

Analysis Of Bad Credit Settlement In Bangun Mandiri Saving And Loan Cooperative

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Abstract

Received: 15 Juni 2023
Revised: 28 Juli 2023
Accepted: 30 Juli 2023

This study aims to analyze the settlement of bad loans in the savings and loan cooperative Bangun Mandiri. Bad credit is a problem that is often faced by a person's finances on savings and loans. The purpose of this savings and loan cooperative is to increase the amount of money borrowed and the profit will be even greater. In this study, the principles applied in the discipline of the Bangun Mandiri cooperative, safety and the principle of upholding high respect in the Bangun Mandiri savings and loan cooperative. Several factors in bad credit in payment, the salary is not included, the period of delay in payment. In responding to late payments by visiting customers. The research method used was by interviewing and surveying the savings and loan cooperative, the Bangun Mandiri cooperative.

Keywords: Settlement of non-performing credit and cooperatives

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How to Cite: Lubis K R, & Perkasa R D. (2023). Analysis Of Bad Credit Settlement In Bangun Mandiri Saving And Loan Cooperative. <https://doi.org/10.5281/zenodo.8264746>

INTRODUCTION

Cooperatives are business entities consisting of people or legal entities based on cooperative principles as well as an economic movement based on family principles. Law No. 25 of 1992 Article 3 states that cooperatives aim to advance the welfare of society in general and participate in building the national economic order in order to create an advanced, just and prosperous society based on Pancasila and the 1945 Constitution.

People started lending activities because they realised that money is a means of payment. Currently, some people think that credit activities are very important, the aim is to improve living standards and help community business activities. These conditions result in people needing help to improve their business in the form of capital from banks by way of credit. In creating a prosperous economy, there are several financial institutions, such as cooperatives.

Bad credit or default is one of the problems often faced by financial institutions such as savings and loan cooperatives. In this context, Bangun Mandiri Savings and Loan Cooperative is one of the financial institutions involved in providing credit to its members. Bad debts arise when customers are reluctant to fulfil their obligations, influenced by various factors such as interest rates, customer character, loan term, customer ability to manage credit, and other factors.

Cooperatives have a very important role in supporting economic growth by providing various facilities that facilitate the community. Although

cooperatives cannot change the overall economic condition, the main role of cooperatives lies in providing credit which plays a dominant role in developing countries to optimise the available economic potential. However, co-operatives often face challenges such as unpaid loans or better known as bad debts.

Credit is a financial instrument that allows individuals or business entities to borrow money to buy products and repay them within a certain period of time. If the credit ceiling is unstable or even unrecoverable, then the credit ceiling provided has certain risks, therefore, in order to avoid or reduce these risks, the credit limit must be analysed in advance. When cooperatives have difficulty asking debtors to pay in instalments for some reason, bad debts will occur. Bad credit is uncollectible debt or substandard credit.

RESEARCH METHOD

The research method used is interviewing members of the Bangun Mandiri savings and loan cooperative who have taken out loans. This research was conducted by Bangun Mandiri savings and loan cooperative located at Jl. Sisingamaraja No.253, Sudirejo II, kec. Medan kota, North Sumatra 20216.

RESEARCH RESULTS AND DISCUSSION

Bad Debt Resolution

The word "credit" comes from the Latin *credo* which means "I believe", which is a combination of Sanskrit *cred* which means "trust", and Latin *do* which means "I place". Credit provided by banks is based on trust so that the provision of credit is a grant of trust to customers.

Therefore, the provision of credit by banks is intended as an effort to make a profit, so banks can only forward public deposits to their customers in the form of credit if they are absolutely sure that the debtor will return the loan they receive in accordance with the term and conditions agreed by both parties.

In the settlement of bad debts, there are factors that influence and can address the Bangun Mandiri savings and loan cooperative:

1. Rescheduling

- a. Extending the credit period

In this case the debtor provides relief in the credit period problem, for example, extending the credit period from 3 months to 6 months so that the debtor has a longer time to return.

- b. Extending the instalment period

Extending the instalment is almost the same as the credit period. In this case, the credit instalment period is extended, for example from 36 times to 48 times and of course the number of instalments becomes smaller along with the increase in the number of instalments.

2. Resconditioning

By changing various existing terms such as: Interest capacity interest is made into principal debt. Postponement of interest payments until a certain time. In this case, postponement of interest payments until a certain time, meaning that only interest can be postponed, while the principal loan must still be paid as usual.

Factors That Hinder Credit Repayment

Non-performing financing can be classified into substandard, doubtful, and loss:

1. Substandard Financing Financing that is classified into substandard financing if it meets the following criteria :
 - a. There are arrears of principal and / or interest instalments that have exceeded more than 6 months
 - b. The frequency of account mutations is relatively low
 - c. There is a violation of the agreed contract for more than 90 days
2. Doubtful Financing Financing that is classified into doubtful financing if it meets the following criteria:
 - a. There are arrears of principal or interest instalments that have exceeded 180 days.
 - b. There is a permanent overdraft
 - c. There is a default of more than 180 days
 - d. Interest capitalisation occurs
 - e. Weak legal documentation for both the financing agreement and collateral binding.
3. Bad Financing Financing that is classified into bad financing if it meets the following criteria:
 - a. Business viability is highly doubtful, the industry is in decline and difficult to recover.
 - b. It is likely that business activities will cease.
 - c. Loss of market in line with declining economic conditions.
 - d. Management is very weak

CONCLUSION

In research on the settlement of bad debts at Bangun Mandiri Savings and Loan Cooperative, it can be concluded that the settlement of bad debts at Bangun Mandiri Savings and Loan Cooperative can include that from the problem of customers not being able to pay the cooperative due to jammed salaries and half income, the solution is to go to the customer in a good way, and contact the customer, give the customer a period of 1-3 months at the earliest, and a maximum of 3-6 months.

With a deep understanding of the settlement of bad debts at Bangun Mandiri Savings and Loan Cooperative can reduce the level of bad debts, improve the financial health of the cooperative, and provide greater benefits for its members.

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