

Resources to help people in debt:

Debt FAQs

Answers to common questions



Help, where do I start with my debts?

Debt can seem such a big problem that it seems easier to ignore it. The most important step you can take is to acknowledge that you have a debt problem and that you need help to resolve this. It always helps to find someone to talk to because it gets the problem out there and you have to act on it. They don't initially need to be a debt expert and they should not tell you what to do, just provide support

- Once you have done this you need to draw up an accurate list of exactly what you owe and to whom. This can be frightening when you put it all together but it is important.
- Now you need to draw up a realistic budget so you can work out how much [if anything] you can pay off your debts each month. The Red2Black website has a budget sheet which can help you do this. These can be found on the Red2Black resources page under "free downloads"
- If you find you are struggling to pay off debts ring the Consumer Credit Counselling Service (CCCS) freephone helpline on 0800 027 4995. CCCS is a charity and their service is entirely free, confidential and impartial.
- You can also contact your local Citizens Advice Bureau – their website has a postcode search for your nearest branch - <http://www.citizensadvice.org.uk/index/getadvice.htm>

Where can I find a Christian debt adviser?

When I visit my dentist my main concern is that he or she does not hurt me not whether he or she is a Christian! You need a debt advisor who knows what they are doing first and foremost. But many Christians in debt also want debt advice from a Christian. This may not always be possible but there are several Christian organizations that can provide you with debt help. These include:

www.red2black.org.uk for a wide range of material as well as help with budgeting and debt advice.

www.capuk.org for face to face advice from Christians Against Poverty. The CAP site has a postcode search for a CAP centre in your area.

www.communitymoneyadvice.com for face to face advice from Community Money Advice. Again there is a helpful postcode search for a centre near you.

Should I still give/tithe when I am in debt?

This is an interesting question! My belief is that this is really a heart issue. Do you know why you have got in to debt? Are you living as simply as you can? If you decide not to tithe or to give now so you can clear your debts quickly is it your intention then to give sacrificially to God or will you just spend more on yourself?

I do believe that if you can tithe you should do so. However, people may come to Christ because of the desperation of their debt problems and to try and force them to hand over ten per cent of their income immediately could mean that they fall away before they even start their Christian walk. If you don't feel you can tithe or give at the level you used to give, my advice is that you should certainly give something - even if it is just a little - while you are paying off debt. Lose the habit and it may never come back. Develop the habit while you are getting money under control and it will bless you for a lifetime.

Pray about your giving. As you see how God blesses those who give you can increase your giving accordingly.

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Does the bible teach debt is a sin?

The Bible does not teach that debt is a sin. Deut 15:7-11 commands Israelites to lend to those in need, with open hands and hearts. In Matthew 18:21-35 Jesus is not critical of the debt but the unwillingness of one whose debt is forgiven to forgive the debts of another. However it is clear in Romans 13:8 that all debts should be repaid on time if at all possible. In fact Psalm 37:21 is quite blunt: it is wicked to borrow with absolutely no intention to repay the loan.

But that is not the same as finding that you are in a situation when you just cannot pay a debt back God knows that debt causes guilt and shame and he wants us to be free from it. So seek help.

Should I take out a consolidation loan?

This really depends on your strength of character! It can be possible to consolidate your debts into one loan which you repay each month and for some people this is the best way forward. But many people who take a consolidation loan end up taking a second or even a third because they have not addressed the underlying spending problem.

If you are thinking about a consolidation loan make sure you:

- read the Stewardship Money briefing paper on consolidation loans which can be found at <http://www.stewardship.org.uk/money/credit.htm>
- When you take out the new loan ensure you use it solely for repaying existing debt and not simply adding new debt to it.
- That you do not switch borrowing from unsecured debt to a loan that is secured against your property as this would mean you are putting your family's home at risk.

I have people knocking at my door: do I let them in?

Frankly this depends who they are.

As a Christian you need to be honest and acknowledge the problems you face with debt. If they are bailiffs or "doorstep" lenders where you have borrowed money from it is best to be honest and explain your problems – even if this means a court appearance.

If this is happening to you then it is important that you seek debt advice urgently.

Ring the CCCS helpline: 0800 027 4995

The Consumer Credit Counselling Service is a charity and offers free, impartial and confidential advice and practical support. You can also contact your local Citizens Advice Bureau – their website has a postcode search for your nearest branch - <http://www.citizensadvice.org.uk/index/getadvice.htm>

If you have borrowed money from loan sharks and fear physical violence you need to seek advice locally as to the steps you should take. However desperate your situation, try and avoid this sort of borrowing.

Is it OK for Christians to seek an IVA or bankruptcy?

This is an issue between you and God. Remember that He loves you and knows every situation that you are going through. If you have got in to debt through difficult circumstances (such as illness preventing you from working or divorce) God does not want you to beat yourself up even more.

Sometimes the pressure on health and family, coupled with the level of debt, means that either an IVA or bankruptcy is the right solution. In these situations debt cancellation is real and complete and no one should feel guilty.

After all Jesus used unpayable debt as a symbol for our complete forgiveness and a fresh start with God.

So debt cancellation must be seen as a complete fresh start.

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However as a Christian I do believe that there can be a moral responsibility to repay what is owed. Therefore if some time in the future you are in a position to repay, perhaps because of a legacy for example, I believe you should offer to repay at that stage – even if the period of bankruptcy was a long time ago. In these situations I believe that the moral obligation is to offer to repay the original capital.

Do I have to tell my spouse or partner about our debts?

The answer to this is yes, yes, YES!

Debt induces guilt. Naturally no-one likes to give their husband or wife bad news particularly if they are blissfully unaware that there is a problem. However, the longer you leave it the harder it is to tell them and the more likely they are to find out about it. Then the problem is not just a huge shock but it is likely that you have been untruthful or deceitful to your partner so the whole issue of trust rears its head. Remember Jesus' parable of the wheat and the tares that grew up together and could not be separated. You don't want mistrust and deceit to grow up in your relationship

Far, far better to share the problem, however difficult, as soon as is possible so that you can work together to resolve the issues that over-indebtedness throw up.

How can I stay debt free?

God has perfect plans for our life but that does not mean it will be all plain sailing. In fact, money issues can be an area in which we are tested to see how we react and whether our trust is in God or in our money or possessions.

Ask yourself:

- Do I have a budget showing I spend less each month than I have coming in?
- Have I got some money put aside to cope with short-term reverses?
- Is there any major expenditure coming up?
- Do I pray about my money situation and I am giving generously to God?

How can I help other people in debt?

Almost certainly, debt is the biggest issue facing people in your community today. It is also likely to be affecting many in your congregation. Therefore ensure:

- Money and debt issues are preached about regularly in your church. There is no shortage of bible passages to help you do this!
- Find out what debt counselling organizations there are in your area
- Have posters and cards distributed in your church and community showing where people can get free debt help.
- Run money courses in your church – see our briefing paper, **the Money Palette**, which has some suggestions for money education courses.
- Use booklets (www.creditaction.org.uk have a range of useful guides to help both prevent debt and help people out of debt)
- Set up a “Church Money Ministry” or become a “Money Advocate” and train as a personal budget coach to assist others. Check out the “taking action” section of our website (www.stewardship.org.uk/money)

Should our church offer money to congregation members who have debt problems?

When churches hear of a money problem there is often an understandable desire to offer money support. **This may well be the right thing to do but it is not the first step to take.**

First encourage the person to list their debts and prepare a budget. Then you will know the priority areas and the best way in which a gift of money might help. For example, a new secondary school uniform and the other bits and pieces may be the immediate need.

It is my belief that churches should run hardship funds that help the poorest and most vulnerable among us. However there are some important criteria here. For example:

- Have a couple of approachable but knowledgeable people to run it
- Have a maximum amount that can be given
- Limit the number of times that one person or family can apply
- Only give when the person asking for money has agreed to either sit down with some-one from the church to go through the finances with them or seek help from a debt advice agency

How important is it that my local church manages its own finances in a godly way?

This is crucial. All churches need to be transparent and be seen to be showing generosity. Paul said that he wanted his handling of the financial collection for Jerusalem to be right in the site of both God and society (2 Cor 8:20-21). Often the finances section of the annual church meeting seems the most boring few minutes of the year!

Instead we need to be inspired by hearing about the benefits of the generous giving that the church has been involved in.

A thermometer outside a church will not inspire, but stories of lives saved and transformed undoubtedly will.