remaining portion of the chapter, I present an argument to support this particular interpretation.

4. Evidence that Supports the Third View— *Ethnic and Economic Status Contrast Interpretation*

The third interpretation, the 'Ethnic and Economic Status-interpretation', regards the intended contrast as between the unfortunate poor Israelite (i.e., ban on interest-taking from the poor, v. 19) and the foreign business merchant (i.e., permission of interest-taking for commercial purposes, v. 20). Biddle summarizes this perspective as follows: 'In fact, since most traders in the ancient Near East did business internationally, the permission to charge interest of "foreigners" may be understood less as a form of ethnocentricity and more as drawing a distinction between lending to the needy in one's community and credit as a component of commercial transactions.'²⁴ This particular view is supported with three main points, in which the prohibition against interest is applied only on loans to the Israelite poor, and the permission to charge interest is applied on Israelite loans with foreign merchants.

22. Christopher J.H. Wright, *Old Testament Ethics for the People of God* (Downers Grove, IL: InterVarsity Press, 2004), p. 165.

23. Baker, *Tight Fists or Open Hands?*, p. 265.

24. Mark E. Biddle, *Deuteronomy* (Macon, GA: Smyth & Helwys, 2003), pp. 252-53; see also Biddle, 'The Biblical Prohibition against Usury', *Int* 65 (2011), pp. 117-21.

First, the use of the Old Testament term for interest, *nešek*, has a predominant contextual focus of protection for the poor. The term occurs twelve times in the Old Testament, three times in Deut. 23.19. Of the nine other uses, seven occurrences have a clear contextual focus on protecting the poor: Exod. 22.25; Lev. 25.36, 37 (two times); Ezek. 18.8, 13, 17; and Prov. 28.8. As Bruce Waltke notes, ‘The parallel, “poor,” in Prov. 28:8 and the context (see vv. 3, 6, 11) strongly favors restricting its meaning to charging interest from the needy.’²⁵

A particular pairing of terms may also confirm a focus on the poor for the use of *nešek* in these four non-Torah verses. The Hebrew term in question, *tarbit*, occurs only six times in the Old Testament, but always paired as the second partner with *nešek*. There is no consensus of agreement about the meaning of *tarbit*; for our purposes, it basically conveys the same idea as ‘interest’; English translations such as NIV, ESV and NRSV usually employ the word ‘profit’. The first appearance of this pair of terms is in Lev. 25.36 (‘Take no interest [*nešek*] from him or profit [*tarbit*]’), applied specifically for subsistence loans to the poor (v. 35). Four other occurrences of *tarbit* are found in Ezek. 18.8, 13, 17, and in Prov. 28.8. A sixth appearance of this pair appears in Ezek. 22.12, which is our eighth reference for *nešek*. Although the immediate context does not refer to the poor, this pairing of terms that first appeared in Lev. 25.36, suggests an implied reference to the poor in the use of *nešek*, as in the case in Leviticus.

Only Ps. 15.5, the ninth use of *nešek* outside of Deut. 23.19-20, has no explicit reference to the poor. Yet, since eight of these nine occurrences of *nešek* offer a clear indication of application to the poor, such predominant usage supports the interpretation that this protective prohibition against interest also pertains to the three uses of *nešek* in Deut. 23.19.

Furthermore, an earlier section in Deuteronomy treats the subject of lending with an explicit reference to the concern for the poor. The respective verse is found in Deut. 15.7:

If among you, one of your brothers should become poor, in any of your towns within your land that the LORD your God is giving you, you shall not harden your heart or shut your hand against your poor brother.

The beginning of this verse has some similarity with Lev. 25.35, which reads as follows:

If your brother becomes poor and cannot maintain himself with you, you shall support him as though he were a stranger and a sojourner, and he shall live with you.

25. Bruce Waltke, *The Book of Proverbs: Chapters 15–31* (NICOT; Grand Rapids, MI: Eerdmans, 2005), p. 413.

It seems appropriate to regard Deut. 23.19-20, then, as a follow up discussion to this earlier section in Deut. 15.7-11, in which the focus was concern for the poor brother. Peter Craigie in his commentary on Deuteronomy affirms an understanding that all three Torah usury passages convey the same ban on loans to the poor: ‘Loans were normally made in an attempt to alleviate poverty [Deut 23:19], as is made clear by the parallel legislation to these verses [Exod. 22:25; Lev. 25:35-36].’²⁶

Secondly, the term usually translated in the Old Testament as ‘foreigner’ (*nokrî*) conveys a distinctly economic association, designating a foreign merchant or trader in Deut. 23.20, according to a scholarly consensus. For example, Jeffrey Tigay explains, ‘The foreigner is normally a businessman visiting the country for purposes of trade, and he borrows in order to invest in merchandise and make a profit, not to survive poverty. There is no moral imperative to remit loans made for such purposes [Deut 15:3] or forgo interest on them [Deut 23:20].’²⁷ Markus Zehnder clarifies, ‘The provisions of Deut 14.21; 15.23 and 23.20f. suggest that [the foreigner’s] relationship with Israel was located in the economic sector. At the same time, these provisions make it clear that the economic position of the נכרי is classified as “strong”...’²⁸ This economic meaning (‘merchant’) for a general term (‘foreigner’) is not unique in the Old Testament. A similar secondary association for ‘trader’ exists for the general term ‘Canaanite’ (*kěna ʿānî*), which is translated as ‘trader’ in ten cases (Isa. 23.8; Ezek. 16.29; 17.4, Hos. 12.7; Zeph. 1.11; Zech. 11.7, 11; 14.21; Job 41.6; Prov. 31.24). Thus, *nokrî* is best rendered as ‘(foreign) merchant or trader’ in Deut. 23.20.

Finally, the three Torah usury passages together present a conceptual *explicit-implicit parallel* regarding the restriction and the permission of interest-taking. Both Exod. 22.25 and Lev. 25.35-37 explicitly teach a ban against taking interest on loans with the poor. Accordingly, such a restrictive decree implies that there is no prohibition on interest-taking loans outside of that limited scope.

Thus, what was *explicit* in Deut. 23.20—that Israelites may take interest from a *nokrî*, a foreign merchant or trader—was *implicit* in Exod. 22.25

26. Peter Craigie, *The Book of Deuteronomy* (NICOT; Grand Rapids, MI: Eerdmans, 1976), p. 302.

27. Jeffrey H. Tigay, *Deuteronomy* (JPS Torah Commentary; Philadelphia: Jewish Publication Society, 1996), p. 218.

28. ‘Die Bestimmungen von Dtn 14,21; 15,3 und 23,20f. legen die Vermutung nahe, dass seine Beziehung zu Israel v.a. im wirtschaftlichen Bereich anzusiedeln ist. Aus diesen Bestimmungen wird zugleich deutlich, dass die wirtschaftliche Stellung des נכרי als “stark” eingestuft wird’ (Markus Zehnder, *Umgang mit Fremden in Israel und Assyrien* [BWANT, 168; Stuttgart: Kohlhammer, 2005], p. 372).

and Lev. 25.35-37—taking interest is legitimate for other purposes beyond subsistence loans to the poor, as Neufeld affirms: ‘The permission to lend at interest to a *nokrī*, no matter whether he be poor or rich, though implicit in the terms of Exodus and Leviticus is explicitly granted in Deuteronomy.’²⁹

Accordingly, what was *explicit* in Exod. 22.25 and Lev. 25.35-37—taking no interest from the poor—was implied in Deut. 23.19-20: take no interest from the ‘poor’ brother (in light of the predominant use of *nešek* with a focus on the poor), as Walter Brueggemann confirms: ‘The earlier regulation of Exodus 22:25 identifies the “poor” as the subject of the commandment, an intent implicit here [Deut. 23:19-20] as well.’³⁰ Additionally, Exod. 22.25 includes a similar sort of contrast, as translated in the NIV: ‘If you lend money to one of my people among you who is needy, do not treat it like a business deal; charge no interest.’

Furthermore, it is important to note that interest-free subsistence loans for the working Israelite poor who have the potential for repayment is one component of Old Testament generosity, as especially clarified in Deut. 15.8 (‘You should rather open your hand, willingly lending enough to meet the need, whatever it may be’) and in Ps. 112.5 (‘Good will comes to those who are generous and lend freely, who conduct their affairs with justice’). But why not make an outright gift rather than arrange a loan? Consider John Goldingay’s comment:

[Ps 112:5 affirms] ... a willingness to lend. We might think it would express itself in a willingness to give, and the psalm will come to that [v. 9], but this colon makes another point. Lending and borrowing is a common feature of life. In Western society it mostly means people with resources increasing those resources by lending to people with none. In the Old Testament, lending is a means of the rich helping the poor, not helping themselves, and not making them the recipients of charity but giving them [the working poor] means of reestablishing themselves, after which they would pay back the loan (see, e.g., Exodus 22:25-27). Its ideology was closer to that of credit unions and building societies. Here, goodness includes being willing to use one’s surplus wealth for the benefit of others. When they pay it back, it becomes available to help yet others.³¹

Such loans can both affirm the dignity of the needy Israelite and also avoid the potential for long-term dependency on charity.

29. Neufeld, ‘The Prohibitions against Loans at Interest’, p. 358.

30. Walter Brueggemann, *Money and Possessions* (Louisville, KY: Westminster John Knox Press, 2016), p. 48.

31. John Goldingay, *Psalms* (Baker Commentary on the Old Testament Wisdom and Psalms; Grand Rapids, MI: Baker Book House, 2008), I, pp. 311-12.

5. Historical Note regarding the Usury Debate

Unfortunately, since the first interpretive option—the ethnic status with a total usury ban for which interest-bearing loans were regarded as immoral—was regarded as the authoritative biblical teaching for most of church history, businesses were severely constrained throughout the Middle Ages. Enforcement included the threat of excommunication for taking usury (i.e. any interest). Furthermore, since businesses require lending as a normal practice, this restrictive interpretation yielded the circumstance in which Jewish persons became the primary moneylenders, since they could traffic in supposedly immoral usury loans, being regarded as outside of the Christian covenant as the ‘enemies of God’.³² Eventually this difficult situation helped to foster attitudes of anti-Semitism and, subsequently, led to expulsions of Jewish people from various European nations (for example, England, 1290; France, 1306, 1321–22, 1394; Spain, 1492; and Portugal, 1496–97).³³

On a more positive note, in the fifteenth century, two Franciscan brothers started a lending organization, *monte di pietà* (‘mound of piety’), to offer minimal-cost financial assistance to the poor. Initially these *montes* or ‘charitable pawnshops’ loaned money with pledges as collateral, similar to the Old Testament guidelines. Yet, as more *montes* were established and donations slowly decreased over succeeding decades, lenders were faced with the problem of sustainability. Thus, to remain solvent and able to provide their services, the directors were required to start charging a nominal interest rate on loans—lower than the moneylenders of that day—in order to pay the expenses for employees and administration.³⁴

Explaining this shift toward charging interest requires discerning what was the original context for which the Old Testament usury prohibition applied in that day. Most likely the social context involved *person-to-person* subsistence loans. Today we label these as ‘family and friend’ loans, which can more easily be interest-free since there are no additional expenses for administrative and other overhead costs. But when an organization has employees, as these *montes* eventually did hire, then there is a shift in cat-

32. A phrase used by the Italian Dominican friar Girolamo Savonarola (d. 1498), cited in Carol Bresnahan Menning, ‘The Monte’s “Monte”: The Early Supporters of Florence’s Monte di Pietà’, *Sixteenth Century Journal* 23 (1992), pp. 661-76 (665).

33. Maristella Botticini and Zvi Eckstein, *Chosen Few, The Chosen Few: How Education Shaped Jewish History, 70–1492* (Princeton, NJ: Princeton University Press, 2012), pp. 5, 44.

34. For further study, see Carol Bresnahan Menning, *Charity and State in Later Renaissance Italy: The Monte di Pietà of Florence* (Ithaca, NY: Cornell University Press, 1993).

egory to an *organization-to-person* loan, which requires fees or interest to pay these administrative and overhead costs.

The Old Testament acknowledges the practice of credit and moneylending, but does not offer further details (see, e.g., Exod. 22.25; Deut. 23.20; 2 Kgs 4.1; Isa. 24.2; 50.1; Ps. 109.11). If the lending organization's expenses cannot be sufficiently covered by donations, then these costs must be paid by those receiving the loans. It was this type of reasoning that resulted in an exception approved—not without controversy—by the Catholic Church in 1515, which held strongly to the total usury ban interpretation and application.³⁵ The launching of these *montes* during the fifteenth century represents an innovative means for making credit and capital available to the working poor, a precursor of the contemporary Microfinance Institution (MFI) lending movement that offers loans throughout the world to those poor who have an entrepreneurial spirit to help launch new businesses.³⁶

6. Conclusion

Deuteronomy 23.19-20 has been the main passage of focus in the usury debate throughout church history, and it continues to be a passage of contention today. A closer look at this Scriptural text revealed three possible interpretations: (1) radical ethnic status with a total 'usury' ban; (2) ethnic status with a two-tiered ethic; and (3) ethnic and economic status with a contrast between poor Israelites and foreign merchants.

This chapter made a case for an ethnic and economic status contrast, in which the intended contrast in Deut. 23.19-20 is between two parties who exhibit a differing combination of ethnic and economic status: the 'brother', who is ethnically *Israelite* and economically *poor* (v. 19), and the *nokrî* (usually 'foreigner', here 'merchant' or 'trader'), who is ethnically *foreign* and economically *wealthier* (v. 20). This view affirms that (a) the scope of the ban against interest on loans is limited to protecting the Israelite poor, (b) all three Torah usury passages make the same point, and (c) taking interest is morally legitimate within certain economic contexts (beyond subsistence loans to the poor). Thus, the third interpretation, of an ethnic and eco-

35. Thomas Divine, *Interest: An Historical and Analytic Study* (Milwaukee, WI: Marquette University Press, 1959), pp. 57-58.

36. For further information about microfinance lending, see Peter Greer and Phil Smith, *The Poor Will Be Glad: Joining the Revolution to Lift the World Out of Poverty* (Grand Rapids, MI: Zondervan, 2009). Greer is the president of a Christian MFI, Hope International. Greer and Smith clarify, 'It is crucial for an MFI to charge interest rates that allow it to become self-sustaining in the long term so that it can continue to service its community [with] ... enough interest income to pay for inflation, defaults, and operational overhead... A financially solvent MFI means the community can count on having access to loans and other financial services' (pp. 107-109).

conomic status contrast, clearly makes an important distinction between two categories of loans: Subsistence loans for the working Israelite poor must be without interest, while productive loans offered to foreign merchants or traders can charge interest, and most likely between Israelites engaged in commerce. Such an arrangement was a common practice in the ancient Near East, as Baker notes: ‘It appears that there were two parallel systems of credit: subsistence and commercial. The former concerned loans to small farmers, to provide capital for sowing their fields or to survive until harvest... However, there was also a commercial system functioning among merchants, who took loans to finance their business.’³⁷

Deuteronomy 23.19-20 can be paraphrased as, Do not charge interest on basic subsistence loans to the Israelite poor and needy, but you may charge interest on loans for other purposes, including for commerce, to foreign merchants.

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37. Baker, *Tights Fists or Open Hands?*, p. 268.

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