

The Provision of Unsecured Micro Business Loans at Bank BKC Susukan Branch Office of Cirebon Regency

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Abstract. *Micro Business Credit is financing for Micro, Small, Medium Enterprises (MSMEs) in the form of providing working capital supported by guarantee facilities for productive businesses. Bank BKC Susukan Branch of Cirebon Regency is a Regional Rural Bank in addition to conventional commercial banks such as BNI, BTN, Bank Mandiri, Bukopin, Mandiri Syariah Bank which is trusted by the government to distribute business loans. The phenomenon that occurs, through this Micro Business Credit, the borrower does not need to provide collateral to the bank because this credit is a loan without collateral and has been guaranteed by the government. This does not mean that if the program has been borne by the government, this program can run smoothly and in accordance with the desired expectations. Basically, this loan is one of the BANK BKC program for the Susukan Branch Office where the bank is the place for micro business credit to be distributed to the public, of course with the internal policies and requirements of the bank. Therefore, unsecured credit is facilitated by this bank because it is basically micro-enterprises that drive the economy of the area, therefore with the aim of helping the micro community, banks also benefit from good economic movements, so that bank activities in the bank's business will be good because with the existence of a given credit means that the bank earns a relatively high interest considering that the loan is given without any collateral.*

Keywords: *Business; Loans; Micro; Unsecured.*

1. Introduction

Rapid economic development makes the need for costs for daily life also greater. Along with these economic developments, today's society or business actors are faced with the development of an increasingly dynamic economic environment. This condition results in the increasing complexity of the necessities of life that must be met, so that the community or business actors are always required to be in harmony with economic development.

To realize the national economy, financial institutions such as banks are urgently needed with the aim of supporting the implementation of national development in order to increase equity, economic growth and national stability towards increasing the welfare of the people at large.

One of them as a financial institution that carries out its business activities in the field of financial services, banks have the ability to meet the needs of the community in raising funds and providing loans to the public. Financial institutions are business entities that have wealth in the form of financial assets (financial assets). Wealth in the form of financial assets is used to run a business in the field of financial services, both providing funds to finance productive businesses and consumptive needs.¹

The juridical development of banking in Indonesia was initially regulated in Act No. 7 of 1992 concerning Banking, Supplement to the State Gazette Number 3472, as amended by Act No. 10 of 1998 concerning Banking, State Gazette of the Republic of Indonesia of 1998 Number 182. Banking According to Article 1 point 1 of the Law, it is explained that: "Banking is everything related to banks, including institutions, business activities, as well as methods and processes in carrying out their business activities".

Banking institutions according to their type can be classified into 2 types, namely commercial banks and rural credit banks²Therefore, in accordance with its function, it is an institution that collects and distributes public funds, one of which is that commercial banks and BKC branch offices can provide credit to the public, especially Micro, Small and Medium Enterprises (hereinafter referred to as MSMEs).

In accordance with Act No. 7 of 1992 as amended by Act No. 10 of 1998 concerning Banking, article 8 means that commercial banks and BKC Bank Branch

¹Abdulkadir Muhammad & Rilda Murniati, (2000), *Segi Hukum Lembaga Keuangan & Pembiayaan*, Citra Aditya Bakti, Bandung. p.25

²Act No. 7 of 1992 as amended by Act No. 10 of 1998 concerning Banking, Article 5

Offices are required to apply the precautionary principle, especially in providing credit to customers or debtors so that commercial banks and BKC branch offices can obtain confidence before granting credit, they must apply a careful assessment of the character, ability, capital, collateral and business prospects of the customer or debtor. Considering that collateral is one of the elements of providing credit, so long as the other elements have been able to obtain confidence in the ability of the customer or debtor to repay the debt, the collateral may even be a credit that has been given by the bank providing the credit. In other words, it is possible to provide credit without having to be accompanied by collateral. One of the policies of the Cirebon Regency Government, West Java Province, is to establish a Regional Owned Enterprise (BUMD) which is engaged in the banking financial business, one of which is in Cirebon Regency, namely the Regional Company Bank BKC Susukan Branch Office. The local government in this case reminds

The distribution of unsecured micro-business loans by the Susukan Branch Office BANK BKC with an amount that is not too large but helps in micro, small and medium-sized businesses, therefore because the unsecured credit provided contains a very large element of risk, so that in its implementation the Office BKC BANK Susukan Branch in providing unsecured credit to customers or debtors many do not fulfill obligations or are in default so that the Susukan Branch Office in carrying out the precautionary principle is not optimal, however, in the settlement of unsecured loans, the problem is even BANK BKC Susukan Branch Office tries to collect continuously until the end of the BANK BKC Susukan Branch Office to write off the books, Thus, the implementation of unsecured loans at the Susukan Branch Office BKC BANK in the settlement of credit repayments does not have legal certainty and good faith from the Susukan Branch Office BKC BANK so that it can harm regional finances.

2. Research Methods

The nature of this research is descriptive, with the aim of describing and analyzing the data obtained in a systematic, factual and accurate manner from the field and agreement documents that are in accordance with the problems that have been formulated and linked to the applicable laws and theories and scientific theories. This empirical legal research obtains data sources consisting of primary data, secondary data, and tertiary data, so that data sources can be collected in accordance with the formulation of the problem, but data analysis is carried out by qualitative analysis, which is an analysis carried out without numbers but based on descriptions associated with theories, opinions of experts and legislation, it can be described in the form of sentences in a systematic, clear and detailed manner. The author can draw a conclusion that can be guided from the purpose of the study.

3. Result and Discussion

3.1. Reasons for Providing Unsecured Micro Business Loans at the Susukan Branch of BKC Bank in Cirebon Regency

Every loan given by a bank to a customer always has a specific purpose, in which the debtor is to obtain credit from the bank with the aim of obtaining capital for business activities, while the BKC Susukan Cirebon branch in providing credit without collateral to micro, small and medium enterprises so that by Bank BKC Susukan Branch aims to assist and provide access to services and facilities for the community to run the community's economy and also provide convenience in carrying out productive businesses to drive the community's economy.

To be able to move the economy of the community in Cirebon Regency, the regional government through the Susukan Branch BKC Regional Company can develop the regional economy and help provide sources of financing for micro, small, and medium economic enterprises in order to improve people's living standards, farmers, ranchers, small traders and fishermen.³

3.2. The process of providing Micro business loans without collateral at the Susukan Branch of BKC Bank in Cirebon Regency

Prior to the implementation of the provision of unsecured micro business loans at the Susukan Branch BKC Bank, which previously had a bank policy to process the loan, previously the bank as a credit provider offered to prospective customers a credit agreement whose contents were in accordance with the wishes of the bank, Usually this agreement is called a standard agreement or standard agreement.

A standard contract (standard contract) is an agreement whose terms and conditions have been prepared and determined in advance unilaterally by the user and binds other parties.

At first, the credit agreement in the form of a blank form provided by the bank must be filled in by the prospective customer which contains clauses which are the provisions of the terms of the agreement provided by the bank, and after filling in the form, the prospective debtor customer only needs to sign if they are willing to accept the contents of the agreement. the credit.

³Fajar Cirebon Print Media, dated December 3, 2019

In granting credit by the Bank basically guided by 2 principles, namely:

- The principle of trust is regulated in article 29 paragraph (4) of Act No. 10 of 1998 concerning banking. that the provision of credit by the Bank to debtor customers is always based on trust, the bank has the belief that the credit granted to the customer is beneficial to the debtor customer according to its designation, especially in this trust principle, the Bank is very confident that the debtor customer is able to pay off his debt in accordance with what is required agreed with the payment of interest.
- Prudential Principle, in article 2 that in carrying out its business Banks must be careful in carrying out their business, especially in providing credit to debtor customers and banks must apply the precautionary principle. This principle is realized in the form of consistent application based on good faith to all laws and regulations related to the provision of credit.
- Know Your Customer Principles. It is regulated in Bank Indonesia regulation Number 3/10/PBI/2001, namely the principles applied by banks to identify and identify customers, monitor customer transaction activities including reporting any suspicious transactions.

3.3. Process for Settlement of Micro Business Loans without Collateral If the Debtor Defaults at Bank BKC Susukan Branch, Cirebon Regency

According to Satjipto Raharjo, legal protectio is "give" protection of human rights that have been harmed by others and that protection is given to the community so that they can enjoy all the rights granted by law.⁴

In the process of granting credit, it often happens that the creditor is harmed when the debtor defaults, so that a legal rule is needed in the implementation of the People's Business Credit agreement contained in a credit agreement, which aims to provide legal certainty and protection for related parties, in particular for the creditor if the debtor defaults or does not fulfill his obligations

Bank BKC Susukan Branch as a Cirebon regional company which has a goal to encourage regional economic growth so that it can empower the community, especially micro businesses by providing credit facilities without collateral, with

⁴Satjipto Raharjo, *Penelitian Hukum*, Bandung: PT. Image of Aditya Bakti, 2000, p. 55.

a maximum MSME credit loan of IDR 2,000,000.- (two million rupiah),⁵Banks must pay attention to various aspects of the analysis of prospective debtors. One of them is limiting the loans given in accordance with the income of the prospective debtor.

Non-performing loans are non-current loans or credits where the debtor does not meet the promised conditions, for example interest requirements, taking loan principal, increasing margin deposits, binding and binding collateral, and so on.

Another understanding of non-performing loans is that there is a deviation between what was promised and what happened in reality, in this case there was arrears. There are arrears in principal and interest payments that exceed 270 days with what has been agreed in the credit agreement

Based on the results of interviews conducted with credit analysts at Bank BKC Susukan Branch, it was explained that loans without bad collateral given to debtors were mostly bad, so it can be seen from the collectibility of credit.⁶

In the collection carried out by the bank against the defaulting debtor, the bank itself is in the field to collect the debtor's debt, together with the BKC Bank's Credit Collection Team, the Susukan Branch, which means that the bank takes a considerable risk in dealing with a defaulting debtor. The reasons that are often put forward by debtors who are in default or debtors who do not pay their debts are bankrupt businesses, quiet sales and no intention to pay.

From the various reasons the debtor has for the delay, it can be said that the bank is not careful, namely the lack of supervision in the field to monitor the management of the credit that has been given by the bank, which causes the credit to become problematic, considering that the credit is given without additional collateral. The bank will also make various efforts in accordance with the credit policies set out in the bank's internal bank in order to save credit so that it returns smoothly.

If the credit rescue measures taken by the bank are not successful, then according to the bank's internal regulatory guidelines, the bank can take further

⁵Document Credit Agreement Regional Company Bank BKC Susukan Branch Cirebon Regency

⁶Interview Results of Credit Analyst Staff of Regional Company Bank BKC Susukan Branch, Cirebon Regency, May 20, 2022 in Susukan

action in the form of settlement of bad loans through the write off program, by eliminating bad loans in two stages, namely:

- Write off or conditionally write off. This write-off is done by removing all bad debt portfolios and bank books, but the bank still collects debtors.
- Write-off or absolute write-off, in this write-off program, banks no longer collect debts from debtors.

Based on Bank Indonesia Regulation Number 14/15/PBI/2012 concerning Asset Quality Assessment of Commercial Banks, in CHAPTER VII Article 69 Regarding Write Offs and Collected Offs in Article (1), it is formulated that banks are required to have written policies and procedures regarding write-offs and write-offs. As in Article (70) of the Bank Indonesia Regulation, it is stated that write-offs and write-offs can only be carried out after the bank has made various efforts to recover the given Earning Aktia.

In the provision of micro-credit, it is clear that the absence of collateral means that nothing is executed by the bank. In the event of a default, the bank can conduct a family discussion before the bank follows up on pick-up and drop-off collections. Banks can ask what is the problem with loans that have not been paid, ask what the debtor wants to do in repaying his credit. Therefore, banks must be able to remain cooperative with debtor customers so that credit rescue can be carried out.

Since the Regional Company Bank BKC Susukan Branch issued business credit products without collateral, until August 2015 there have been recorded write-offs 3 (three) times. This was done because the debtor fled, so the place of residence of the debtor is unknown.

The provisions for write-offs and/or write-offs according to BPR policies that have bad quality are:

- Delete Books and/or Clear Bills can only be performed on provision of funds that have bad quality.
- Write-off and/or write-off plans for loans with significant bad quality must be recorded in the work plan and annual budget of the RB
- Execution of write-offs and/or write-offs is adjusted to the authority stated in the policies and procedures of RB credit.

General legal protection for creditors in the unsecured Micro KUR agreement refers to Article 1131 of the Civil Code which states that all movable and immovable goods belonging to the debtor, both existing and future, become collateral for the debtor's individual engagements. Protection for other creditors, such as the transfer of credit risk to a guarantee company, where 70% of the credit risk is borne by the guarantee company and 30% by the implementing bank.

The formulation of article 1131 of the Civil Code is "all debtor objects, both movable and immovable, both existing and those that will be in the future, become dependents for all individual debts.

Therefore, guarantees of a general nature are guarantees provided for the benefit of all creditors and concerning all debtor's assets, as regulated in Article 1131 of the Civil Code; and special guarantees which are guarantees in the form of appointment or delivery of certain goods specifically, as collateral for the settlement of debtor obligations or debts to certain creditors, which only applies to certain creditors, both materially and individually.

At Bank BKC Susukan Branch, although in the standard agreement that has been formatted by the bank it is written that all debtor assets owed become the property of the creditor in the event of a default which allows the bank to sell the proceeds from the loan or principal collateral, but the bank has never done that considering The initial goal of the Susukan Branch BKC bank was to help micro, small and medium sized communities. Banks also provide tolerance for debtors who are always stuck in paying off their debts.⁷

4. Conclusion

To be able to move the economy of micro, small, and medium communities and to improve the welfare of the people in Indragiri Hilir Regency, the Regional Company of the Gemilang Rural Bank in providing credit facilities without collateral to MSME actors must of course have a reason why the Regional Company of the Gemilang Rural Bank would provide credit. without collateral because the Bank can limit the credit loans that will be given to micro-enterprises, because Rural Banks charge high interest on loans, the interest is set the same from the beginning to the end of credit repayment, the period given by the bank is relatively short, ranging from one year according to the with the amount of the loan, as well as view and record the business run by the debtor, whether the business being carried out is feasible and beneficial for a business expansion that benefits prospective customers, has a character that the

⁷Interview Results of Credit Analyst Staff of Regional Company Bank BKC Susukan Branch, Cirebon Regency, May 20, 2022 in Susukan

assessment of the prospective micro business debtor must have good character or character. The process of granting unsecured micro business loans by the Regional Company of the Gemilang Rural Bank has stages, namely: The credit application stage, by completing the data from the credit form provided by the bank. The stage of checking the customer whether the prospective customer has a bad reputation or not. The interview stage, which is an interview about the prospective debtor's business prospects that will be undertaken and conducting a field survey. The Credit Proposal Memorandum stage is poured into a credit proposal which will be examined by the board of directors. The submission stage to the Credit Committee, to learn more about the credit application. The Credit Realization Stage, namely if all conditions have been met and the credit application is granted, the credit can be disbursed within one week. Settlement of credit if the debtor defaults, as for the stages, namely for debtors who are included in the collectibility of special attention, namely debtors with bad credit, so that the Regional Company of Bank Perkreditan Rakyat Gemilang can carry out negotiations and summons the debtor in paying the installments of his debt, after all methods have been carried out by the parties. Regional Company, Bank Perkreditan Rakyat Gemilang, then with the approval of the board of directors by assessing the creditworthiness of being written off, therefore the Regional Company of Bank Perkreditan Rakyat Gemilang in lending has not maximally applied the principle of prudence in lending.

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