

# CHRISTIAN MONEY \$ENSE

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## A Biblical Perspective on the Pitfall of Co-signing

*Mark Robbins, CPA*

Do you often feel that your financial obligations expand to fill the amount of money in your paycheck? One of the challenges that we face as believers is having a proper attitude toward the management of our money. God has entrusted to us, His stewards, the management of the resources with which He has blessed us. In the book of Proverbs, Solomon deals with many topics regarding family finances. In the next few issues of **Money \$ense**, we will be looking at what Proverbs says regarding some potential pitfalls of money management.

I remember buying the first few pieces of furniture after my wife and I moved to our first ministry in the Buffalo, New York, area. We wanted to establish some credit in the area, so we went to a particular store to open a charge account and purchase the furniture. To my surprise, I needed a co-signer, or someone to become *surety* for the loan. One quick phone call solved my problem. But did it create another for someone else?

One who stands in surety for another is accepting personal responsibility to pay the debt or fulfill the unfulfilled obligations of another. By becoming a co-signer, one places oneself into a situation over which he has no control of the outcome.

In his wisdom, Solomon deals with this potential pitfall and gives us some stern warnings. Solomon counsels us with extreme caution about becoming surety or a guarantor of another person's debts, be it a stranger, a neighbor, or even a family member. Proverbs 11:15 states that one who stands as a surety will *smart* for it, literally meaning "will be sore broken." The potential of the surety is to be sadly crushed or broken by the burden of repaying the debt of another. One could even risk the potential of bankruptcy. By becoming surety, we bring trouble to ourselves and potentially to our families if we die before the debt is repaid. As good stewards, we must first be sure that we care for our families. Incurring an indebtedness that our families will be left to manage upon our death is not wise stewardship of what God has entrusted to us.

In Proverbs 22:26-27, Solomon also indicates that if the co-signer could not repay the debt, his belongings could be taken to repay the original debt. This is quite a serious consequence for becoming involved in someone else's financial affairs. Again, we can see the potential grief and disaster that awaits our family with this unwise relationship.

Proverbs 17:18 instructs us that we are not using sound judgment if we agree to provide security for a friend's debt. This does not negate the spirit of charity for our friend, but it often puts that very friendship at risk when one assumes surety for a friend. If that friend cannot meet the obligation and it falls to the co-signer, a root of bitterness is often produced within the co-signer. The friend who could not pay the original obligation often will not be able to maintain the same relationship out of shame or embarrassment. If this is true for friends, what will be the outcome if we do this for a family member? Family relationships are often strained and even broken over this unwise practice.

What do we do if we find ourselves caught in this situation? Proverbs 6:1-5 gives us some insight here. First, Solomon indicates the *timing* of being released from the obligation by using the word "now." Do it as soon as you realize the situation! Secondly, Solomon indicates the outcome of the release is in another's hands and that the *attitude* in which we are to seek release is one of humility. Humble is a strong word here indicating to be crushed, tread down, or demeaned. We are to go seeking release from the debt agreement with great humiliation and pleading. Thirdly, Solomon indicates the *urgency* of being released. Even as a roe or bird will immediately begin struggling to free itself from the snare of the hunter, so should one begin to free oneself from the obligation to which he has co-signed. Do not wait any longer! Do it immediately! Seek to be released from the obligation as soon as possible!

However, if you are considering whether or not to co-sign, you should only co-sign if you can afford to pay the whole obligation and not miss the money, and you do not expect to be repaid. These attitudes will help reduce any ill will that might otherwise surface.

Let's ask God for the wisdom to know how to manage our resources as well as be sensitive to helping those around us who have genuine need. Proper money management and a sensitivity to the Spirit's leading will help us accomplish both.

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BBC Foundation has been ministering to churches and individuals regarding biblical stewardship since 1992. Send your questions on finances and stewardship to: BBC Foundation, 538 Venard Rd., Clarks Summit, PA 18411. Phone: (800) 451-8668, website: [bbcfoundation.org](http://bbcfoundation.org); e-mail: [info@bbcfoundation.org](mailto:info@bbcfoundation.org)