

MIQDASH BETHEL COVENANT INSTITUTION

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DOCUMENT 184

THE BITE OF NESHEKH: REVERSE MORTGAGES ON TRIAL BEFORE THE COVENANT

A Covenant Deep Dive into the Written Tanakh's Law Against Usury (נִשְׁכָּה / neshekh) and (תַּרְבִּית / tarbit) — Examining the Reverse Mortgage Industry's Compounding Interest, Fees, and Documented Exploitation of the Elderly Against the Devarim 19:15 Evidentiary Standard

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REACHING JUDAISM, CHRISTIANITY, AND ISLAM

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DOCTRINAL AUTHORITY — STANDING RULE OF MIQDASH BETHEL COVENANT INSTITUTION

The sole binding authority of Miqdash Bethel Covenant Institution is the Tanakh — the written covenant of Yahweh. No Talmudic tractate, Church council decree, papal encyclical, hadith collection, or extra-biblical tradition carries doctrinal weight equal to or greater than the written Torah. Where any tradition conflicts with the written covenant, the written covenant governs without exception. The Talmud, New Testament, and Qur'an are cited as historical reference and comparative witness — never as superseding authority. Miqdash Bethel uses the Written Tanakh as its sole source for four reasons: it is the only text Judaism, Christianity, and Islam all recognize as originally given by Yahweh; it predates and underlies the Talmud, New Testament, and Qur'an, so testing those traditions against it follows the evidentiary direction of Devarim (Deuteronomy) 19:15 — the earlier witness governs the later commentary; every later tradition that departs from the Tanakh does so by addition or reinterpretation, never by overturning the text itself, so the text remains the fixed standard; and Yahweh's own words declare the covenant unchanging (Malachi 3:6; Tehillim [Psalms] 119:89), making the written covenant — not evolving institutional interpretation — the only stable ground for doctrine. All three great covenant traditions — Judaism, Christianity, and Islam — are addressed simultaneously and equally in every Miqdash Bethel document, because Yahweh's covenant belongs to every nation that will receive it.

HOW TO READ THIS DOCUMENT

This document applies the sole authority of the written Tanakh. Yahweh (יהוה) and Elohim (אֱלֹהִים) appear in bold throughout. Hebrew book names are given with English in parentheses. Hebrew transliterations appear in bold italic with English meaning in parentheses at every occurrence. Scripture references are bold. Three audiences are addressed simultaneously: Judaism, Christianity, and Islam. Rabbinic commentary, New Testament texts, and the Qur'an are cited as historical and comparative reference — not as binding authority. The Written Tanakh governs all conclusions.

TANAKH BOOKS CITED IN THIS DOCUMENT

HEBREW NAME	ENGLISH NAME	KEY PASSAGES CITED
שְׁמוֹת (Shemot)	Exodus	22:24-26 (nesekh forbidden; widow/orphan; pledge garment)
וַיִּקְרָא (Vayikra)	Leviticus	19:13; 25:35-37 (oppression; nesekh/tarbit; fear Elohim)
דְּבָרִים (Devarim)	Deuteronomy	19:15 (evidentiary standard); 23:20-21; 24:6,10-17; 27:19
נְחֵמְיָה (Nechemiah)	Nehemiah	5:1-13 (mortgaged fields/houses; usury rebuked; restoration)
תְּהִלִּים (Tehillim)	Psalms	15:1-5; 82:1-4 (who dwells with Yahweh; defend the weak)
מִשְׁלֵי (Mishlei)	Proverbs	22:22-23; 28:8 (do not rob the poor; wealth by nesekh)
יְחֶזְקֵאל (Yechezkel)	Ezekiel	18:5-13,17; 22:6-12 (the righteous/wicked man defined)
וַיִּקְרָא / שְׁמוֹת	Leviticus / Exodus (cross-ref)	Yovel/Jubilee land-return principle (Vayikra 25:8-17,23)

I. WHAT A REVERSE MORTGAGE ACTUALLY IS — THE MECHANISM BEHIND THE PROMISE

A reverse mortgage — most commonly a federally insured **Home Equity Conversion Mortgage (HECM)** administered under FHA/HUD authority — allows a homeowner age 62 or older to convert home equity into cash, a line of credit, or monthly payments while making no required monthly principal-and-interest payment. The loan does not vanish; it accrues. In 2026 the maximum claim amount ceiling stands at roughly \$1.2 million, and the loan balance is repaid only when the last borrower dies, sells, or permanently vacates the home.

I-A. The Fee Architecture — What Is Extracted Before a Dollar Reaches the Borrower

Charge	Amount (2026 Structure)	Nature
Initial Mortgage Insurance Premium (IMIP)	2.00% of the Maximum Claim Amount, due at closing	Fixed by HUD; financed into the loan balance
Annual Mortgage Insurance Premium	0.50% of outstanding balance, compounding monthly	Added to principal every month for the life of the loan
Origination Fee	2% of first \$200,000 + 1% of remainder; floor \$2,500 / cap \$6,000	Paid to the originating lender
Third-Party Closing Costs	Appraisal \$500-\$800; Title \$1,000-\$3,000; Recording \$100-\$300	Paid to outside vendors, financed into the loan

Ongoing Interest	Note rate (fixed or index + margin), compounding monthly on the entire growing balance	Accrues on principal AND on previously accrued interest and fees
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Approximately 98% of HECM borrowers finance every one of these charges directly into the loan rather than paying from pocket — which means interest begins compounding on the fees themselves from day one. Industry literature itself acknowledges that on a \$200,000 reverse mortgage, total accrued interest and fees can exceed \$180,000 over a ten-year span, depending on the rate and structure. This is not a flat, disclosed cost. It is a compounding claim against a fixed, appreciating asset — the family home — that grows precisely as the borrower ages and becomes least able to negotiate, refinance, or walk away.

I-B. The Structural Trap: No Monthly Payment Is Not the Same as No Debt

- The borrower still must pay property taxes, homeowner's insurance, and maintenance for the rest of their life in the home — failure on any of these triggers **default and foreclosure**, even though the borrower owes no monthly mortgage payment.
- Interest compounds **monthly on the entire balance**, including previously capitalized interest and mortgage insurance — a structure that mathematically guarantees the debt grows faster the longer an elderly borrower lives.
- The loan is secured against the home itself — the family's largest and often sole intergenerational asset — meaning the interest is not merely charged against cash flow but is quietly consuming inherited wealth that would otherwise pass to children and grandchildren.

II. THE DOCUMENTED HUMAN COST — WITNESSES FROM THE COURTS, THE INSPECTOR GENERAL, AND THE PRESS

The **Devarim (Deuteronomy) 19:15** standard requires two or three witnesses before a matter is established. The following are drawn from federal prosecutions, federal oversight bulletins, and reported litigation — not rumor.

II-A. Witness One — United States Department of Justice

A Chicago businessman, Mark Steven Diamond, was sentenced to **more than seventeen years in federal prison** for a scheme that induced more than 100 elderly homeowners to unknowingly sign reverse mortgage documents disguised as home-repair paperwork. The HUD Inspector General called it a scheme that **"preyed upon their trust and devastated them financially."**

II-B. Witness Two — Federal Class-Action Litigation

A 2026 class action (Mattia v. PHH Mortgage Corp., E.D.N.Y.) alleges that a major reverse-mortgage servicer used aggressive, deceptive tactics to maximize profits at the expense of elderly and disabled borrowers, including falsely claiming foreclosure had begun, withholding requested loan documents from a deceased borrower's estate, and sending an unvetted vendor into the home to remove personal property. Public complaints attached to the litigation describe families given as little as three days' notice to vacate a home their parents had lived in for decades.

II-C. Witness Three — Legal Aid and Elder-Rights Litigation

A 2026 lawsuit filed by Legal Counsel for the Elderly describes a home-equity-sharing product marketed to "house-rich, cash-poor" older homeowners in which the company's claim on the home's equity made it impossible for the homeowner to refinance when she fell behind on another debt — leaving her facing foreclosure with no path to save the home except paying the entire balance in cash. Advocates describe the pattern as functionally identical to a foreclosure-rescue scam: an "investor" profits from the desperation of a homeowner facing loss of the property.

II-D. Witness Four — Federal Oversight's Own Catalogue of Schemes

The HUD Office of Inspector General's own fraud bulletin catalogues recurring patterns: contractors who pressure seniors into reverse mortgages to fund unnecessary or inflated repairs; agents who steer loan proceeds into annuities whose returns cannot outpace the compounding interest consuming the same home's equity; family members or caregivers who obtain a reverse mortgage in an elder's name and divert the funds; and fraudsters who vanish once the lump sum is disbursed, leaving the senior's equity gone and the home at risk of foreclosure over unpaid taxes on an inflated appraisal.

Sources: U.S. DOJ, N.D. Ill. (Diamond sentencing); Mattia v. PHH Mortgage Corp., No. 1:26-cv-01584 (E.D.N.Y. 2026); Legal Counsel for the Elderly litigation reported by Street Sense Media (2026); HUD-OIG Reverse Mortgage Schemes Fraud Bulletin.

III. THE WRITTEN TANAKH'S LAW AGAINST NESHEKH (נִשְׁכָּה) AND TARBIT (תַּרְבִּית)

The Hebrew word *neshekh* (נִשְׁכָּה, "a bite") is not a neutral financial term — it is built on the root meaning "to bite," the same imagery used for a serpent's strike (Bereshit 49:17; Amos 5:19; Mishlei 23:32). Its companion term, *tarbit* / *marbit* (תַּרְבִּית / מַרְבִּית, "increase"), describes what the lender receives back beyond the principal. Together they name the same act the reverse mortgage industry structures as its core product: a charge that increases over time by biting into an asset the borrower cannot easily replace.

Why Yahweh Calls Interest a "Bite"

When the Old Testament talks about charging interest on a loan, it doesn't use a neutral word like "fee" or "charge." The Hebrew word is *neshekh*, and it literally means **a bite** — the same word used elsewhere in Scripture for a snake bite. That's not an accident. Yahweh chose that word on purpose, and the places it shows up elsewhere in the Old Testament to help explain why.

A bite you don't see coming

In Genesis 49:17, a snake is described lying in the road, waiting to bite a horse's heel as it passes by. The horse never sees the attack coming from the front — it gets struck from below, in a spot it wasn't watching, and only falls after the damage is already done. That's exactly how interest works on a loan like a reverse mortgage. Nobody signs the papers thinking, "This is going to cost me my house." The danger isn't in front of you at closing. It's underneath the deal, and you don't feel it until much later.

A bite that happens in your own home

In Amos 5:19, a man runs from a lion, escapes a bear, finally makes it home safe — and gets bitten by a snake hiding in his own wall. The point of that verse is that the danger caught up with him in the one place he

thought he was finally safe. That's the tragedy of reverse mortgage abuse: the harm doesn't happen out in the world. It happens inside the very house the person was trying to protect. The home that was supposed to be their safety net becomes the thing that bites them.

A bite that feels good at first

In Proverbs 23:32, wine is described as smooth and pleasant going down — but "**at the end it bites like a serpent.**" In other words, the harm is hidden behind something that feels fine, even good, at the beginning. This is exactly how reverse mortgages are marketed: "no monthly payment," "free money," "peace of mind in retirement." It sounds good going down. The bite comes later — years down the road, when the interest has piled up and the family finds out how much of the house is gone.

Why "bite" and not just "interest"

A snake bite often doesn't hurt right away. The poison is small and quiet at first — you might not even notice it entered your body. It's only afterward, as it spreads, that you realize real damage was done, and by then it's often too late to undo. That's exactly how compounding interest works on a reverse mortgage. In year one, it's a small percentage, barely noticeable. Nobody feels it. But it keeps spreading month after month, year after year, and by the time the borrower has passed away or moved out, the "small bite" has consumed a huge portion — sometimes nearly all — of the equity in the home. Yahweh named the sin this way because that's exactly what usury does: it doesn't attack all at once. It bites quietly, and the real damage is only discovered once it's already done.

III-A. The Prohibition Stated

- **Shemot (Exodus) 22:24:** "If you lend money to My people, to the poor among you, do not act toward him as a creditor; exact no *neshekh* from him."
- **Vayikra (Leviticus) 25:35-37:** "If your brother becomes poor... you shall support him... Take no *neshekh* or *tarbit* from him, but fear your **Elohim**, that your brother may live beside you. You shall not lend him your money at *neshekh*, nor give him your food for increase."
- **Devarim (Deuteronomy) 23:20-21:** "You shall not charge your brother *neshekh* on money, food, or anything that is lent for interest."
- **Tehillim (Psalms) 15:5:** The one who "does not put out his money at *neshekh* and does not take a bribe against the innocent... shall never be moved."
- **Mishlei (Proverbs) 28:8:** "Whoever multiplies his wealth by *neshekh* and *tarbit* gathers it for him who is generous to the poor" — the law names the practice a moral dead end even for its short-term beneficiary.

III-B. Yechezkel's Legal Test — the Righteous Man and the Violent Son

Yechezkel (Ezekiel) 18 gives the fullest legal profile in the Tanakh of who is **righteous** and who is **wicked** in matters of lending. The righteous man (v.5-9)

"does not oppress anyone... does not lend at *neshekh* and take *tarbit*... he shall surely live."

His violent son (v.10-13) who:

"lends at *neshekh* and takes *tarbit* — shall he then live? He shall not live... he shall surely die; his blood shall be upon himself."

The passage places usury in the same moral category as robbery and bloodshed — not a regrettable but tolerable business practice, but a capital-level violation of covenant justice.

Yechezkel 22:12, in Yahweh's indictment of Yerushalayim's corruption, lists it beside bribery and extortion:

"In you they take bribes to shed blood; you take *neshekh* and *tarbit*, and make gain of your neighbors by extortion, and have forgotten Me, declares the Yahweh Elohim."

III-C. The Widow, the Orphan, and the Pledge Taken from the Vulnerable

The law does not stop at the interest rate; it protects the collateral itself when the borrower is vulnerable.

Shemot (Exodus) 22:21-27 forbids wronging a widow or orphan and forbids keeping a poor man's garment pledge overnight,

"for it is his only covering... and if he cries to Me, I will hear, for I am compassionate."

Devarim (Deuteronomy) 24:6,10-17 forbids taking a millstone — a tool of survival — in pledge

"for that would be taking a life in pledge,"

The Law forbids entering a debtor's house to seize collateral, and forbids taking a widow's garment in pledge at all. **Devarim (Deuteronomy) 27:19** pronounces a curse on:

"him who perverts the justice due the sojourner, the fatherless, and the widow."

A reverse mortgage is by federal design available only to those 62 and older — precisely the population the Torah repeatedly singles out for protection from exactly this kind of collateral-based exploitation.

IV. NECHEMIAH'S REBUKE — THE ANCIENT PARALLEL TO MODERN FORECLOSURE

No passage in the Tanakh anticipates the reverse mortgage crisis more precisely than **Nechemiah (Nehemiah) 5:1-13**. The people cried out against their own brothers: some had mortgaged their fields, vineyards, and houses to get grain in a famine; others had borrowed money on their fields and vineyards to pay the king's tax, and stated:

"our flesh is as the flesh of our brothers, our children as their children; yet we are forcing our sons and daughters to be slaves."

The nobles and officials of Yerushalayim (Jerusalem) were the lenders — their own countrymen — taking ***neshekh* (a bite)** from people who had pledged their land and homes as collateral. Nechemiah's response was not counseling paperwork or a disclosure requirement. It was confrontation and restitution:

"What you are doing is not good... Let us abandon this exacting of interest. Return to them this very day their fields, their vineyards, their olive orchards, and their houses, and the percentage of money, grain, wine, and oil that you have been extracting from them."

The creditors complied (v.12-13), and the text records the assembly's response: "Amen," and they praised Yahweh.

IV-A. The Parallel Stated Plainly

Nechemiah 5 (c. 445 BCE)	Modern Reverse Mortgage Structure
Homeowners pledge fields, vineyards, and houses as collateral for loans	Homeowners pledge the family home itself as sole collateral
Interest (neshekh) is charged and compounds against the vulnerable	Interest and MIP compound monthly against the entire loan balance
Debt threatens loss of ancestral land and the enslavement of children	Debt threatens loss of the home and the inheritance of heirs
Nobles profit while claiming to help their own brothers	Lenders profit from a product marketed as senior financial relief
Nechemiah demands the interest be abandoned and property restored	No comparable communal or covenantal mechanism exists today

The Torah's Yovel (Jubilee) law (Vayikra (Leviticus) 25:8-17,23-28) makes the same point structurally: land was never to be permanently alienated from a family through debt, "for the land is Mine; for you are strangers and sojourners with Me." Every fiftieth year, land reverted to its original family regardless of what debt had accumulated against it. A financial product engineered so that compounding interest can consume a family home entirely — with no jubilee, no reversion, no communal ceiling — stands in direct structural opposition to this covenant principle, regardless of whether any individual transaction is legally "disclosed."

V. THREE-RELIGION AUDIT — CONVERGING WITNESS AGAINST USURIOUS EXPLOITATION

☆ JUDAISM	† CHRISTIANITY	✠ ISLAM
Judaism	Christianity	Islam
Halakhah (Talmud, Bava Metzia 60b-75b) extends the Torah's neshekh/tarbit prohibition into detailed law (ribbit), forbidding not only the direct lender but any facilitator of interest between Jews. The written Torah source (Shemot 22:24; Vayikra 25:36-37; Devarim 23:20) remains the governing text Miqdash Bethel applies.	The New Testament (Luke 6:34-35) records Yeshua instructing disciples to "lend, expecting nothing in return." The historic Church (patristic writers, medieval councils, and reformers such as Calvin's limited exceptions) treated usury as a grave sin for thirteen centuries before commercial pressure eroded the teaching — a departure from, not a correction of, the written Tanakh's standard.	The Qur'an (2:275-279; 3:130; 30:39) forbids riba in the strongest terms found in any of the three traditions, declaring war from Allah and His messenger against those who persist in it after the prohibition is made clear, and commanding creditors to accept only their principal. The structural objection to compounding, exploitative interest is, on this point, nearly identical to the Torah's.

All three traditions that claim descent from the written covenant condemn usury in principle. The reverse mortgage industry's defenders are correct that HECM loans are federally regulated, non-recourse, and require counseling — but regulation that permits compounding interest, capitalized fees, and collateral seizure of an elder's sole home is regulation of the practice, not abolition of the neshekh the Written Tanakh names as the wound itself.

VI. COVENANT WITNESS — CONCLUSION AND STANDING TESTIMONY

The reverse mortgage, as structured in the American financial system, is not uniformly fraud — federal prosecutions and litigation cited in Section II concern identifiable bad actors, not every transaction. But the underlying financial architecture itself — compounding interest and mortgage insurance charged against a fixed asset owned by an elderly population, secured by the borrower's sole home, with fees financed and re-compounded from day one — is **neshekh** (biting) by the Torah's own definition, applied against precisely the population (the aged, often widowed, often alone) that **Shemot**, **Devarim**, and **Yechezkel** single out for the strictest protection.

Nechemiah did not merely regulate the interest his people were charging one another — he ended it and ordered restitution. **Yechezkel** placed the practice of **neshekh** in the same moral category as bloodshed. **Tehillim 15** makes freedom from usury a condition of dwelling secure before **Yahweh**. Miqdash Bethel Covenant Institution testifies, on the sole authority of the Written Tanakh and applying the Devarim 19:15 evidentiary standard to the documented record of federal prosecutions, class-action litigation, and government fraud bulletins, that the compounding-interest reverse mortgage structure — whatever legal protections surround it — is built upon the very practice Yahweh named a bite, and that any nation, institution, or individual is answerable before Him for how it treats the aged, the widowed, and the house-rich, cash-poor among its people.

This testimony is entered into the Miqdash Bethel Covenant Institution library as a witness against usurious exploitation of the elderly, and as a call — to lenders, regulators, and the vulnerable alike — to test every financial practice against the sole and unchanging standard of the written covenant.