

6. Predatory Lending

WHEREAS, Predatory lending as a form of sub-prime lending is characterized by unscrupulous, unethical, and un-Christian lending practices that include excessively high fees, interest rates and balloon payments; and

WHEREAS, Scripture reveals that the borrower is slave to the lender (Proverbs 22:7); and

WHEREAS, The Bible affirms a fair rate of interest be paid on borrowed money (Proverbs 28:8; Matthew 25:27); and

WHEREAS, In ancient Israel, the law prohibited charging interest on loans to the poor (Leviticus 25:35—38); and

WHEREAS, Other states, including Georgia and North Carolina, have effectively prohibited predatory loans through legislation; and

WHEREAS, Predatory lenders market their services as a quick and easy way to get cash in an emergency situation; and

WHEREAS, Customers of predatory lenders are being trapped in an endless cycle of high interest loans at rates approaching 1000% APR; therefore, be it

RESOLVED, That we, the messengers of the South Carolina Baptist Convention meeting in Florence, South Carolina on November 13—14, 2007, express our opposition to the predatory loan industry; and be it further

RESOLVED, That we encourage churches to offer biblically-based classes on Christian stewardship of material resources; and be it further

RESOLVED, That we support legislation which will (1) limit the interest rate predatory lenders can charge, (2) limit the number of predatory loans a company can make at one time, (3) ban one-sided mandatory arbitration clauses, and (4) allow for penalties when a lender violates prohibitions in the law; and be it further

RESOLVED, That the members of our South Carolina Baptist churches be encouraged to contact their elected lawmakers and let their voices be heard on this issue; and be it finally

ORDERED, That we direct appropriate Convention staff to forward a copy of this resolution to members of the South Carolina General Assembly and to the Governor of South Carolina.