



Restructuring Subsidised Housing Loans (KPR) Impact of Covid-19 on Bank BTN Bandar Lampung

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Abstract. Housing needs are basic human needs such as for living and socializing. House also functions as a place live a pleasant life, resort, family gatherings, and a social status. In providing mortgages, currently there are many financial institutions that provide home ownership services. One of them is the State Savings Bank (BTN) Indonesia in Bandar Lampung. Housing subsidy is a loan intended for lower-middle income people to meet housing needs or repair houses that they already have. Forms of subsidies given are: interest difference subsidies, additional development funds, repairing houses. Fulfilling housing needs became a big problem during the COVID-19 outbreak, because in the process of ownership of the house, it was dominantly done by means of credit. Due to the COVID-19 pandemic, there are many debtors got constrained in paying their home loans. It is in this context that this research becomes important to be discussed and explained in depth. The research method applied in this study is normative research, then a qualitative descriptive analysis is carried out, by describing the data obtained through legal interpretation both grammatically and or other legal interpretations so that they can be interpreted clearly. The object research is restructuring implementation in financing arrears settlement on housing loans at Bank BTN in Bandar Lampung due to COVID-19. Efforts to restructure non-performing financing are carried out by making an addendum to the contract as described in this study, which is a form of bank effort as a creditor to its customers (debtors) affected by covid-19 in accordance with the Presidential Instructions. A derivative of the presidential instruction of the Financial Services Authority (OJK) issued a regulation in POJK Number 11/POJK.03/2020 concerning the stimulation of the national economy as a countercyclical policy due to the impact of the spread of the corona virus disease.

Keywords: Housing Loans · Subsidies · covid 19 · restructuring

1 Introduction

Every human being has the right to live in physical and spiritual prosperity, to have a place to live, and to have a good and healthy living environment, these are the basic needs of all human beings. State policies, especially the Indonesian state, are responsible

for protecting all citizens by providing decent, healthy, and affordable housing and community living environments. Human life is increasingly proliferating causing an increasing need for housing. As a benchmark for the welfare of the community, the house is the reference.

Law No. 7 of 1992 on Banking as amended by Law No. 10 of 1998; It is commonly distributed in the context of improving the standard of living of many people. The increasingly diverse needs of the community place credit as the most sought after bank service product. In distributing Home Ownership Loans (KPR), banks here must be selective in assessing the feasibility proposed by debtors. These requirements are used by banks to make it easier to check their ability to pay and to overcome non-performing loans in the future.

The years 2007 to 2008 became a major and significant point in navigating the world's economy. We saw that there was a fuel oil crisis and a food crisis that hit the world economy at that time, then caused a financial crisis which was felt and is likely to have an impact until now. The financial crisis came from the state of the United States (US) which is called the number one economic power today. The impact of the crisis affected the economy of the whole world, including Indonesia. At this time the end of 2019 the world was rocked by a virus called covid 19, the beginning of its emergence in China, precisely in the city of Wuhan. The virus has panicked all mankind on earth, including Indonesia. At the beginning of 2020 Indonesia was busy with issues regarding covid 19 which in the end it became a reality and paralyzed all activities of the Indonesian people, not only that, Covid 19 made the country's economy weaken, affecting the workers. Many workers have been laid off (PHK). So that the credit payment becomes jammed.

Resolving problem loans is a must for banks and becomes a very important problem because it is related to the money being channeled. So that the problem of bad credit must be resolved immediately. One solution is through restructuring. As experienced by Bank BTN, which carried out the settlement of bad loans through restructuring the bank itself. In accordance with the presidential instructions for people affected by Covid 19, the installments will be postponed for 1 (one) year. A derivative of the presidential instruction of the Financial Services Authority (OJK) issued a regulation in POJK Number 11/POJK.03/2020 concerning the stimulation of the national economy as a countercyclical policy due to the impact of the spread of the corona virus disease.

In mitigating the risk of lending, what can be done by the bank is to save financing, which aims to help resolve problematic financing through re-talk between the bank and borrowing customers. Financing rescue can be done by implementing rescheduling, reconditioning, and restructuring schemes. The settlement can be overcome by a lawsuit brought by the bank if the customer is not in good faith i.e. shows no willingness to perform its obligations, but in reality the customer is not controlled by the bank, or still have other assets that are intentionally hidden. I have other sources of information for solving funding issues. Legal proceedings may be resolved through the District Court.

Restructuring is one of the "efforts made so that developers as bank borrowing customers (debtors) can fulfill their obligations by submitting a request for amendment (addendum) to the terms of the previously agreed credit agreement". At the time of the credit agreement, the customer will be asked to be able to pay the installments every month. In connection with this, "a problem arises if the debtor has difficulty paying

off credit installments due to several factors that can lead to several problematic credit classifications, which will later harm the debtor itself'. As is happening now due to the pandemic. Designing a contractual relationship usually begins with a negotiation process between the parties. Through negotiation, parties try to create a form of agreement to bring together what they want (benefits) through the negotiation process.

2 Literature Review

Credit under Article 1(11) of Law No. 10 of 1998 amending Law No. 7 of 1992 on Banking Business means that money or It is an offer of a bond that can be considered equivalent. A party that requires a borrower to repay with interest after a certain period of time. A mortgage or home equity loan is a type of lending service offered by banks to customers who want a special loan to meet their homebuilding or home improvement needs. The KPR itself stems from the need to own homes that are growing in size without being offset by sufficient community purchasing power.

In Indonesia, currently known there are two types of mortgages, namely:

- Subsidized KPR, which is a credit intended for the lower middle income community in order to meet the housing needs or repair the houses they already have. The form of subsidies provided: Subsidies to reduce credit and subsidies to increase funds for building or repairing houses, these subsidized credits are regulated by the government, so that not every community who applies for credit can be given this facility. In general, the restrictions set by the government in providing subsidies are the applicant's income and the maximum credit granted.
- Non-subsidized mortgage, which is a mortgage that is intended for the entire community, the provisions of the mortgage are determined by the bank, so that the determination of the amount of credit and interest rates is carried out according to the policy of the bank concerned. Advance subsidies received by customers are adjusted to the basic salary of each customer. The completion of the rescheduling financing payment is replaced with the following year. Rescheduling is a change in the installment payment schedule or period without adding to the remaining payment obligations to the bank. The implementation of rescheduling at Bank BTN is as follows:
 - The extension of the installment payment period is carried out so that the customer or debtor can fulfill obligations. The extension of the period is an agreement between the bank and the customer or debtor.
 - There is no extension of the installment payment period. The financing period has not changed, but the remaining installments can be paid in installments according to the agreement between the customer or debtor and the bank.
- The clarity of the goals to be achieved is evidenced by data that with the achievement of the bank's goal of saving non-performing loans from March 2020 to September 2021 as many as 11,000 debtors.
- Clarity of strategy on achieving goals, namely the BTN KC Bandar Lampung uses a home ownership loan restructuring strategy with persuasive techniques and legal

channels to reduce the level of non-performing loans. In carrying out the provision of customer credit restructuring in carrying out the provision of customer credit restructuring.

Must be willing to be restructured. As an institution distributors, only carry out analysis and evaluation of the occurrence of non-performing loans experienced by customers, if the customer considered to still have good business prospects, the bank will offer credit restructuring as an effort to rescuing problem loans before execution.

Auction of customer's collateral. The troubled financing restructuring effort carried out by making an addendum to the contract as described earlier is a form of bank effort towards customers affected by COVID-19 in accordance with presidential instructions.

During the Covid-19 pandemic, many debtors had problems completing their obligations/installments due to layoffs, declining income and many debtors' businesses having to close. So from the problems of the debtors, the debtors' installments are in arrears. The strategy of the State Savings Bank KC Bandar Lampung in helping debtors who have difficulty in completing their obligations/installments is by way of restructuring. The mortgage restructuring from bank BTN KC Bandar Lampung is very helpful for debtors in the midst of the Covid-19 pandemic. Based on the results of the study, data obtained that: "The data on the number of debtors who restructured mortgages during Covid-19 is approximately 11,000 debtors and the data on the number of outstanding mortgages during Covid-19 is approximately Rp. 650,000,000,000.

In assessing whether the effective implementation of home ownership loan restructuring carried out by BTN KC Bandar Lampung, a benchmark of effectiveness is needed. Where its effectiveness can be measured through the achievement of the results achieved in a company. If the company succeeds in achieving its goals with good results, it can be said to be effective because effectiveness can be seen and assessed from the success of the course of a program process. The implementation of credit restructuring carried out by banks is said to be effective because it has met several assessments or indicators that state the effectiveness of the implementation of credit restructuring as the spearhead of a strategy for reducing non-performing loans, namely:

- Analyzing a good policy process, BTN KC Bandar Lampung is based on the 5C and 7P principles in implementing housing loan restructuring.
- Good planning and supported by all parties, BTN KC Bandar Lampung can decide and implement the rescue of non-performing loans.

From the explanation above, it can be understood that the program KPR restructuring is a strategy carried out by BTN KC Bandar Lampung to debtors for having achieved the bank's goals and assisting the government in achieving the recovery of national development in the banking sector during the Covid-19 pandemic.

3 Conclusion

The Bank restructured non-performing financing for housing subsidized mortgages because creditors were affected by the economy by covid 19, the Bank took steps in

accordance with the president's instructions by providing a 1 year suspension of payments with the terms and conditions applicable to the bank, which was carried out by making an addendum.

Based on the results of this study, it is suggested that restructuring is very important to provide relief, the granting of this relief is also considered the ability of the debtor itself.

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