



Risk management in minimizing KPR Bank BTN Syariah kecps probolinggo financing

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ABSTRACT

One of the businesses engaged in Islamic banking where money is stored and given to those in need is Bank BTN Syariah. Bank BTN Syariah must make a decision in allocating home ownership financing after determining the eligibility of the debtor's application. This assessment is carried out to assist Bank BTN Syariah in preventing risks or losses related to unreturned loans. To prevent the dangers of problematic financing, bank BTN Syariah adheres to the 5C principle, namely the characteristics of capacity, capital, collateral and economic conditions. In addition, he uses a plan that includes a grace period (delay), principal balance rescheduling, and outstanding balance rescheduling. In this investigation, we will find out how the risk management of BTN Syariah KPR products can reduce troubled bank funding. This study uses a qualitative descriptive methodology, which is used to collect data is literature study, field research using observation or observations, interviews, and documentation. The study findings show that there are risks related to mortgage products at Bank BTN Syariah arising from debtor failures which result in non-fulfillment of debt payment obligations. As a result, banks must have risk management to minimize these risks effectively so that losses do not occur.

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INTRODUCTION

As the population grows, more people need homes. Home is a basic need for many people, in addition to food and clothing (Rochman et al., 2019) . There is a large gap between the number of houses built and the number of houses needed by the community. This is a big problem that is still being faced by people in Indonesia (Wiwik Hasbiyah AN, Khotimatus Sadiyah, 2020) . However, many people do not have enough money to buy their own house and some people look for other ways to finance the construction of a house. One option is to use home ownership financing. So, we need to continue to improve housing development and regulation so that everyone can have a safe and decent place to live. The KPR program is a service offered by banks to make it easier for people to own a home (Hashif, 2021)

The government has decided to help the homeless by providing housing finance through the FLPP (Housing Finance Liquidity Facility). This will help people who don't have enough money to buy their own house. The housing offered is for very low-income people (Randy, 2022) .

People living in low-income households, or MBR, often need assistance from the government to find housing. Some families have less money to spend each month, so they cannot afford to pay their rent or mortgage bills, so they need support from the Ministry of Public Housing (Siregar et al., 2022).

Bank BTN Syariah is a sharia bank that offers products, one of which is KPR for housing finance, namely the Housing Financing Liquidity Facility to help make it easier for people to borrow money to buy a house. This product is available for low-income people who buy houses from developers. The rules for distributing KPR Sejahtera BTN Syariah iB money vary, depending on the requester. The money should be used to help people who really need it, and companies should consider carefully who asks for it. Bank BTN Syariah is checking so that the money lent is not a loss because people cannot get their money back. Bank BTN Syariah must check to ensure that the people who get the loan can return it before giving it to them. This is done by using lending procedures or mechanisms, and using an internal court system to ensure that people with bad credit do not get loans. Bad credit is something that can happen if you don't pay your bills on time, and it can make it difficult to get a loan or borrow money (Kasmiah, 2020).

A high level of financing at a bank means a higher risk of default. For example, there are some people who get financing, but then do not comply with the rules set by the bank and the borrower. Sometimes this happens because the person is deliberately trying to break the rules, and sometimes it's because something went wrong and the customer didn't notice. Banks need to minimize the risk of losing money if something goes wrong, to keep their business afloat. In reducing the risk of financing, namely by developing a control system that includes several policies and management of financing is important so that the business continues to run smoothly. There are specific procedures that you must follow to comply with Islamic banking regulations. To protect a bank's business, it is necessary to ensure that it has good risk management procedures. Risk and financial institutions are related because without taking risks, there would be no financial institutions. Financial institutions must be able to take risks to make money, and they must have good risk management to keep their businesses running smoothly. Islamic banks are special because they have to follow different rules from regular banks when it comes to lending money. This can cause the risks faced by Islamic banks to be more complex and varied than the risks faced by ordinary banks. To be able to deal with this complexity, Islamic banks need good risk management practices.

Islamic banks work differently from conventional banks, so Bank BTN Syariah must be more careful in dealing with risks. To manage this risk, Islamic banks use a process called risk management. Risk management helps maintain the smooth running of the banking system by limiting risks that may occur. Islamic banks are very vulnerable to risk because they finance many things that people use for their daily lives, such as buying groceries or clothes. So, to ensure that banks can still make money, Islamic banks must use a lot of risk management. This includes ensuring that the loans they provide are fair and the profit sharing charged is reasonable. Banks use a variety of different methods to help people borrow money from the BTN Syariah bank. Islamic banks are specifically designed to help people access financing for things like housing loans. The different methods that banks use to help people borrow money carry different levels of risk.

Risk management helps banks to stay safe and avoid losses. This helps to know which risks are risky and how to avoid them, and ensures that Bank BTN Syariah is not too close to dangerous risks. Risk management is a way to keep BTN Syariah bank safe and profitable at the same time. Thus, banking risk management is a way to identify, measure, and control risks that may arise from bank activities.

Based on (Safitri & Tasman, 2021) The soundness level of a bank can be assessed by looking at the ratio of bad loans. Banks set limits on how much money can be loaned. This limit is based on an amount that is considered reasonable and profitable for the bank. Banks that have different risk

management systems, Banks need to create their own risk management systems, depending on the specific functions and organization of the bank. Thus, one risk management system cannot be used for all banks and every bank that operates in lending must have financing problems such as payment arrears with various factors (Isela & Arafah, 2020).

To anticipate such a thing, bank BTN KCPS Probolinggo aims to use a computer program to predict risks that may occur, such as non-performing financing. In carrying out risk management, bank BTN KCPS Probolinggo uses several techniques. Based on bank Indonesia regulations, problem financing can be classified into five categories: current, on special mention, substandard, doubtful and loss (Simarmata, 2021), and also using restructuring in the form of rescheduling the remaining principal and remaining arrears.

The benefits to be obtained in minimizing the risks that occur are to reduce the level of risk in sharia financing, to discipline customers in financing. In sharia financing, namely the murabahah contract, namely the sale and purchase contract between the bank and its customers. Banks buy goods needed by customers and then sell them to customers at prices above the purchase price and include the profit margin agreed between the bank and the customer. (Sapitri, nr.).

RESEARCH METHODS

This study uses a descriptive qualitative approach, where the results of the study are in the form of descriptions of findings in the field. Observation and documentation aims to obtain data from the researcher's point of view and to increase the credibility of the interview results through the relevant documents. In-depth interviews are the main technique that is expected to be the key to obtaining in-depth data or information related to the themes raised in the research. The objects of this research are those involved in minimizing the losses of KPR BTN Syariah KCPS Probolinggo. However, to further narrow the scope of the object, it is divided into two where they will act as key informants and supporters in the research. The key informant of this research is the head of KPR BTN Syariah KCPS Probolinggo. Supporting informants will be taken from community representatives because they are considered capable of understanding and being able to answer what is the main focus of the research. According to qualitative research it is based on the idea that knowledge is not based on facts, but comes from people's understanding and experience (Pontoh et al., 2021).

Research data collection technique is to use the method of library research and conduct field research. The literature study conducted is a research study that looks at other research to see how it compares to what is currently being done. Field research is a way to collect data directly from real-world situations, field research is a way to get information about something by doing research right where it happened. The results obtained from books and interviews with informants will be followed up in this study.

RESULTS AND DISCUSSION

Definition of Risk Management

Risk management is a way to make decisions that help achieve company goals. This involves looking at the level of activity carried out and the business area (Fachryana, 2020). Based on Bank Indonesia Regulation PBI Number 13/25/PBI/2011 concerning the Implementation of Risk Management for Islamic Commercial Banks and Islamic Business Entities, risk is something that can happen that can cause losses. To manage our risk, we have a system in place to ensure potential losses do not occur (Maulvi, 2020).

The goal of an effective risk management system is not only to avoid financial losses, but also to ensure that the bank achieves its financial results with a high degree of reliability and consistency. (Nelly et al., 2022). Risk Management Risk is a part of business and can be seen as an

important part of how people behave. The technology sector is very advanced and has made great strides in the development of information and communication technology. This had a major impact on the financial services sector which was able to adapt and improve its processes and systems to keep up with the latest developments. The financial services sector is a big business with lots of risks. This means it's full of things that can go wrong, and it's hard to make money in this industry. Therefore, proper risk management must be implemented.

Mortgage Application Requirements

Husband and wife identity (KTP, NPWP, KK, marriage book/unmarried certificate), BPJS Jamsostek card (optimal), Husband/wife income document (original work certificate, last 3 months bank statement, last 3 months salary slip) (a) PPh 21 SPT report (form A), (b) Fill out the FLPP submission form from the ministry, (c) Fill out the financing application form and interview from BTN Syariah (bring a 2x3 size passport, 1 sheet each, (d) Financial statements for the last 3 months (for entrepreneurs) (e) Business legality and business license (for entrepreneurs), (f) Photocopy of collateral documents (IMB certificate, PBB) from the developer/seller, (g) A house order letter from the developer or seller, (h) Pay down payment (DP) to developer or seller.

Non-Performance Financing (NPF) of Bank BTN Syariah

Non-Performance Financing (NPF) is a measure of a bank's ability to cover the risk of not being able to repay its debts. The NPF is based on the criteria set by Bank Indonesia. NPF includes unpaid, disputed or delinquent loans. The ratio allowed by Bank Indonesia is a maximum of 5%. A lower ratio is better, meaning that the bank is healthier. The Non Performing Financing Ratio (NPF) is the percentage of bad loans (non-refundable) divided by total loans. Gross NPF is the amount of money provided as a loan with a high probability of being repaid, compared to the total amount of money borrowed with a collectibility of 3 to 5 (substandard, doubtful, loss). The formula for Gross Non-performing Financing (NPF) is:

$$NPF \text{ Gross} = \frac{\text{Problematic Financing (Collectability 3-5)}}{\text{Total Financing}} \times 100\% \quad (1)$$

While NPF Net is the amount of financing available to be collected with a collectibility of 3-5 divided by the amount of money that is expected to be lost in the event of default. The formula is:

$$NPF \text{ Gross} = \frac{\text{Problematic Financing (Collectability 3 - 5) - PAP}}{\text{Total Financing}} \times 100\% \quad (2)$$

Table 1 . Non Performance Financing

NO	Year	NPF ratio	Category
1.	2017	1.15%	Healthy
2.	2018	2.20%	Healthy
3.	2019	4.25%	Healthy
4.	2020	3.06%	Healthy
5.	2021	3.12%	Healthy
Average		2.75%	Healthy

Source: quarterly data of bank btn syariah

Based on table 1 non-performance financing in 2017 the NPF ratio was 1.15%, in 2018 the NPF ratio increased to 2.20%, in 2019 the NPF ratio increased again to 4.25% followed by a decrease in the ratio in 2020, namely 3.06% and the following year experienced a slight increase, namely 3.12%. The NPF ratio in the table above is below 5%, meaning that the company is in good financial condition and is categorized as healthy non-work financing.

Problematic Financing Factors in Mortgage Products

Problematic financing is also interpreted as a situation where the customer is unable to pay all or part of his obligations or debts to the bank in a timely manner (Anggraini et al., 2022). The problematic financing factors due to the failure of the debtor to finance Sharia KPR at BTN KCPS Probolinggo are: a). work termination, b) Lower Salary (keep working), c) At home (Unpaid, but not fired from job), d) Business is in decline. Banks take risks that may not be repaid. If too much financing goes bad, it can damage a bank's reputation and make it more difficult to get a loan in the future. (Marlina & Ibrahim, 2019).

Financing Management at Bank BTN Syariah

KPR products from Bank BTN Syariah have the risk of not being able to pay off your debt. This is because there is a possibility that the debtor will not be able to fulfill his financial obligations. In guarding against the risks that occur, Bank BTN Syariah applies the following methods:

Work or business

Bank BTN Syariah is a bank that provides KPR financing, both subsidized and platinum, which can be seen from the customer's job, whether the customer is a permanent worker or has another business. If the customer owns a business such as a shop, workshop, tailor or other business, both micro and macro, then the minimum period of 2 years is to be able to register for an iB KPR which is commonly referred to as (BP2BT) and if the customer becomes a worker or employee of another person's business such as an employee Indomaret, internet cafe employees or factory employees, then a minimum period of 3 years of work to be able to register at KCPS BTN Syariah Probolinggo KPR which is commonly referred to as (FLPP).

The principles of Bank BTN Syariah are carried out by analyzing the assessment of the provision of financing that applies 5C, namely:

Character analysis is the process of evaluating a person's willingness to pay back his debts. This assessment is based on the information provided, including the customer's personal information, their occupation and financial information. In addition, this analysis is based on the customer's credit history (based on BI checking reports). BI Checking releases a credit history report. This report includes information about how often customers can repay their loans, as well as any problems associated with these debts. Collectability is a term that describes how easily a loan can be repaid. It classifies loans based on how smoothly payments are made, both the initial loan amount and interest. There are five types of collectibility, namely (a). Current Credit (Collectibility 1), Current credit is good credit done correctly and all payments are completed as agreed. (b). Special Mention Credit (DPK) (Collectibility 2), Credit is given special attention because it looks like the person may not be able to pay their bills smoothly for the first few months. (c) Non Current Credit (Collectibility 3), If you have bad credit for 3 or 6 months, that means you haven't paid interest or principal. And even though we have tried to make a deal and still haven't been able to pay us back. (d) Doubtful Credit (Collectibility 4), Doubtful credit is credit that is not current and has been paid off. It can't be resolved by the debtor, so that's a bit of a problem. (e). Bad Debt (collectibility 5) At this level, the debtor has the status of bad credit or bad credit because he is unable to make principal and interest payments beyond the due date. Capacity analysis looks at how much money a person can afford to repay a loan in the short term. This assessment is prioritized based on the ability of the prospective customer to return the loan he received from BTN Syariah within a certain period of time. Capital analysis is a way to measure a company's ability to repay loans. The more money a company has in its own coffers, the more likely the bank will believe the company is serious about borrowing money. Collateral or collateral analysis is a process used to estimate the value of objects used as collateral for a loan. This can be done with the help of a third party, such as an appraiser. Condition analysis is a way to understand whether economic conditions may affect a business's ability to pay its debts in the future. This means that

businesses with good prospects and a history of consistent profits are more likely to be able to pay off their debts.

Restructuring Strategy for Handling Problematic Financing

Financing restructuring is a step taken by banks to deal with customers who experience financing difficulties (Atiqi Chollisni Nasution & Evi Devi Sulistiyani, 2021)

Grace Period (Delay)

Some people have to postpone paying their bills, because they are having a hard time getting their money right now. However, the companies that lend them money usually give them a bit more time to repay i.e. 4-6 months. In this way, people who are in trouble can still get their money, even if they have to wait a while.

Table 2. Remaining Customer Financing

NO.	Information	Nominal
1.	Remaining arrears	Rp. 120,000,000
2.	remaining margin	Rp. 10,000,000
3.	Total remaining payments	Rp. 130,000,000
4.	The remaining term of financing is 10 years	120 months
5.	Debtor installments	Rp. 1,000,000
6.	Total saving grace of 6 months	Rp. 6,000,000
7.	The latest installment of the 7th month	Rp. 7,000,000

Source: *btn syariah bank data*

From table 2 it can be seen that the debtor has a remaining arrears of Rp. 120,000,000 and the remaining margin is Rp. 10,000,000 then the total remaining payment is Rp. 130,000,000. the debtor has a remaining financing period of 120 months and the debtor's monthly installments are 1,000,000 with a total grace period of 6 months of Rp. 6,000,000 and the latest installment in the 7th month of Rp. 7,000,000.

Principal Rescheduling (PUSP)

Table 3. _ Principal Rescheduling

No.	Information	Nominal
1.	Remaining arrears	Rp. 120,000,000
2.	remaining margin	Rp. 10,000,000
3.	Total remaining payments	Rp. 130,000,000
4.	The remaining term of financing is 10 years	120 months
5.	Debtor installments	Rp. 1,000,000
6.	3 year extension period	36 months
7.	Latest financing terms	156 months
8.	The newest installment of PUSP	Rp. 833.33

Source : *btn syaria bank data*

From table 3 it can be seen that the debtor has a remaining arrears of Rp. 120,000,000 and the remaining margin is Rp. 10,000,000 then the total remaining payment is Rp. 130,000,000. the debtor has a remaining financing period of 120 months and debtor installments per month of 1,000,000 with a 3 year extension period for 36 months and the latest financing item for 156 months.

Rescheduling of remaining arrears (PUST)

Table 4. Reschedule the rest

NO	Information	Nominal
1.	Monthly installments	Rp. 1,000,000
2.	6 months late	Rp. 6,000,000

3.	The remaining term of financing is 10 years	120 months
4.	P U S T calculation	Rp. 50,000
5.	New installment of PUST	Rp. 1,050,000

Source: Bank Btn Syariah data

From table 4, it is known that PUST is used to calculate how much the debtor is in arrears and how much is still owed on the loan. Monthly installments of Rp. 1,000,000 with a delay of 6 months of Rp. 6,000,000 and the remaining financing period is 10 years, namely 120 months. With PUST calculation of Rp. 50,000 + Rp. 1,000,000 monthly installments, the new PUST installment of Rp. 1,050,000.

In research conducted by Nurlina (2021), it was explained that the KPR Bank BTN Syariah KCPS Parepare risk management plan includes customer billing via telephone and face to face, providing special payment plans for those who are in arrears, and restructuring such as debt relief programs, personal hard times, and guarantees loans for those who can't afford it. pay their bills. This is in line with this research where to collect money owed to the bank, KPR BTN Syariah KCPS Probolinggo implements a billing program that uses telephone calls and direct visits. Customers who are in arrears will receive SP 1, 2, or 3 depending on how far they are in their payments. If the customer is in debt restructuring, they can accept PUST, PUSP (term) as part of the agreement. Finally, the bank will also provide guarantees to customers who are unable to pay their debts.

CONCLUSION

Based on the research above, researchers found that there is a risk of problem financing that can occur in KPR iB products of Bank BTN Syariah KCPS Probolinggo, which is due to risks that occur due to debtor failure. This means that borrowers are not always able to pay their installments on time, which can create problems. The higher the level of financing owned by a bank, the greater the risk that must be borne by the bank to save customers who are unable to repay their loans. To mitigate this risk, banks take steps to ensure they can continue to operate even if one of their customers defaults. To reduce the risks in KPR iB BTN Syariah KCPS Probolinggo, management must take precautions against potential risks, including financing risks. In accordance with Bank Indonesia regulation No 23/13/PBI/2001, bank BTN Syariah uses various risk assessment strategies in sharia business entities and sharia business units including a risk assessment process that starts with a review of customer business operations and uses 5C. Analysis: (character) character or personality, (capacity) ability, (capital) capital, collateral. The third step is to quantify risk by using a strategy in the form of rescheduling the remaining principal and rescheduling the remaining arrears. The involvement in this study is: 1) due to time constraints, 2) the researcher is in the cottage it is difficult to get out, 3) the leadership of the KPR Bank BTN Syariah KCPS Probolinggo is often not in the office

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