

Many Christians ask: Is it wrong to lend money with interest? The Bible clearly addresses this issue and gives distinctions between lending to fellow believers and lending to outsiders.

1. The Biblical Principle of Lending Without Interest Among Believers

In the Old Testament, God gave specific instructions to Israel regarding lending. They were forbidden from charging interest to one another — particularly when the person in need was poor or struggling. This principle reflected God's compassion and justice among His covenant people.

Deuteronomy 23:19-20 (NIV):

Do not charge a fellow Israelite interest, whether on money or food or anything else that may earn interest.

You may charge a foreigner interest, but not a fellow Israelite, so that the Lord your God may bless you in everything you put your hand to in the land you are entering to possess.

This law was not merely economic; it was spiritual. It demonstrated love, care, and solidarity among God's people. To exploit someone in need — especially a fellow believer — for personal gain is seen as a lack of love and contrary to God's nature.

Exodus 22:25 (ESV):

If you lend money to any of my people with you who is poor, you shall not be like a moneylender to him, and you shall not exact interest from him.

The heart behind this command is mercy. Just as God had been merciful to Israel in their slavery, they were to reflect that same mercy to others (see Deut. 15:12-15). Charging interest to a brother in need was viewed as taking advantage of their misfortune — something God strongly opposed.

2. Charging Interest to Outsiders Was Permitted

While interest was forbidden among Israelite brothers, God

allowed the charging of interest to foreigners — those outside the covenant community.

Deuteronomy 23:20 (NIV):

You may charge a foreigner interest, but not a fellow Israelite...

This reflects the distinction between family and outsiders. Within the family of God, love, generosity, and mercy are expected. But with outsiders, regular economic practices — including interest — were allowed.

Even today, charging interest in business (e.g., banking, investments, or trade) is not sinful in itself. Interest allows businesses to function, loans to be managed, and economies to grow. However, the motive and context matter greatly. If the goal is exploitation, even legal interest becomes immoral.

3. The New Testament Perspective

While the New Testament doesn't repeat Old Testament interest laws directly, it continues the theme of generosity, especially within the body of Christ.

Luke 6:34-35 (NIV):

And if you lend to those from whom you expect repayment, what credit is that to you? Even sinners lend to sinners, expecting to be repaid in full.

But love your enemies, do good to them, and lend to them without expecting to get anything back. Then your reward will be great...

Jesus teaches radical generosity — not legalism. He calls His followers to lend without expecting anything in return, modeling the grace we ourselves have received from God.

In the early church, believers shared their possessions freely, and no one claimed anything as their own (Acts 4:32-35). This shows the heart of Christian generosity: we don't give or lend with

strings attached, but out of love and care.

4. Greed and Exploitation Are Condemned

Wherever financial practices are motivated by greed or used to oppress others, the Bible brings strong condemnation.

Ezekiel 22:12 (NIV):

“In you are people who accept bribes to shed blood; you take interest and make a profit from the poor. You extort unjust gain from your neighbors. And you have forgotten me, declares the Sovereign Lord.

Proverbs 28:8 (ESV):

Whoever multiplies his wealth by interest and profit gathers it for him who is generous to the poor.

These verses make it clear: it is not the act of charging interest that is necessarily sinful, but the heart and motive behind it. If the intent is selfish gain, at the expense of others — especially the vulnerable — then it is offensive to God.

5. Theological Summary

Lending with interest to fellow believers in need is strongly discouraged, and often considered sinful, because it violates the command to love your brother (Leviticus 19:18; Romans 13:10).

Lending with interest in normal business or to outsiders is permitted, as long as it is done fairly and ethically.

God cares about our hearts in financial dealings — especially when our actions affect the poor, the weak, or our spiritual family.

True Christian generosity reflects the love and grace of Christ, who gave everything for us without expecting repayment.

Conclusion

Charging interest is not automatically a sin — it depends on whom you're charging and why. If you're doing business fairly with outsiders, it is allowed. But if you exploit your brother or sister in the faith during a time of need, you violate the law of love and offend the heart of God.

Let us give generously, lend compassionately, and act justly — remembering how much God has forgiven and given to us.

Freely you have received; freely give.

Matthew 10:8 (NIV)

Be blessed.

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