Proverbs 22:7 "The rich rule over the poor, and the borrower is slave to the lender." (NIV)

HOW TO DEAL WITH DEBT

PREPARE YOUR HEART

1. Realize you agreed to PAY BACK your debts.

2 reasons why people go into debt:

(1) MISFORTUNE – (no fault)

(2) MISMANAGEMENT – (my fault)

Ecclesiastes 5:5 "Better not to promise at all than to make a promise and not keep it." (GNT)

2. CONFESS your money mismanagement to God.

1 John 1:8-9 "[8] If we claim to be without sin, we deceive ourselves and the truth is not in us. [9] If we confess our sin, He is faithful and just and will forgive us our sins and purify us from all unrighteousness." (NIV)

3. Ask GOD for help.

Philippians 4:6-7 "[6] Do not be anxious about anything, but **in every situation**, by prayer and petition, with thanksgiving, present your requests to God. [7] And the peace of God, which transcends all understanding, will guard your hearts and your minds in Christ Jesus." (NIV)

4. Resolve to have a debt-free MINDSET and LIFESTYLE.

Hebrews 13:5 "Keep your lives free from the love of money and be content with what you have, because God has said, "Never will I leave you; never will I forsake you."" (NIV)

IMPLEMENT THE PLAN

1. Start giving back to GOD

Malachi 3:7-12 "7 Ever since the time of your ancestors you have turned away from my decrees and have not kept them. **Return to me**, and I will return to you," says the Lord Almighty. "But you ask, 'How are we to return?' 8 Will a mere mortal rob God? Yet you rob me. But you ask, 'How are we robbing you?' In tithes and offerings. 9 You are under a curse—your whole nation—because you are robbing me. 10 **Bring the whole tithe** into the storehouse, that there may be food in my house. **Test me on this**," says the Lord Almighty, "and see if I will not throw open the floodgates of heaven and pour out so much blessing that there will not be room enough to store it. 11 I will prevent pests from devouring your crops, and the vines in your fields will not drop their fruit before it is ripe," says the Lord Almighty. 12 Then all the nations will call you blessed, for yours will be a delightful land," says the Lord Almighty." (NIV)

2. Build up an EMERGENCY FUND.

   Proverbs 22:3 "A prudent person foresees danger and takes precautions. The simpleton goes blindly on and suffers the consequences." (NLT)

3. List all that I OWN and all that I OWE.

   Proverbs 24:3-4 "3 By **wisdom** a house is built, and through **understanding** it is established; 4 through **knowledge** its rooms are filled with rare and beautiful treasures." (NIV)

4. Have a SALE and DOWNSIZE.

   Ezekiel 20:7 "… Get rid of every idol …" (LB)

5. Establish a RAPID DEBT REPAYMENT plan.

   Proverbs 21:5 "Good planning and hard work lead to prosperity." (NLT)

   Rules for Rapid Debt Repayment Plan (Mary Hunt, **Debt Proof Living**)

   (1) NO more new debt!

   (2) Pay the SAME amount every month until all of your unsecured debts are paid.

(3) Arrange your debts so that the one with the SHORTEST payoff time is at the top and the longest payoff at the bottom.

(4) As one debt is paid, take that total payment and ADD IT to the regular payment of the next debt in line.

6. Live FRUGALLY.

Proverbs 21:20 "Wise people live in wealth and luxury, but stupid people spend their money as fast as they get it." (TEV)

Mary Hunt—www.everydaycheapskate.com

7. Work an EXTRA JOB.

Proverbs 28:19 "A hard worker has plenty of food, but a person who chases fantasies ends up in poverty." (NLT)

8. Share my plan with my CREDITOR.

Proverbs 16:7 "When a man's ways are pleasing to the Lord, He makes even his enemies live at peace with him." (NIV)

9. STICK TO IT!

Galatians 6:9 "Let us not get tired of doing what is right, for after a while we will reap a harvest of blessing if we don't get discouraged and give up." (LB)

BONUS QUESTION: Is filing bankruptcy wrong?

Leviticus 25 – Year of Jubilee

It is not the ideal, but God did allow His people to have a fresh start ONCE in their lifetime if need be.

BOTTOM LINE:

Romans 13:7-8 "[7] **Give to everyone what you owe them**: Pay your taxes and

government fees to those who collect them, and give respect and honor to those who are in authority. [8] **Owe nothing to anyone**—except for your obligation to love one another. If you love your neighbor, you will fulfill the requirements of God's law." (NLT)

Psalm 37:21 "The wicked borrow and never repay, but the godly are generous givers." (NLT)