Lending Money and Tzedaqa

One of the 613 Mitzvot of the Tora is lending money, without interest, to a fellow Jew who needs it (Shemot 22:24). Helping a needy person through a free loan is a form of Tzedaqa. However, harassing a needy person into paying back the loan when one knows he/she lacks the money at the moment, is a very grave transgression which is explicitly forbidden in the Tora.

ILLUSTRATION: David, knowing that Josh's business is in the verge of insolvency, offers to lend him the $10k needed to keep afloat. "You'll pay me when things get better again" said David to Josh. David has just fulfilled a great Mitzva. Not only did David help a fellow Jew financially, but he did this without affecting Josh's dignity. In fact, he prevented Josh from getting to the point that he would need to ask for financial help.
As long as David knows that Josh cannot yet repay the loan, he is forbidden from harassing Josh. The Halakha is that David cannot even "inadvertently" pass by Josh's place in order to remind him of the loan, if David knows that Josh doesn't yet have the money.
On the other hand, Josh is forbidden from withholding payment longer than necessary. In other words, if Josh does have the money, it is forbidden for him to unduly delay paying back David.
Another thing. "Lending money" *without expecting to get the money back* is *indeed* the highest way to perform tzedaqa. A friend of mine borrowed a good amount of money from Mr A. "You pay me whenever you can ", Mr A. said. My friend was very grateful and a couple of years later he collected the money to pay his debt. When he returned the money, Mr. A. said: *"I want you to keep this money and find somebody else who needs it. And when he gives you the money back, do as I'm doing now".*