

BAD CREDIT AND THEIR IMPLICATIONS IN A REVIEW OF SHARIA BANK

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Abstrak:

Dalam lembaga keuangan perbankan syariah, pembiayaan merupakan aset yang sangat besar sehingga pembiayaan tersebut harus dijaga kualitasnya dengan mendasarkan pada prinsip kehati-hatian. Prinsip kehati-hatian adalah pedoman pengelolaan Bank yang wajib dianut guna mewujudkan perbankan yang sehat, kuat dan efisien sesuai dengan ketentuan peraturan perundang-undangan. Penerapan prinsip kehati-hatian oleh Bank syariah salah satunya diwujudkan dalam melakukan analisa pembiayaan yaitu menganalisa keyakinan atas kemauan dan kemampuan calon nasabah untuk melunasi seluruh kewajibannya pada waktunya, sebelum Bank Syariah menyalurkan dana kepada nasabah Penerima Fasilitas". Keyakinan tersebut diperoleh dari penilaian dengan seksama terhadap watak, kemampuan, modal, agunan, dan prospek usaha dari calon nasabah penerima fasilitas (character, capacity, capital, collateral, condition). Bank syariah dalam memberikan pembiayaan berharap bahwa pembiayaan tersebut berjalan dengan lancar, nasabah mematuhi apa yang telah disepakati dalam perjanjian dan membayar lunas bilamana jatuh tempo. Akan tetapi bisa terjadi dalam jangka waktu pembiayaan timbul pembiayaan bermasalah. Upaya yang dilakukan oleh Bank Syariah untuk menangani pembiayaan bermasalah dengan melakukan penyelamatan pembiayaan bermasalah dengan upaya restrukturisasi apabila nasabah masih mempunyai itikad baik dalam arti masih mau diajak kerjasama dalam upaya penyelamatan pembiayaan bermasalah, akan tetapi jika nasabah sudah tidak beritikad baik dalam arti tidak dapat diajak kerjasama dalam upaya penyelamatan pembiayaan bermasalah maka bank syariah akan melakukan upaya penyelesaian pembiayaan bermasalah.

Kata Kunci: *Pembiayaan dan Bank Syariah*

Abstract:

In Islamic banking financial institutions, financing is a very big asset that the funding should be maintained based on the quality of the precautionary principle. The precautionary principle is Bank management guidelines that must be adhered to, in order to create a sound, robust and efficient in accordance with the provisions of the legislation. Application of the precautionary principle by Islamic banks one of which is manifested in the analysis is to analyze the financing of confidence in the willingness and ability of prospective clients to settle all its obligations in time, before the Islamic Bank disburses funds to customers Recipient Facility". The confidence gained from assessment against characteristic carefully, capability, capital, collateral, and business prospects of the receiving facility prospective customers (character, capacity, capital, collateral, condition). Islamic banks provide financing hope that funding is running smoothly, customers comply with what was agreed in the agreement and paid when due. But it can happen in the financing period financing problems arise. The efforts made by the Islamic Bank to deal with the problem of financing the rescue financing problems with restructuring efforts if the customer still has a good faith within the meaning want to be invited to cooperate in the effort to rescue financing problems , but if the customer has not acted in good faith in the sense of cooperative in an effort to rescue the troubled financing Islamic bank will make the financing problems solving.

Keywords: Bad credit and Islamic banking

INTRODUCTION

Borrowing is one of the economic activities carried out by institutions, especially Islamic banks, state-owned commercial banks and private banks, in Law no. 7 of 1992 concerning banking, article 6 (b) states that one of the efforts of Islamic banks is to provide credit. In the economy, the role of the bank is very important as a financial institution with the main task of collecting funds from the public and distributing it to the public, entrepreneurs to finance the real sector through the provision of credit. The bank's business activities include the provision of credit. Investments in securities, foreign exchange activities, placement of funds with other banks and venture capital investments made by other legal entities are all inseparable from the risk of not returning part or even all of the funds, channeled or also known as bad credit. Banks as distributors and providing credit funds for the community do not always run smoothly, specific time when debtors do not fulfill obligations according to the deadline, it is considered a failure to carry out the agreed promises because the debtor does not carry out obligations without reasons that can be accepted by law. If there is congestion, the creditor can demand compensation and cancellation. "The debtor is obligated to provide compensation for costs, losses and

interest to the debtor, if he has brought himself in a state of being unable to surrender his property, or has not taken proper care to save it. ¹While Article 1239 BW regulates engagements to do something or not to do something, which stipulates it. Banks must be able to account for the trust given to customers (depositors) to them. Every fund issued as a credit loan has a huge responsibility if there is a bad or problem credit, one of the most felt impacts in the event of bad or non-performing loans is the losses experienced by the bank, not infrequently some banks are threatened with bankruptcy. If it is found a bad credit, the credit institution will conduct efforts to save credit by providing an extension of the repayment period to the debtor with the intention of giving him the opportunity to pay off the credit within the given period. After the rescue efforts have not been successful, the bank is forced to take the final policy by submitting the matter to the authorities. ²

Islamic banks are one of the many state-owned banks that provide credit services to the wider community. Islamic banks are commercial banks, namely banks that carry out business activities in conventional funds or based on sharia principles in their activities of providing services in payment traffic. One of the efforts made by commercial banks is to provide

¹ Purwahid Patrik, *Hukum Jaminan Edisi Revisi dengan UUHT*, (Semarang: Fakultas Hukum Universitas Diponegoro, 2006). hlm 33.

² M. Bahsan, *Introduction to Credit Analysis in Indonesian Banking*, (Jakarta: CV. Rejeki Agung, 2003). pp 1-2.

credit, both short term and long term. Islamic banks are banks that have a very wide network coverage in Indonesia and have branches in various regions. Many savings and loans found in Islamic banks, in 2004 there were approximately 300 customers who used bank credit services. The 300 customers who use the services on average, 3-5% of customers are in default, resulting in a bad credit and only a small portion of which is overmatched. Based on this description, the author is interested in knowing about the settlement of bad loans in credit agreements, especially those in Islamic banks.³

METHODS

The type of research used in this research is field research, which takes the object in Islamic banks. This research also adds library research methods, that takes data from Islamic banks. The characteristic of this research is descriptive analytical research, that aims to collect data, reduce and analyze clearly the process of resolving bad loans that occur in Islamic banks.⁴

1. Data Sources:

The way how data is obtained here is the point will be described. The sources of data used in this study are as follows:

a. Primary Data

The data is obtained from some intensive interviews with the authorities in the Islamic Banks.

b. Secondary Data

The data indirectly provide information that supports primary sources, are obtained from applicable laws and regulations, library studies, books, scientific works, and other sources that support this research.

2. Data Collection Techniques

The data collection techniques used in this study include the following methods:

a. Interview

An oral question and answer between two or more people directly. In this case, it is done to employees of Islamic Banks.

b. Literature Study

Data collection techniques by reading, studying, recording data obtained from various law books, and laws and regulations related to research.⁵

3. Approach

The approach used in understanding and approaching the object of this research uses an empirical juridical approach and normative law. The juridical approach (law is seen from norm or *das sollen*), because in discussing the problem of this research using secondary data. Empirical

³ Herowati Peosoko, *Dinamika Hukum Parate Executive Obyek Hak Tanggungan*, (Yogyakarta: Aswaja Pressindo, 2003). hlm 125.

⁴ Jalaluddin Rakhmat, *Metode Penelitian Komunikasi*, (Bandung: Remaja Osdakarya, 2004), hlm. 29.

⁵ Suharsimi Arikunto, *Prosedur Penelitian Suatu Pendekatan Praktek*, (Jakarta: Rineka Cipta, 1993), hlm. 102.

approach (law as a social, cultural, and reality *das sein*), because this research uses primary data obtained from the field.

The empirical juridical approach in this study means that in analyzing the problem, it is done by combining secondary and primary data legal materials obtained in the field.

The normative legal approach is a research method carried out by examining library materials or secondary data. This approach is carried out to identify the concepts and principles that govern the settlement of bad loans.

4. Data Analysis

The process of simplifying data into a form that is easy to read and interpret. The data that has been collected was analyzed descriptively, qualitatively, the analyzing the results of research with describes the relationship between the existing research results obtained to describe and explain a problem, so as to arrive at a conclusion.⁶

THEORETICAL OVERVIEW

In order to achieve the national goal of the Indonesian, which is basically to realize the welfare of Indonesian citizens, this is influenced primarily by economic capacity, which is the ability to increase income in a fair and equitable manner. Various efforts have also been made by the Indonesian to

improve the economy, one of which is the form of bank business activities related to the distribution of bank funds to the public which can be utilized by economic actors to develop and enlarge their businesses, either directly or indirectly. To help the distribution of opinion in the community, apart from developing business, the community can also use banking credit facilities to fulfill secondary needs such as buying houses, electronic goods, vehicles, and others.⁷ Based on the government itself defines credit in Law no. 7 of 1992 as amended by Law no. 10 of 1998 concerning banking (article 1 number 11) concerning banking, credit is the provision of money or claims that can be equivalent to it, based on a loan agreement between a bank and another party which requires the borrowing party to repay its debt after a certain period of time with an amount flower. As for the elements contained in a credit, trust, agreement, period, risk of a grace period, the credit return will allow a risk of uncollectible or non-performing lending.

Bad credit or non-performing financing is a financing condition where a deviation from the agreed terms of lending in the repayment of the financing so there is a delay, legal action is required, or it is suspected that there is a potential loss. In the financing portfolio, non-performing financing is still the main management, because the risk and

⁶ Masri Singarimbun dan Sofyan Efendi, *Metode Penelitian Survei*, (Jakarta: LP3ES, 1989), hlm. 263.

⁷ Iswi Hariyanti, *Restrukturisasi & Penghapusan Kredit Macet*, (Jakarta: PT. Elex Media Komputindo, 2010). hlm 9-10.

loss factors for these assets will affect health. Non-performing loans can also be interpreted as loans classified as substandard credit, doubtful credit, and bad credit.

Factors that cause non-performing financing in practice a credit jam is caused by 2 elements as follows: ⁸

1. From the Banking Party This means that in carrying out the analysis, the analysis party is less thorough, so that what should have happened, was not predicted beforehand or might be wrong in doing the calculations. It can also occur due to collusion from the credit analysis party with the debtor so the analysis is carried out subjectively.

2. From the Customer

From the customer side, credit jams can be caused by 2 things, namely:

a. There is an element of intentionality.

In this case, the customer deliberately does not pay his obligations to the bank so that the credit provided is bad. It can be said that there is an element of willingness to pay.

b. There is an accidental element.

This means that the debtor is willing to pay but is unable. For example, the credit that was financed experienced a disaster such

as fire, pest, flood, and so on. So that the ability to pay credit does not exist.

DISCUSSION

1. Settlement of Bad Loans

Business has no more prospects or does not exist; the debtor is no longer working or has good faith so that the credit cannot be de-structured.

2. Types of Settlement of Bad Loans

a. Peacefully

Settlement or repayment of credit in stages or installments or in full at once, based on mutual agreement between the debtor and the bank. The settlement method are as follows:

- 1) Providing interest rate relief or changing the method of calculating interest.
- 2) The granting of relief on arrears of fines and or interest, with a lump sum payment or installments.
- 3) Sale of part or all of the collateral under the hand.

b. Legal Balance

- 1) Collateral Goods are Perfectly Tied
 - a) Sale of collateral with its own power (parate execution) through the KPKNL (article 6 UU HT).
 - b) Execution of the binding executive title (fiat execution) through the district court.

⁸ Veithzal, Rivai dan Arviyan Arifin, *Islamic Banking: Sebuah Teori, Konsep, dan Aplikasi*, (Jakarta: Bumi Aksara, 2010), hlm. 275.

- 2) Collateral Not Completely Tied
 - a) Subpoena to the debtor by the bailiff of the Commercial Court.
 - b) A lawsuit through the Commercial Court against the debtor or guarantor.
 - c) Bankruptcy lawsuit through the Commercial Court.

c. Third Party Assistance

- 1) Collection services from third parties/debt collectors.
- 2) Assistance from the prosecutor's office.
- 3) Sale or transfer of credit to SPV.
- 4) Submission of claims to insurance companies (life, credit, and loss).

3. Terms and Conditions for Settlement of Bad Credit

a. Amicably

- 1) The debtor has good intentions to settle.
- 2) The business is stuck with no prospects.
- 3) Collectability of KL, D, M, or extracomtable, (note: interest relief and or penalty for D, M, and extracomtable.
- 4) It is impossible to restructure.
- 5) Better than other alternative solutions.
- 6) Relief of principal approval of the GMS.

b. Legally

- 1) The debtor has bad faith.
- 2) It doesn't work peacefully.

- 3) M collectability or estracomtable.

4. Bad Loans Settlement Stage

- a. Credit settlement initiatives
- b. Negotiation
- c. Analysis and evacuation
- d. Credit settlement decisions
- e. Documentation
- f. Monitoring

5. Strategies in Financing Bad Loans in Islamic Banks

In dealing with non-performing loans, Islamic banks must implement NPF management strategies, there are at least 12 strategies to suppress financing of bad loans in Islamic banks.

- a. Islamic banks, including Islamic BPRs, must establish a division or field of rescue and settlement of problematic financing. This field specifically deals with the restructuring of non-performing financing.
- b. Islamic banks must improve the competence of human resources in order to overcome non-performing financing and be able to restructure Islamic financing.
- c. Islamic banks must continue tightening standards under writing and proactively monitor customers in the industrial sector affected by the general economic slowdown.
- d. Islamic banking must make policies that are *ihitayat* (cautious) in accordance with prudential principles in providing financing, should not be pressured by

- the pursuit of targets or other influences.
- e. Islamic banking must be able to control the dominance of certain portfolios including the risk of financing concentration so that the risk can be properly mitigated. If it is already done, it can be overcome by selling down or risk perception, or if the assets are in the form of mortgages, Islamic banks can participate in securitization as the financing asset.
 - f. Islamic banking must be consistent (consistent) with the business model. Islamic banking must first do research and examine the market potential of a business.
 - g. In accordance with the POJK, Islamic banks are required to establish an allowance for impairment losses (CKPN) for financial and non-financial assets in accordance with applicable financial accounting standards.
 - h. Conduct intensive and strong monitoring. Even in the current condition of the customer, monitoring is still carried out. Monitoring of smooth financing is a continuous guidance to customers. This strategy should be carried out by Islamic banks with low NPF. Focus and priority on customers with large financing amounts.
 - i. Islamic banks can solve doubtful financing problems by going directly to the customer concerned, in this case the customer and bank are able to enter into a written agreement where the customer will pay off arrears to the bank at a predetermined time.
 - j. Banks must be able to determine and/or choose the form of a strategy to rescue/settle non-performing financing based on quantitative evidence and this is the best alternative.
 - k. Islamic banks must have a Whistleblowing System guideline (SPP Guidelines) or better known as the Whistleblowing System Guidelines that can be used by sharia banks in developing a manual violation reporting system in sharia banking.
 1. What needs to be considered, in dealing with non-performing financing, banks are not allowed to settle non-performing financing solely by way of ceilings. Ceiling is the capitalization of margin and bank fees that cannot be repaid by debtor customers. The arrears costs and margins are closed by increasing the customer's financing limit so that the arrears are no longer visible because they have turned into effective financing (debit balance) or additional debt within the new financing limit.⁹

⁹ Kasmir, *Bank & Lembaga Keuangan Lainnya*, (Jakarta: PT. Raja Gra findo Persada, 2007). Hlm 109.

6. Ways of Settlement of Bad Loans

a. Through Guarantee Execution

Through the execution of guarantees carried out by Islamic banks if based on the re-evaluation of financing, the customer's business prospects do not exist, and/or the customer is not cooperative to complete the financing or rescue efforts with restructuring efforts do not bring results to relaunch the financing. Then efforts to resolve non-performing financing by means of guarantee execution will be carried out by Islamic banks.

Execution of collateral is adjusted to the guarantee institution that burdens the collateral object, *rahn* (Sharia pawn), mortgage guarantee, mortgage guarantee, and fiduciary guarantee. on mortgage guarantees the execution of collateral is regulated in Article 1178 BW, on mortgage guarantees based on Article 20 of Law No. 4 of 1996, if the debtor is in default there are 3 alternatives that can be done by the bank, based on the right of the first mortgage holder to sell the object of the right the mortgage as referred to in Article 6 or based on the executive title contained in the mortgage certificate as referred to in Article 14 (2) the object of the mortgage is sold through a public auction according to the procedure specified in the laws and regulations for the settlement of the mortgage right holder's receivables with prior rights from the owners. other creditors on the agreement to sell the object of collateral can be carried out under

the hand if in this way the highest price can be obtained.

In the Sharia Banking Law in Article 40, Islamic banks and UUS can purchase part or all of the collateral either through or outside the auction, based on voluntary submission by the collateral owner or based on the authorization to sell from the collateral owner, provided that the purchased collateral is must be disbursed no later than 1 year. In the event that the purchase price of the collateral exceeds the total amount owed by the customer to the sharia bank and UUS, the excess amount must be returned to the customer after deducting the auction fee and other costs directly related to the collateral purchase process.

The basis of sharia relating to guarantees in Al Baqarah (2) 283: "If you are on a journey (and you do *muamalah* / transactions not in cash), while you do not get a writer, then there should be collateral held by the debtor"

" it is said from Aisha that the Prophet Muhammad SAW once bought food from a Jew with debt and he gave his armor as collateral" (HR. Bukhari, Muslim and Nasa'i).

From Abu Hurairah *r.a.* that the Messenger of Allah said, "Whoever goes bankrupt (*mufliis*), then his creditor gets his own goods from the *mufliis*, then the creditor has more right to withdraw his goods than

anyone else. (Narrated by Bukhari, Muslim, Tirmidhi, Nasa'i and Ibn Majah).¹⁰

b. Settlement Through the National Sharia Arbitration Board

Based on a clause in the financing agreement, if one of the parties does not fulfill its obligations or there is a dispute between the two parties and no agreement is reached through deliberation, then the settlement will be through the Arbitration Board.

National Sharia (Basyarnas). Basyarnas is authorized to:

- 1) resolve fairly and quickly *muamalah* (civil) disputes that arise in the fields of trade, finance, industry, services and others which according to laws and regulations are fully controlled by the disputing parties, and the parties agree in writing to submit the settlement to Basyarnas in accordance with the Basyarnas procedure.
- 2) Provide a binding opinion at the request of the parties without a dispute regarding the issue relating to an agreement.

The agreement to submit dispute resolution to Basyarnas, is carried out by the parties:

- 1) By including an arbitration clause in a text agreement.

- 2) With a separate arbitration agreement made and approved by the parties, both before and after the dispute arises. The arbitration decision is the final and binding decision (*final and bidding*).

For the basis of sharia, it is guided by:

Surah Al-Hujarat verse 9:

وَإِنْ طَائِفَتَانِ مِنَ الْمُؤْمِنِينَ اقْتَتَلُوا فَأَصْلِحُوا بَيْنَهُمَا ۚ فَإِنْ بَغَتْ إِحْدَاهُمَا عَلَى الْأُخْرَىٰ فَقَاتِلُوا الَّتِي تَبْغِي حَتَّىٰ تَفِئَءَ إِلَىٰ أَمْرِ اللَّهِ ۚ فَإِنْ فَاءَتْ فَأَصْلِحُوا بَيْنَهُمَا بِالْعَدْلِ وَأَقْسِطُوا ۚ إِنَّ اللَّهَ يُحِبُّ الْمُقْسِطِينَ

"If two groups of believers fight (disputes), then reconcile them. If one of the two persecutes the other, then fight the group that persecutes it until they return to the teachings of Allah. And if the group has returned, then reconcile them with justice and act justly. Verily, Allah loves those who act justly."

Surah An-Nisa verse 35:

وَإِنْ خِفْتُمْ شِقَاقَ بَيْنِهِمَا فَابْعَثُوا حَكَمًا مِنْ أَهْلِهِ وَحَكَمًا مِنْ أَهْلِهَا ۚ إِنْ يُرِيدَا إِصْلَاحًا يُوَفِّقِ اللَّهُ بَيْنَهُمَا ۚ إِنَّ اللَّهَ كَانَ عَلِيمًا حَكِيمًا

"If you are worried that there will be a dispute between the two (husband and wife), then send a hakam from a male family and a hakam from a female family. If the two judges intend to make repairs (peace), Allah will surely give taufik to the husband and wife. Verily, Allah is All-Knowing, So Knowing."

¹⁰ Muhammad, *Manajemen Pembiayaan Bank Syariah*, (Yogyakarta: Unit Penerbit dan Percetakan (UPP) AMP YKPN, 2005). hlm. 17.

c. Settlement Through Litigation

Settlement through litigation will be taken by the bank if the customer does not have good intentions, that is, does not show a willingness to fulfill his obligations while the customer actually still has assets that are not controlled by the bank or are intentionally hidden or have other sources to settle the bad credit. Since the enactment of Law

Number 3 of 2006 concerning Religious Courts, if there is a dispute in the field of *muamalah*, it is resolved through the religious court. The purpose of the existence of the Religious Courts is to have the duty and authority to examine, decide and resolve cases at the first level between Muslims in the fields of (marriage, inheritance, will, grant, waqf, zakat, *infaq*, *shadaqoh* and sharia economics).

An important change contained in Law Number 3 of 2006 is the expansion of the power or authority of the religious court which includes disputes in the field of sharia economics, this is contained in Article 49 of Law Number 3 of 2006. What is meant by sharia economy is an act or business activities carried out according to sharia, include; Sharia Banks, Sharia Insurance, Sharia Reinsurance, Sharia Mutual Funds, Sharia Bonds and Sharia Medium Term Securities, Sharia Securities, Sharia Financing, Sharia Pawnshops, Pension Funds.

¹¹ Setiawan, *Pokok-Pokok Hukum Perkaitan*, (Bandung: Binacipta, 1979). hlm.18.

The enactment of the Sharia Banking Law, especially Article 55 and its explanations, has reduced the authority of the Religious Courts in resolving disputes in sharia banks, because it is possible to settle disputes through courts within the General Courts as long as they are agreed in the Akad by the parties. The kaffah principle contained in the explanation of Article 3 of the Sharia Banking Law should really be applied not only in the products offered by Islamic banks but also in resolving disputes through courts within the Religious Courts. ¹¹

d. Write-Off and Collect-Offs Write-off

is a bank's administrative action to remove financing books that have bad quality from the balance sheet in the amount of the customer's obligations without removing the bank's claim rights to customers. Write-off is the action of the bank to write off the customer's obligations that cannot be settled, in the sense that the customer's obligations are written off and are not collectible. Write-offs can only be done for financing that has bad quality. It cannot be done on part of the financing (*partial write off*) while can be done for either part or all of the financing. The write-off of part of the financing can only be done in the context of financing restructuring or in the context of financing settlement. Write-off and/or write-off can only be done after the Islamic bank has made

various efforts to recover the given productive assets.

CLOSING

Financing is the majority of Islamic Bank assets so that the quality of the financing must be maintained based on the principle of prudence. Prudential principles are guidelines for bank management adopted to realize efficient banking in accordance with statutory provisions. The application of prudential principles by Islamic banks and/or UUS is manifested in conducting financing analysis, namely analyzing confidence in the willingness and ability of prospective customers. Facility to pay off all obligations on time. This confidence is obtained from a careful assessment of the character, ability, capital, collateral, and business prospects of the prospective customer receiving the facility (character, capacity, capital, collateral, condition). Islamic banks in providing financing hope that the financing runs smoothly, customers comply with what has been agreed in the agreement and pay off when due. However, it could happen that in the financing period, non-performing financing arises. Efforts made by Islamic banks to handle non-performing financing by rescuing non-performing financing with restructuring efforts if the customer still has good faith in the sense that they are still willing to be invited to cooperate in the effort to rescue problem financing, but if the customer is not in good faith in the sense that

they cannot be invited to cooperate In an effort to save non-performing financing, Islamic banks will make efforts to resolve non-performing financing.

Islamic banks have their own way of handling and settling bad loans in the following ways:

1. Credit rescue measures, namely using steps to reduce interest arrears and/or fines/penalties, extension of term/rescheduling, payment of arrears in the next several installments, sale of collateral, and addition of credit facilities.
2. Amicable settlement of credit, namely the settlement/repayment of credit in stages/installments or in full at once, based on a mutual agreement between the debtor and the bank.
3. Settlement of legal channel credit / legal channel, which is carried out by involving the District Court as well as the Commercial Court, this method is chosen by the bank if the debtor no longer has good faith to resolve the credit problems he bears.
4. Settlement of credit through third party assistance, namely credit settlement through third party assistance, the method chosen by the bank if the settlement by peaceful means has not found an agreement between the debtor and the bank.

The obstacles faced by the bank in the settlement of bad loans include:

1. Internal Factors

- a. Not all bank employees are able to handle bad loans.
 - b. Not all employees are capable (collecting, negotiating, and legal)
2. External Factors
- a. Debtors are difficult to find.
 - b. There is no good faith from the debtor.
 - c. The collateral is transferred to the third party.
3. Suggestions
- a. For Sharia Banks
 - 1) To improve supervision and see the debtor's ability and debtor's intentions before and after obtaining credit funds from the bank.
 - 2) The bank should be more careful and provide the same treatment or service to all debtors in the analysis of lending.
 - 3) Increased supervision from the bank on the business run by the debtor at any given time so that it is able to help prevent bad loans.
 - 4) The need to provide an understanding of bank employees related to non-performing loans, so that more or less employees know.
 - d. For Debtors or Customers

The needs to be good faith in resolving non-performing loans. The debtor is asked not to transfer the collateralized goods to the bank, in order to facilitate the settlement of non-performing loans.

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