

Jubilee Anyone? Questions Salinas/Monterey Bankruptcy Attorney Stephen Kim

In [my practice](#), I see people every day who are struggling with the burden of overwhelming debt. Many are hesitant to seek help through bankruptcy because they feel ashamed for not living up to their obligations.

Many would say that they should be ashamed. Why should they get away scot-free while the rest of us are stuck paying our bills? Isn't that irresponsible? Doesn't that hurt our economy? These are fair questions. At the same time, having a whole class of people enslaved by their debts is more disastrous still. In a society wherein the more one works, the more one pays, where is the incentive to work? A productive society not only needs mechanisms to hold citizens accountable for their debts, but must also have the means to provide debt relief when necessary.

Throughout history, one can see that provisions for debt relief are at the core of society. "In the Old Testament Book of Leviticus, God commands the children of Israel to observe a jubilee every 50 years," states Niall Ferguson in *The Ascent of Money: A Financial History of the World*. The biblical conception of jubilee was a general cancellation of debts. So although the Bible makes it clear that people are generally expected to pay their debts, this moral and legal obligation to pay just debts is balanced by such considerations as the need for compassionate treatment of the poor and the mandate to cancel debts at periodic intervals.

Speaking of mandates, Deuteronomy 15 provides that "[a]t the end of every seven years thou shalt make a release. And this is the manner of the release: Every creditor that lendeth ought unto his neighbor shall release it; he shall not exact it of his neighbor, or of his brother; because it is called the Lord's release." Can I get an "amen" brother?

The Bible and the Talmud both forbid, with some exceptions, the charging of interest. What do you think Jesus and the rabbis would have to say of credit cards bearing interest rates of 35%?

The secular basis for debt relief in this country arises in Article One, Section 8 of the United States Constitution. It grants Congress the power to establish uniform laws on the subject of bankruptcies. Our forefathers saw that providing for the forgiveness of debt through the process of bankruptcy was an elemental part of building our nation. As a result, historically the United States has treated debtors fairly leniently. One could argue that it is this fact that has enabled our capitalistic society to flourish. American entrepreneurs can take greater risks safe in the knowledge that if their business is not successful they will at least be able to pick themselves up and start over.

My message is simple. People who seek a fresh start by shedding their debts in bankruptcy should not feel as though they are betraying their community. In fact, this type of debt relief has always been an integral part of preserving community. It doesn't do any of us any good to have the great majority of our neighbors paralyzed by debt. [Jubilee anyone?](#)