

Debt, Mortgage, and the Law Merchant

Ecclesiasticus 21:8 (Septuagint - Apocrypha), "He that buildeth his house with **other men's money** is like one that gathereth himself stones for the tomb of his burial."

What is the meaning and origin of the word **mortgage**? The term **mortgage** comes from **mort** and means "death" (as in mortuary or mortality), and **gage** means "pledge." **Mort-gage** means a "dead pledge." In *Bouvier's Law Dictionary of 1856*, **Dead-Pledge** is defined as "a **mortgage** of lands or goods." It's a pledge of death because its an engagement in debt, which is a neglect or violation of our duty; we're not supposed to engage in those things. This is why we're not to owe man anything:

Romans 13:8, "**Owe no man any thing**, but to love one another:"

There is no love when one neglects or violates the Law of God. The definition from Bouvier's is a full disclosure that one is walking in bondage and death when engaged in mortgages and debt.

Nehemiah 5:3-5, "...We have **mortgaged** our lands, vineyards, and houses...We have **borrowed money** for the king's tribute, and that upon our lands and vineyards...and, lo, we bring into **bondage** our sons and our daughters to be **servants**, and some of our daughters are brought unto **bondage** already: neither is it in our power to redeem them; for other men have our lands and vineyards."

This article will explain how debt brings into captivity he who engages in it.

Proverbs 22:7, "The rich ruleth over the poor, and the **borrower is servant to the lender.**"

2 Kings 4:1, "Now there cried a certain woman of the wives of the sons of the prophets unto Elisha, saying, Thy servant my husband is dead; and thou knowest that thy servant did fear the LORD: and the **creditor** is come to take unto him my two sons to be **bondmen**."

When one enter into debt, who is he a servant to? He is a servant to the merchants of the earth, because their law, the Law Merchant, has full jurisdiction over debt within their system. Between brothers there's not really any debt, because we give and expect nothing in return, for "it is more blessed to give than to receive" (Acts 20:35). But when we're dealing with the natural man and we go in debt with the world, we're entering into a private law, which is known as the *lex mercatoria* (Law Merchant).

Private law, not God's Law

This quote is from Stone, Smith, Frank and Rommage, a book called *Fundamentals of Business Law*, from 1950.

“The merchants of the Italian city states and of the cities that were members of the Hensiotic League rejuvenated general European trade in the twelfth and thirteenth centuries, following its almost total abandonment after the fall of Rome. **These traders took precepts from the ancient law of the Romans Empire, adapted them to their times, and created customs of trade and ways of doing business that became accepted among the merchants of all Europe.** And hence, this body of business, or **commercial law**, obtained the name **Law Merchant**. The law of agencies, sales, negotiable instruments, insurance, carriage, **debt**, guarantees, soffage and transit, liens, partnership and bankruptcy, was made by these traveling, international **private merchants.**”

In other words, the whole debt system that's set up today, when one enters into it, one is entering into that private law of those private merchants, and that's who they become a servant to.

Why Mortgages are Ungodly

The idea of paying interest on anything that is loaned to you is foreign to the Word of God, because **interest (usury) is condemned by God** (Exodus 22:25-27, Leviticus 25:36-37; 23:19-20, Nehemiah 5:7,10-11, Psalms 15:5, Proverbs 28:8, Isaiah 24:1-3, Ezekiel 18:8,13; 22:12-13). So, when one pays those usury fees (interest) they are partaking of the sin of the merchant who engages in the usury. Simply and directly put:

Deuteronomy 15:6; 28:12, “**Thou shalt not borrow.**”

Now we'll look and see how, when a mortgage is contracted, one man is partaking of another man's sins. Basically, the mortgage system originated in Babylon, and by partaking of the ways of Babylon, we are forsaking God's ways.

The following quote is from a law Review called *The Georgetown Law Journal*, written by Judith A. Shapiro. The name of this article is called *The Shetar's Affect on the English Law, a Law of the Jews becomes the Law of the Land*. The introduction reads as follows:

“English Law, like the English language, is an amalgam of diverse cultural influences. The legal system may fairly be seen as a composite of discreet elements from disparate sources. After the conquest of 1066, the Normans imposed on the English and efficiently organized social system that crowded out many Anglo Saxon traditions. The Jews, whom the Normans brought to England, in their turn, contributed to the changing

English society. **The Jews brought a refined system of commercial law.** Their own form of **commerce** and a system of **rules** to facilitate and **govern** it. **These rules made their way into the developing structure of English law.**

“Several elements of historical **Jewish practices have been integrated into the English legal system.** Notable among these is the written credit agreement, **Shetar**, or Starr, as it appears in English documents. The basis of the Shetar, or Jewish gauge, was a **lean on all property, including realty**, that has been traced as a source of the modern mortgage. Under Jewish law, the Shetar permitted a creditor to proceed against all the goods and land of the defaulted debtor. Both movable and immovable property was subjected to distraint.

“In contrast, the obligation of knight service, under Anglo Saxon Norman law, barred a land transfer that would have imposed a new tenant, and therefore, a different knight owing service upon the lord. The dominance of personal feudal loyalties equally **forbade the attachment of land in satisfaction of a debt; only the debtor's chattels could be seized.**”

At this point we will pause here and explain the above quote. When someone took out a loan, that loan could not be applied to the land. **The land was free of any debt**, because it was under knight service. To continue the introduction:

“These rules kept feudal obligations in tact, assuring that the lord would continue to be served by his own knights. When incorporated into English practice, the notion from Jewish law, that debts could be recovered against a loan secured by “all property, movable and immovable”, was a weapon of socio-economic change that tore the fabric of feudal society and established the power of liquid wealth in place of land holding.”

So, they brought in the Shetar **as a weapon**, and it completely changed what debt could apply itself to. And it is now the modern mortgage system. Previously to that law being implemented, the land could never be taken from you, but of course today it can. And to continue:

“The crusades of the twelfth century opened an era of change in feudal England. **To obtain funds from Jews, nobles offered their land as collateral**, although the Jews, as aliens, could not hold land in fee simple, they could take security interest in substantial money value. That Jews were permitted to hold security interest in land, they did not occupy expanded interest in land beyond the traditional tendencies. The separation of possessory interest from interest in fee contributed to the decline of the rigid feudal land tenure structure.”

So, when they bring in a new law, it changes it slightly, and then over time they bring in new laws. Similar to what the Federal government does today. They'll bring in just a little change that really doesn't affect much, then they'll bring in another little change, and so

on and so forth, and before you know it everything is turned upside down and things aren't exactly as they used to be. And finally:

“At the same time, the strength of the feudal system had inheritant resistance to this widespread innovation abated. By 1250, scuttage had completely replaced feudal services. **Tenant obligations had been reduced to money payments**, and as the identity of the principles in the landlord tenant relationship became less critical, a change in the feudal rules restricting alienability of interest in land became possible.”

The Shetar

Now, in the same law review under the section *The Jewish Credit Agreement in Feudal England*, page 1182, it explains the more intricate history of the Shetar in Jewish law.

“The law of the Shetar developed and elaborated by 500 A.D. in the **Babylonian Talmud**, antedates the Norman conquest by six centuries. Historically, the Shetar was an instrument that established formal obligation either in **contract** or in **debt**. At the moment that a debtor acknowledged his indebtedness **through a Shetar, a general lien was established encumbering all the debtors property as security for ultimate repayment**. In case of default, the creditor could proceed not only against “movable and immovable property” held by the debtor, but also against encumbered land that the debtor had transferred to a third party. The debt attached to the land and the creditors lien had priority over subsequent alienations.

"Because of the **severe obligation imposed by the Shetar**, the contents of the instrument followed a standard form designed to insure authenticity and precision. Each Shetar recited standard clauses of obligation, the creditor's right to customary modes of execution, and a final phrase stating that the document was not merely a forum, but a statement of an express contract. Inserted into the forum language were the names of the parties, the sum and the currency of the debt, and the date of the obligation, thereby indicating the creation of the lien. To prevent fraud, the document was signed by two witnesses who knew the parties.”

So when you see the description of the original Shetar, it's the same description of the modern mortgage. To continue:

“A nation of wanderers, in adapting a variety of cultures, determined that the language in which the Shetar was written should be irrelevant to its legal validity. Thus, in dealings with a surrounding Gentile populous, Jews were content that loan agreements be formalized in Latin or in the Norman French of early England. Generally, the Jewish parties and witnesses were to test in Hebrew and the Christians in French or Latin. Although neither party may have understood the other's language, the document had the full force of law in both communities.

“The crucial limitation on debt collection under Jewish law was that **a creditor had a lien against the debtor's land, but not against the debtor's person**. Personal freedom was not to be diminished by a debt obligation, and **a creditor could not**

enslave one who was unable to repay him. The origin of this practice was the biblical protection of the dignity of debtors as embodied in the injunction not to enter the debtor's home to receive a pledge, but rather to wait outside for the debtor to bring it out. This was the structure of the law of obligation that the Jews brought with them to England.”

So, what we see here is the modern mortgage system and its origin. It came out of the Babylonian Talmud, and it was adopted by the merchants of the world, the banking system, etc. Therefore, it is fully revealed that he who engages in a mortgage is yoked with those of the world.

“Ruling during an era of socio-economic change from 1272 to 1307, king Edward was want to legislate accordingly, and Edward was weary of the Jews. **Thus, he issued laws forbidding the Jews from holding real property, denying them usurious practice and ordering them to wear distinctive dress and identifying badges.**”

So Hitler did nothing new when he forbade Jews from owning land and making them wear distinctive dress and identifying marks. On its face, it would appear that he was repeating history, but:

“Even as he restricted Jewish money lenders, Edward expanded the universe of non-Jewish money lending. He had before him a model of secured debt contracts, enforced for centuries by the royal courts for the royal users.”

What we see from the above is that the "non-Jews" picked-up on the ways of the Jews and became "one" with them and their Babylonian Talmud. So, we're not talking strictly about the Jews. We're talking about the spirit of anti-Christ which is promoted and enlarged by the kings and merchants of the earth.

“In the statute of merchants in 1285, Edward extended to creditors the forms of registry, remedy, and enforcement that had previously been the substance of the exchequer of the Jews. Under the statute, a debtor acknowledged the existence of his debt before the mayor and one of the recording clerks. The clerks recorded the debt in two rolls, one to remain with the mayor and one with the clerks. In his own recognizable handwriting, the clerk prepared a debt instrument to which the debtor affixed his seal and the officials affixed the king's seal. This instrument was given to the creditor who would present it to the mayor and the courts to prove his rights if the debtor defaulted.

“More than the enrollment procedures paralleled the structures of the exchequer of the Jews, the remedies also extended to Christian creditors the relief formally available only to Jews. No longer was a Christian creditor's relief before judgment limited by the debtor's absence. If the Christian creditor presented to the mayor a matured acknowledged debt instrument corresponding to an enrolled debt he had established full right to relief. If the debtor did not pay, the creditor eventually obtained access to the debtor's lands even as the Jews had done for years. And if the creditor was ejected from the debtor's lands, he could bring an assize of novel desizen to be put back in

possession. The statute of merchants expressly allowed merchant's "damages and all necessary and reasonable costs in their labors, suits, delays and expenses," the same label that disguised otherwise usurious interest in Jewish contracts. Finally, the king assumed the duty of maintaining the Role of Debts affixing his seal next to the debtor's and charging one penny for each pound of obligation. **The new law expressly excluded Jews.**"

We see then how this spirit was developed and promoted. The Jews "invented" it, the Christians bought "rights" to the "invention," and then the king, to make this spirit "appear" Christian, excluded the original "inventors," the Jews. And then he went even further to complete the ruse:

"Five years after the statute of merchants, Edward the first **expelled the Jews from England**. Religious hostility was rife. Repeated atalages had depleted the Jew's resources in lessened their value to the king's purse. No longer were the Jews the unique source of credit in England. By the statute of merchants, Edward had granted to all non-Jewish creditors the same remedies and procedural rights previously available to the Jews. **Debts were secured by land** and the security interests survived the death of the creditor and the alienation of the property. In addition to the property that escheated to the king on their departure, the Jews left behind a law of debtors and creditors developed in the Talmud, introduced in the exchequer and preserved in the laws of England.

"Traces of the Shetar procedures survived for centuries in English law. A sealed debt continued to be discharged only by a deed of release or by cancellation or destruction of the debt instrument. The practice of debt cancellation by requiring return of the pes of the chirograph continued from 1194 until its abolition by statute in 1833. Most important, **the encumbrance of real property permitted by the Jewish law of the Shetar had been adopted by English law**. Bonds contained the traditional Hebrew formula of pledging "all my goods, movable and immovable." Creditors had the statutory right to execute against the debtor's land. **No longer were personal obligations and rights in land rigidly separate**. Even while Edward was divesting himself of his Jewish money lenders, he made their legacy permanent. A small but significant principle of Jewish law wherein **personal debt superceded rights in real property had become the law of the land.**"

Oh, that crafty serpent! The ways of the Babylonian Talmud mortgage practices became part of the common law of England. The law of the merchants of the earth in England was merged with the Common Law of England, which up to that time contained only Biblical Law. So today, the term "Common Law" includes the Law Merchant. The merger took place in England in the 1600's through a court decision by Lord Mansfield, and was then brought to America and "incorporated" into the Federal and State constitutions (i.e., the Common Law of England shall rule in all cases of law and equity).

So, we see how man has taken what was once a private way of doing things, and they've made it all part of the Law Merchant, the Lex Mercatoria. The above is an

example of why Proverbs 22:7 warns us about those who join with and engage in the ways of the heathen:

Proverbs 22:7, "The rich ruleth over the poor, and the borrower is servant to the lender."

The Answer

People ask, "Well, what can we do about it?" The only answer is to stop partaking of it. Follow the ways of the Lord in your dealings with others. Remember, the **Lord provides for all of our needs.** We're not to seek those things of the world. And if your heart is truly after Him, you will abandon those things and find, through Him, His alternatives and His ways. **It all comes down to Faith.** You go to His Word and you go to prayer and He will show you the way. He always does. And that walk of Faith results in knowing, and then seeing, that he will provide for you **when you walk in His ways.**

Joshua 24:15, "...choose you this day whom ye will serve;"

When you enter into the debt system that's "set up" today, you're entering into that private law of those private merchants, and that's who you become a servant to. You're serving sin, because our Lord rejected all those things of the Roman Empire. As He rejected those things, we must also.

Now, words are easy to say, but doing it is always the difficult part. People are in debt and they don't know how to get out of it, or they don't think they can survive in the world without going into debt, especially in the area of buying a house and the mortgage system. And, along with that, everyone believes they must have just as good of a house as everyone else. So, it has a lot with being spoiled and going for our wants instead of our needs.

When you walk with the Lord, he provides all of our **needs** (Matthew 6:26-33; Luke 12:28-31, Philippians 4:19, Psalm 34:10). It's our **wants** that get us into debt. We have to put all those wants behind us and stop looking to the things of the flesh to satisfy us, because there is no satisfaction there.

Psalms 23:1, "The LORD is my shepherd; **I shall not want.**"

Psalms 23:1 (Septuagint), "The LORD tends me as a shepherd, and **I shall not want anything.**"

We are shown at 1 Samuel 22:1-2 that those who were "in distress, and every one that was **in debt**, and every one that was discontented," abandoned all of those things and they went to a man of the Lord (David) and had him rule over them. They abandoned that yoke and heavy burden of bondage of the ways of the heathen, and exchanged it for a yoke that is easy and a burden that's light (Matthew 11:30). And we must do the same thing; we must put all those things behind us and follow Christ Jesus only, and not the ways of the world. Without bringing you into bondage through debt, the beast has no power.

If we read the history of God's people, we find that **sin always leads to slavery**. And that's why we must follow His Words and His Commandments.

Leviticus 25:23, "**The land shall not be sold for ever: for the land is mine; for ye are strangers and sojourners with me.**"

Lee's Comments: The Revolution threw out the law of the mother country and established the allodial land titles that was free from all feudal tenures as noted in *Wallace v. Harmstad* 44 Pa 492 (1863). Today's public debt does not attach to the land titles; the debt attaches to a debt res or a "person" known as a strawman. This is accomplished through the 14th amendment and the Social Security Trust in conjunction with Title 15 USC Chap. 41 Sec. 1602 (c), (d), (e). Sever those ties and the person can claim his or her allodial title. Anything less means you are a serf on the land and it's impossible to be free. The whole issue becomes a choice of whether you want to have faith under a lord in the spirit of the law under Article IV Sec. 3 cl.2; or to be king of your own domain under the letter and strict meaning of the law under Article IV Sec. 3 cl.1 of the Constitution of United States.

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