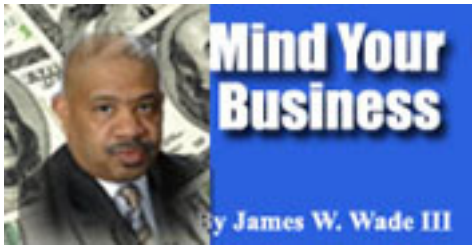

I would never want to be in court fighting against any of my friends about money or anything else. Friendship is something special, and not everyone can be in a friend's circle. You may know a lot of people, but how many are truly friends that you would ride or die for?

I get a few calls from people asking me about personal finances and what they should do. Now, being no expert, I give a few ideas and then let them know the final decision has to be theirs.

I can say people need to give 10 percent to church, save at least 10 percent and live off 80 percent, but not everyone will follow that rule. After getting a few calls this past week about personal loans, I will shed a little light on this.

I have to laugh about this subject because how many people remember working somewhere where there was a person who was a loan shark? He would give you a certain amount of money and you would have to pay that amount back and sometimes almost 50 percent interest to them.

If you borrowed $50.00, you had to pay almost $90.00 to $100.00 back. In my mind, they were or are no different then the payday loan places. We all understand emergencies come up and you need money right away, so if you can accept the terms and need it, by all means do it.

Now, I am sure there are many people who are screaming, saying "James why tell people that?" But sometimes that may be your only choice if you have no credit cards, no savings account or auto account to get your car or house fixed right then.

I laughed when Rent a Center first opened up. I said no one is going to go there and pay three times over the true value for a TV. Was I wrong. Rental places sprung up everywhere and now

sell not only furniture but also jewelry and computers.

A personal loan means much more to some people then it does to the financially savvy person who has prepared for a rainy day, or who makes enough money that they don't live paycheck to paycheck.

I heard a few people say, "I want to keep my friendship with my friends, so I tell them don't ask me for money and we'll always be friends." There again, to me, that is a personal choice—if you are my friend and I can help you, why wouldn't I?

But everyone has choices and the right to do whatever they want to do with their money. When talking to those who think it's wrong to lend money, a few of them have shared with me that people are smiling and so nice when asking them for money…but when it's time to pay back the loan, they run, hide and get mad just because the loaner tries to get paid back.

That is where the fights and hard feelings for one another set in, and people lose many of their friends loaning money.

A close friend of mine said if they loan anybody any money they will make a person sign a contract stating how much they will pay back and when. One person shared with me, if they are my friend, why would they charge me interest? There again I cannot give advice or tell a person what to do with their personal money. If those are their terms, and you want the money, you have a choice to refuse or accept.

I have watched quite a few of those judge shows and have seen people on there saying that the money was a gift. That's why I would suggest spelling out what you expect. At the time you loan someone the money, make it clear.

If it's a gift then you have no reason to expect the money back. Most couples who were together—and worked with each other getting things done—seem to have the most fights after they break up about what was a gift and what was a loan.

Personal loans from family and friends may turn out to be a reason to fight against each other. But all I will say is…if you are comfortable with the agreement and the terms then accept the money.

As a young man, my father always said, “son, make sure you pay all of your bills, so if you need to come back, your credit will be good with them.” My advice is along the same lines, if you do borrow the money, be straight with the person and live up to the terms or agreement you made when you borrowed the money.

My father co-signed for my first car, and when the car note was due he was right there when I got paid, looking for the money. Now being the enforcer, he made sure I was on time with that car note because his name was attached to it.

I want to think if I went to two of my best friends, Howard or Bilal, that I could borrow a dollar or two, pay them back and not affect our 35 plus year friendship. But at the same time, with them having families and needing their money, I would be paying them back when I said I would.

I would never want to be in court fighting against any of my friends about money or anything else. Friendship is something special, and not everyone can be in a friend’s circle. You may know a lot of people, but how many are truly friends that you would ride or die for?

I would personally like to think I would be a blessing to any of my friends if I could help them, financially.

So in closing I leave you with this simple thought: think about the question… should I loan a family member or friend money at the risk of losing the money and their friendship?

Follow me on twitter @JimmyWadeIII

Readers can write to James W. Wade III at The Call & Post, 11800 Shaker Blvd. Cleveland, Ohio 44120 or email jwade@call-post.com . Comments and questions are welcome but, because of the volume of mail, personal responses are not always possible. Please note that comments or questions may be used in a future column.