



CONSUMER CREDIT RESTRUCTURING POLICY IN IMPROVING THE QUALITY OF HOME OWNERSHIP CREDIT (Case Study at PT. Bank Tabungan Negara (Persero) Tbk Kelapa Gading Square Branch Office for the Period of 2018-2019)

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Abstract – The purpose of this study is to determine the consumer credit restructuring policy, the effectiveness of the implementation of consumer credit restructuring in an effort to improve the quality of home ownership credit (KPR) and the barriers, as well as efforts to resolve obstacles in implementing consumer credit restructuring at PT. Bank Tabungan Negara (Persero) Tbk This type of research uses descriptive qualitative research methods. The sample in this qualitative study were obtained through interviews at the Branch Collection Unit consisting of 1 (one) Branch Collection Unit Head and 1 (one) Staff. Data collection methods used were field research and literature research. The results in this study include the results of interviews and data from PT. Bank Tabungan Negara (Persero) Tbk Kelapa Gading Square Branch Office. The conclusion in this study is that the consumer credit restructuring policy in an effort to improve the quality of home ownership credit (KPR) has been carried out in accordance with the Circular Letter of the Board of Directors, the implementation of consumer credit restructuring in an effort to improve the quality of home ownership credit (KPR) has been implemented effectively as seen from the increase in credit quality at collectability of 1 (one) or smooth payment , and resolutions of obstacles to the implementation of consumer credit restructuring, those are the full collection of the refusal of credit restructuring offers by debtors or banks and the failure to fulfill the requirements for restructuring implementation.

Keywords: Credit Restructuring Policy, Credit Restructuring Effectiveness, and Credit Quality

I. INTRODUCTION

Credit is one of the methods used by every person or business entity for funding in an effort to support business improvement, considering that the capital owned by an individual or company is insufficient for the needs of that individual or company. Banks are one of the financial institutions

that have an important role in the provision of credit extended to the public in an effort to meet their needs through loans. Law (UU) No. 10 of 1998 Article 1 point 2 states that a Bank is a business entity that collects funds from the public in the form of deposits and distributes them to the public in the form of credit and / or other forms in order to improve the people's standard of living.

The banking industry must start to be aware of the threat of bad credit. As of August 2019, which was reported from ojk.go.id on October 18, 2019, Otoritas Jasa Keuangan (OJK) recorded an increase in the ratio of gross non-performing loans (NPL) from July 2019 by 2.55% to 2.6% in August 2019, in addition to This is the case of bad credit which was reported from Kontan.co.id on October 2019, which happened to the Duniatex Group, as well as a number of corporations that have increasingly high liability claims such as PT Krakatau Steel Tbk, which is a textile company based in Central Java It is recorded as having debts worth IDR 18.61 trillion from 24 bilateral loans from banks, three syndicated debts, and one bond payable.

Non-performing loans are still the main problem in maintaining the stability of bank credit quality. Restructuring is one of the main options for bank in overcoming non-performing loans. In first semester 2019, Bank Rakyat Indonesia's restructured credit value increased by 21.03 percent on an annual basis to Rp 52.93 trillion. Based on OCBC NISP's financial statements until first semester 2019 the restructured financing reached Rp 2.28 trillion, while Bank MUFG restructured in 2018 amounting to Rp5.18 billion.

Credit restructuring is one of the improvements made by the Bank in activities related to lending to debtors who have difficulty fulfilling obligations, as in accordance with the Regulation of Otoritas Jasa Keuangan (POJK) Number 14 / POJK.03 / 2018 Article 1 number 4.

The credit restructuring policy is considered to have played a major role in reducing the level of non-performing loans (NPL) and increasing bank capital. CORE Director Piter Abdullah said that with the credit restructuring, debtors who are experiencing a decline in income will continue to pay their arrears, so that the bank's NPL level remains stable, which is below 3% despite the economic crisis.

The Director of Risk Management of BTN revealed that, Bank Tabungan Negara(BTN), recorded the amount of credit written off by Rp 330 billion, an increase of 21.32% in the quarter. The majority were collectibility of two which were restructured, while the Chief Executive of the OJK Banking Supervision, as reported in kontan.co.id on July 21, 2017 said that the plan to relax the credit restructuring will no longer be given to all banks, but OJK will assess the condition of credit quality in individuals banks because the causes of non-performing loans may come from internal or external factors. OJK assesses that internally, bad credit usually arises because the management of credit disbursement is not optimal. On the other hand, externally, this tends to result from the lack of improvement in the economic situation, as well as a decline in the quality of credit in the industry as a result of weakening commodity prices.

Regulations related to credit restructuring regulated in Regulation of Otoritas Jasa Keuangan (POJK) are now increasingly being developed and Draft mapping has been carried out in draft of Otoritas Jasa Keuangan Regulation (RPOJK) related to Asset Quality Assessment for Commercial Banks.

II. LITERATURE REVIEW

2.1. Review of Previous Research Results

The first research written by Demiroglu, James (2015). The research sample regarding problem debt restructuring uses a slight variant of the two-step sampling procedure. The first step is to identify a sample of companies in severe financial distress and the second step is to identify those companies that are restructuring out of court or filing for bankruptcy. The results of hypothesis testing show that loans from traditional bank lenders are significantly easier to restructure out of court than loans from institutional lenders, the existence of a banking relationship between the borrower and the principal regulator of the loan an indication of a negative impact on ease of restructuring.

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Dependence on corporate debt restructuring is positively associated with the possibility of bankruptcy.

The second research written by Tamba (2016) The research method used in this study is a qualitative research method by conducting interviews with the Head of Credit and the collection division. The results showed that Bank CIMB Niaga, Subrantas Pekanbaru, in the distribution of micro credit has conducted a 5 C analysis (Character, Capacity, Capital, Collateral, and Contion of Economy). The problem that is often faced in lending is non-performing loans (NPL). Bank CIMB Niaga's Subrantas Pekanbaru unit handles non-performing loans with credit restructuring in the form of restructuring, collateral sales, and customers borrowing from other banks. Credit restructuring can be done if the debtor has good intentions to make payments, the debtor's business appraisal, and the ability to pay.

The third research written by Suartama, Sulindawati and Herawati (2017). The research method used is a qualitative method by conducting interviews with the Head of the Credit Division of PT. BPR Nusamba Tegallalang. The results of this study indicate that the forwarding of credit restructuring carried out by PT BPR Nusamba Tegallalang through stages, namely researching credit files, sending warning letters, negotiating, restricting decisions, and monitoring. The restructuring patterns or actions taken to debtors include extending the credit period, reducing arrears in interest / penalties, and adding credit facilities.

The fourth research was written by Fauziah (2018). The research method used is the method of literature collection where the object of research is explored through various literature information. The results of this study indicate that problems in financing can occur due to several factors, including: bank internal factors, internal customer factors, external factors, business failure factors and management inability factors. Rescuing a sharia bank from problematic financing and helping customers to settle their obligations, sharia banks can restructure through: rescheduling ; return requirements; reordering. However, if the restructuring effort turns out to be unsuccessful, then the Islamic bank can settle problem financing through: confiscation of collateral, the burden of national sharia arbitration, write-off and collect off, and settlement through litigation.

The fifth research written by Matei (2018), the data collection method uses an econometric study based on 15 banks, analyzing the economic recovery period (2010-2016). The results of hypothesis testing show that Borrower Restructuring is a solution for debtors who have difficulty repaying loans. Each credit institution provides a personalized restructuring program for legal entities that cannot repay credit, so that their businesses will have no trouble completing credit.

The sixth research written by Tampubolon, Sabir (2017) the research method used is descriptive method. The results of this study indicate that non-performing loans at PT Bank Mandiri KCP Timika Hasanuddin from 2014-2016 have increased, this is because there are debtors who have multiple loans, debtor business operational problems, Termination of Employment (PHK). The settlement of non-performing loans by PT Bank Mandiri KCP Timika Hasanuddin implemented a restructuring pattern, the credit restructuring pattern was not fully effective, so the bank took an alternative credit settlement by auction and write-off.

The seventh research was written by Vo and Nguyen (2018). This study examines the relationship between bank restructuring and efficiency in Vietnamese banks using Envelopment Data Analysis (DEA) and the Stochastic Frontier Analysis (SFA) Approach. The data sample includes 26 commercial bank companies during the period 1999–2015. The results showed that the Vietnamese government provided a restructuring policy in the first stage that did not provide benefits for banks carrying out restructuring, the effect of different restructuring methods showed that state-owned commercial banks, state intervention and mergers and acquisitions did not substantially increase efficiency. In addition, it was found that a decrease in bank efficiency during the bank restructuring period was due not only to transition costs but also changes in other environmental variables, such as the financial crisis or a slowdown in the domestic economy.

The eighth research was written by Rismayani, Puspawati and Utama (2016). The research method used is through observation or direct research into the field to obtain accurate data in the process of completing writing. The results showed that the occurrence of problem loans at PT. Bank Tabungan Negara (Persero) Tbk Denpasar Branch is caused by two factors, namely internal factors (the bank) and external factors (debtors). Internal factors are caused by irregularities in the implementation of credit procedures, weak administrative and credit monitoring systems. External factors are the character of the debtor who intentionally does not want to pay off credit, the business owned by the debtor has decreased, credit abuse, the existence of layoffs, so that they do not have a source of income. Credit settlement efforts made by PT. Bank Tabungan Negara (Persero) Tbk Denpasar Branch through restructuring, if the debtor agrees to the restructuring, the debtor must make a letter of request to fill in the obstacles faced and the ability to pay each month. The bank will issue an addendum to the credit restructuring credit agreement, so that the following month after the addendum is published the debtor can pay according to his ability.

2.2. Theoretical basis

2.2.1. Definition of Credit

Understanding credit in general, credit is something that has an economic value at this time on the basis of trust as a substitute for something that has an equivalent economic value. Law (Undang-undang) No. 10 of 1998 Article 1 point 2 states that credit is the provision of money or an equivalent claim, based on an agreement or loan agreement between the bank and another party which requires the borrower to repay the debt after a certain period of time with interest.

Based on the above understanding, it can be seen that credit is a form of business issued by a financial institution or bank to obtain profit or profit from the difference in interest paid to the public. The credit process is based on an agreement that trusts each other and both parties will comply with their respective obligations. There is a loan agreement to pay off debts and interest to be settled within a certain time that has been mutually agreed upon.

2.2.2. Credit Elements

Credit is given on the basis of trust, but not only trust is an element of a credit. There are several elements of credit that must be fulfilled so that it can be believed that the credit given to the debtor can be returned by the recipient of the credit according to the agreed terms and time. The elements contained in the provision of a credit facility according to Kasmir (2014: 84) are as follows:

1) Creditors

Creditors are parties that provide credit (loans) to other parties who receive loans. The party is usually an individual or business entity. The bank that provides credit to the borrower is called the creditor. Creditors can provide loans to other parties if that party has met the predetermined conditions.

2) Debtors

Debtors are parties who need funds, or parties who get loans from other parties. Loans received by debtors sometimes require collateral from the debtor. If the debtor fails to pay the credit bill at the promised time, the creditor can confiscate the collateral from the debtor.

3) Trust

The creditor gives confidence to the party receiving the loan (the debtor) that the debtor will fulfill his obligation to pay his loan according to the agreed period of time. A bank is a loan to another party, which means that the bank gives confidence to the borrower that the borrower will be able to fulfill its obligations. Trust is the confidence of the bank as the lender of the achievements given to debtor customers to pay off installments according to the specified time period.

4) Agreement

An agreement is a contract agreement or agreement made between the bank (creditor) and the borrower (debtor). An agreement is an event where two people or two parties promise each other

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to do something or it can be said an agreement is made by two or more parties, each of which agrees to obey what is stated in the agreement. Based on this incident, a legal relationship arose between the parties who entered into the agreement. The legal relationship which is an engagement becomes the basis for one of the parties to claim an achievement from the other party who is obliged to fulfill the demands of the other party or vice versa.

5) Risk

Every fund channeled by the bank always carries a risk of not returning the funds. Risk is the possible loss that will arise on bank lending. The longer the credit period, the greater the risk, and vice versa. This risk is borne by the bank. Both the deliberate risk of the customer and the accidental risk, for example due to natural disasters or the bankruptcy of the customer's business without any other intentional element, so that the customer is no longer able to pay off the credit he has earned.

6) Duration

The period of time is the length of time required by the debtor to pay off his loan to the creditor. The time periods are short term (under 1 year), medium term (1 to 3 years) or long term (over 3 years). The period of time is the deadline for repayment of credit installments that have been agreed by both parties. For certain conditions, this period can be extended as needed.

7) Remuneration

For banks, remuneration is an advantage or income on the provision of a credit. In conventional types of banks, remuneration is known as interest. Remuneration in the form of bank interest also charges the customer a credit administration fee which is also a profit for the bank and for banks which are based on sharia principles, the remuneration is determined by profit sharing. In return for the funds channeled by the creditor, the debtor will pay a certain amount of money according to the agreement. Conventional banking recognizes these rewards in the form of interest, while in Islamic banks there are several kinds of rewards, depending on the contract.

2.2.3. Credit Principles

The process for obtaining credit must go through a procedure that has been determined by the bank or financial institution so that credit implementation activities can run healthily and properly, in his book Kasmir (2014: 101) states that this procedure is known as 5C, namely:

1) Character

Character is the character and willingness of the applicant to fulfill the promised obligations. The nature or character of the people to be given credit must be trustworthy which is reflected in the background of the customer, both work and personal backgrounds such as: the way of life or lifestyle he adopts, family circumstances, hobbies and social standing. Character is a measure to assess a customer's willingness to pay his credit.

2) Capacity

Capacity is the applicant's ability to pay off the obligations of the business activity carried out or activities that are reviewed by credit from the bank. So the purpose of the credit assessment for this capacity is to assess the extent to which the business results it gets will be able to pay it off on time according to the agreed credit agreement. So that it will be seen its ability to return credit in accordance with the predetermined agreement between the creditor and the debtor.

3) Capital

Capital is the capital owned by prospective debtors when they apply for bank credit. The effective use of capital can be seen from the financial statements (balance sheet and income statement) by measuring such as in terms of liquidity, solvency, profitability and other measures. Capital is to find out the sources of financing the customer has for the business to be financed by the bank.

4) Collateral

Collateral is the goods submitted to the bank by the borrower or debtor as collateral for the loan. Collateral is needed so that credit does not contain risk. The guarantee should exceed the amount

of credit given. The validity of the guarantee must also be checked so that if a problem occurs, the guarantee deposited will be used as soon as possible.

5) Condition of Economic

Condition of Economic is a situation and condition, social, economic, cultural and others that affect the state of the economy at one time or for a certain period of time which is likely to affect the smooth running of the business of the company that receives credit. The business prospects of the sectors run by customers must also be assessed. The assessment of the prospects for the business sector to be financed should have good prospects, so that the possibility of credit problems being relatively small.

Hermansyah (2013: 103) argues that the principle of credit consists of Personality, Part, Purpose, Project, Payment, Profitability, and Protection. The following is an explanation of each credit principle.

1) Personality

Namely assessing customers in terms of their personality or daily behavior and their past. Personality also includes the attitudes, emotions, behavior and actions of customers in dealing with a problem. Personality is almost the same as the character of 5C, which sees how the overall personality of the customer includes his daily attitudes and behavior.

2) Party

Namely classifying customers into certain classifications or certain groups based on capital, loyalty, and character, so that customers can be classified into certain groups and will get different credit facilities from banks. Credit for weak entrepreneurs is very different from credit for credit for strong capitalized entrepreneurs, both in terms of amount, interest and other requirements, with this difference in classification and class, there will also be differences in the provision of credit facilities later.

3) Purpose

Namely to find out the purpose of the customer in taking credit from a financial institution, including the type of credit the customer wants. The purpose of taking credit can vary whether for consumptive, productive, or commercial purposes. Banks need to know what credit funds will be used for. This will also adjust to the focus of the bank or financial institution, for example, if the bank focuses on capital management, it will be right for customers applying for business loans.

4) Project

Namely to assess the customer's business in the future whether it is profitable or not, how the prospect of the business carried out by the prospective customer or in other words has prospects or vice versa. This is important considering that if a credit facility is financed without a portion, it is not only the bank that loses, but also the customer. If the bank knows whether the business and business have good future prospects or not, the bank can predict how the customers' ability to pay will be estimated.

5) Payment

It is a measure of how the customer returns the credit that has been taken or from which source the funds are for repaying the credit he gets. The more sources of income the debtor has, the better so that if one of his businesses loses money it can be covered by other sectors. This criterion also aims to measure the repayment capacity of prospective borrowers. The principle of payment is seen apart from the source of the customer's income, the smooth running of the business, to the prospects of the business, so that the bank or financial institution can assess whether the customer can pay credit or not.

6) Profitability

The sixth criterion is profitability, where the bank sees the ability of the prospective borrower to generate profits or profits. This criterion is more specific to customers who borrow for their business needs. The higher the level of profitability of the prospective borrower, the higher the likelihood that the proposed credit can be approved by the bank. Profitability is measured from

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period to period whether it will remain the same or increase, especially with the additional credit that will be obtained from the bank.

7) Protection

The goal is how to maintain credit disbursed by the bank, but through a protection. Protection can be in the form of collateral for goods or person insurance that the customer has.

2.2.4. Purpose of Credit

The provision of a credit facility has several goals to be achieved which depend on the goals of the bank itself. The purpose of providing credit is also inseparable from the mission the bank is founded on. Kasmir (2012: 116) explains that the purpose of providing a credit is as follows:

1) Seeking Profits

The main purpose of banks to provide credit is to make a profit. The results of this profit are obtained by the bank from the interest received in return for services and credit administration fees charged to customers. This advantage is important for the survival of the bank. In addition, profits can also raise the bank's business.

2) Assisting Customer's Business

The next goal is to help customers' businesses that need funds, both for investment and for working capital. The available funds will be able to develop and expand their business. This will benefit both the bank and the customer.

3) Helping the Government

Another goal is to help the government in various fields. For the government, the more credit provided by the bank, the better because it means the acquisition of funds in order to increase development in various sectors, especially the real sector. Broadly speaking, the benefits to the government by the spread of credit distribution by the banking world are divided into 5 (five), namely the first is tax revenue, from the profits obtained by customers and banks. Second is to open job opportunities, in this case for credit for new business development or business repayment, new workers will be needed, so it will require workers who are still unemployed. The third is to increase the amount of goods and services, most of the credit channeled will be able to increase the amount of goods and services produced in circulation in the community, so that people will have many choices. The fourth is to save state foreign exchange, especially for products previously imported and if they can be produced domestically with existing credit facilities, it will save the country's foreign exchange. The fifth is to increase the country's foreign exchange, if the products of credit are financed for export purposes.

2.2.5. Credit Function

Credit has a very important role in the economy, trade and finance. According to Rivai, Basir (2013: 200) suggests the function of credit as follows:

1) Increase the utility of capital or money

Entrepreneurs obtain credit from banks to expand their business, either to increase production, trade, or for rehabilitation efforts or to increase overall productivity.

2) Increase the utility of an item

Producers with credit assistance from banks can produce finished materials, so that the utility of these materials increases. For example, increasing the utility of rice into cooked rice, yarn into textiles and so on. Producers with credit assistance can move goods from a place that is less useful to a place that is more useful. The transfer of goods cannot be solved by the distributor's own finances alone, but also requires capital assistance from the bank in the form of credit.

3) Increase the circulation and traffic of money

Credit that is channeled through a checking account, encourages entrepreneurs to create additional circulation of demand deposits such as checks, demand deposits, money orders, promissory notes,

and so on through credit. The circulation of both currency and demand deposits will be more developed because credit creates excitement for doing business.

4) Generating passion for the community

Entrepreneurs will always need a bank to obtain capital assistance to improve their business. Credit assistance received by entrepreneurs from banks is then used to increase business volume and productivity.

5) Economic Stability Tool

In an unhealthy economic condition, stability measures are basically directed at efforts to control inflation, increase exports, rehabilitate facilities and fulfill people's basic needs. The direction of credit must be guided by the aspect of qualitative constraints, that is, towards productive sectors and priority sectors that directly affect the standard of living of the community. Each credit must really be directed to increase the flow of goods and to facilitate the distribution of these goods so that they are evenly distributed throughout society. Bank credit is channeled selectively to close the possibility of speculative efforts.

6) A bridge to increase national income

Loans channeled to stimulate additional export activities will generate additional foreign exchange for the country. If the income of entrepreneurs, land owners, capital owners and laborers or employees increases, then state income through taxes will also increase, foreign exchange income will increase, so that either directly or indirectly through credit, national income will increase.

7) As a tool to improve international economic relations

Rich countries or those with strong economies, for the sake of friendship between countries, provide assistance to developing or developing countries. This assistance is reflected in the form of credit assistance with light terms, namely relatively low interest and a long period of use. Through credit assistance between countries, the term is often referred to as G to G (Government to Government), the relationship between countries providing credit and receiving credit will strengthen, especially with regard to economic and trade relations. International payment traffic will run smoothly if it is accompanied by international credit activities.

2.2.6. Types of Credit

Consumptive credit is credit given to debtors with the aim of smoothing the consumption process. One example of consumptive credit is credit card debt to buy the latest smartphones and gadgets for personal use only. Simply put, consumer credit is commonly used for fulfillment of wants. Consumptive credit is not always bad, in certain cases consumer credit can turn out to be good. For example, if the smartphones and gadgets that were purchased earlier are used by the debtor for online shop needs that can generate income.

Productive credit is credit given with the aim of smoothing the production process. An example of productive credit is credit given to build a food production business which will later produce a food product that can generate profits for the debtor.

Customer credit is credit given to buy goods for resale.

Judging from the term, the types of credit are divided into three, namely short-term credit, medium-term credit and long-term credit. The following is an explanation of each type of credit in terms of the period.

Short-term credit, namely credit provided by banks to debtors with a maximum term of one year. The form of the loan can be various, such as daily, weekly, monthly, or others. The loan credit agreement states that the loan must be paid off within a grace period of one year or less. If the loan period is more than that, the loan can be categorized as a medium-term or long-term loan. This loan is suitable for short-term capital projects where income is clear because of the short loan period.

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Medium-term credit, namely credit provided by banks to borrowers with a loan term of one to three years. This medium term credit is used for investment. Example of agricultural credit for fruit plantations. Farming credit for livestock livestock such as cows, goats or chickens.

Long-term credit, namely credit extended by banks to debtors with maturities of more than 3 (three) years or 5 (five) years. These loans are generally used for long-term investment purposes such as oil palm plantations or factory construction or for consumer loans such as buying a house.

Judging from the collateral, the types of credit are divided into two, namely unsecured loans and credit collateral. The following is an explanation of each type of credit seen from the guarantee.

Unsecured loans are loans provided by banks to borrowers without using collateral. As the name implies, loans through this method can be given to debtors without providing any collateral or collateral. This unsecured credit is perfect for borrowers who do not want to pledge their assets or for debtors who do not have assets to guarantee. The drawbacks of unsecured loans are the higher interest rate than collateralized loans (KDA), repayments that must be made in the short term, and a small loan limit.

Collateralized loans (secured loan), namely loans provided by banks to borrowers using collateral given to the bank. A collateral loan means collateral that must be submitted by the debtor when applying for a loan from banks and other financial institutions. In the process of providing funds, the bank will lend a number of funds after going through the credit granting process. The process of disbursing credit to debtors will be easier and faster because of the collateral or guarantees submitted by the debtor.

The use of credit types is divided into two, namely exploitation credit and investment credit. The following is an explanation of each type of credit seen from its use.

Exploitation credit, namely credit with a short term given by a bank to a company to finance the company's working capital needs so that it can run smoothly. This type of credit can be paid by the gradual payment method over the medium or long term according to the ability of the party applying for credit.

Investment credit is a medium or long term credit given by a bank to a company to invest or invest. This type of credit is productive, that is, it provides benefits in investing activities.

2.2.7. Home Ownership Credit

Home ownership credit (KPR) is a facility provided by banks to individual debtors who will buy or repair houses. KPR in Indonesia is currently known to have 2 (two) types of KPR, along with an explanation.

The first type of KPR, namely subsidized KPR, is a loan that is intended for people with middle to lower income in order to meet community needs related to housing or repair of houses that are already owned. The form of subsidies provided to the community in the form of subsidies to ease credit, for example by providing low interest rates and subsidies to increase funds for building or repairing houses. This subsidized credit has been regulated by the government so that not every community who applies for credit can be given this credit facility. In general, the limits set by the government in providing subsidized credit, namely that it can be given to prospective borrowers with a certain income according to terms and conditions.

Non-subsidized KPR is a credit that is intended for all people. The provisions for this type of mortgage are determined by the bank, so that the determination of the amount of credit and interest rate is carried out in accordance with the policy of the bank concerned. The application process for applying for credit for the applicant's KPR facility will be subject to several fees, including appraisal fees, notary fees, bank fees, fire insurance fees, fees life insurance premiums during the credit period. In addition to this facility, there are also several methods for calculating KPR interest. In general, there are three methods of calculating interest, namely the flat, effective method, and the annual and monthly annuities. In practice, the interest rate that is often used is the effective or annuity interest rate.

2.2.8. Non Performing Credit

The definition of non-performing credit is credit that has the potential to experience difficulties in payment or credit that is experiencing difficulties in settling its obligations to the bank in the form of repayment of principal debt, interest, fines or bank fees borne by the debtor concerned in accordance with the provisions stipulated in the credit agreement between the debtor and the bank.

The assessment of credit classification, both non-problematic and non-performing loans, is carried out quantitatively and qualitatively. The quantitative assessment is seen from the debtor's ability to make credit installment payments, both loan principal installments and / or interest. Qualitative assessment can be seen from the business prospects and financial condition of the debtor. Non-performing loans will result in losses for the bank, namely losses due to non-receipt of funds channeled to debtors, as well as unacceptable interest income. Non-performing loans classified as collectibility are loans that are classified as substandard, doubtful and loss.

The causes of non-performing loans at banks are of course influenced by several factors, namely bank internal factors and bank external factors. Here's the explanation.

Internal factors occur when the analysis is not accurate, so that it cannot predict which credit will occur in an indefinite period of time. Limited ability and knowledge of the type of business of the debtor and the character of the debtor, so that he is unable to carry out credit analysis appropriately and accurately. Lack of understanding of the actual financial needs of prospective borrowers and the benefits of loans. Collusion that occurs between the bank and the prospective debtor, which can influence the bank in providing credit decisions to the prospective debtor. Too much interference from various related parties, for example bank directors or others so that officers are not independent in deciding credit. Weaknesses in conducting coaching and monitoring of disbursed credit.

Bank external factors occur due to incompetent, dishonest debtor mistakes. The debtor has expanded too much, so the funds needed are too large. The debtor deliberately does not make installment payments to the bank because the debtor does not have the will to fulfill his obligations. Misuse of credit funds that are not in accordance with the intended use. The element of accident by the debtor. The debtor has the willingness to pay, but is unable to because there may be undesirable things, for example a natural disaster, the instability of the country's economy.

For the steps taken to handle non-performing loans, the bank is not allowed to base it on just one factor, but it must be based on a combination of the conditions of several factors above. Apart from the aforementioned factors, initial actions that need to be taken in dealing with non-performing loans, among others, are urging the debtor to cooperate, strengthening the collateral position, seeking information about the debtor's other business and intensive collection, which must still be carried out by the bank.

2.2.9. Credit Restructuring

Credit restructuring is an effort made by the Bank in lending activities to debtors experiencing difficulties in fulfilling their obligations, which are carried out by, among others, lowering credit interest rates, extending credit terms, reducing arrears of credit interest, reducing arrears of loan principal, increasing credit facilities; and / or credit conversion into temporary equity participation.

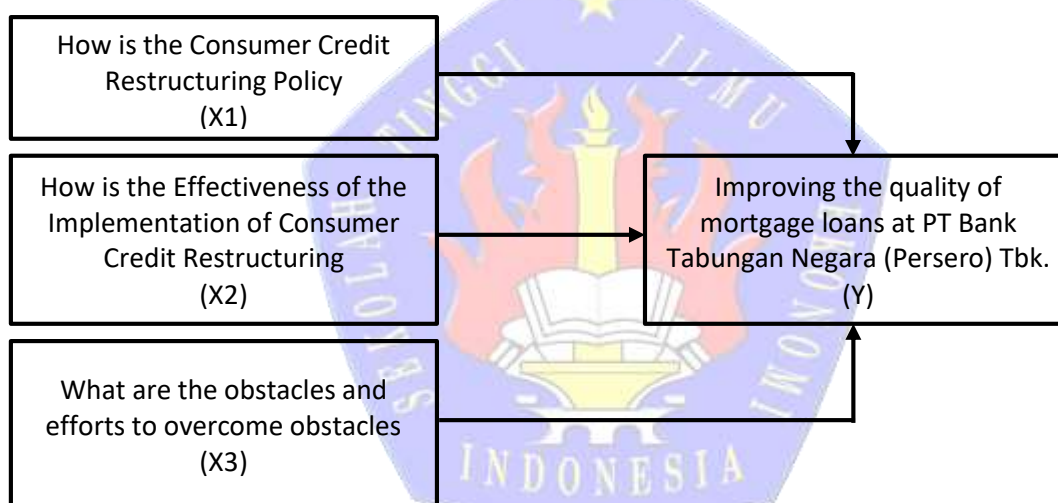
Loans to be restructured must be analyzed by an independent financial consultant who has a business license and a good reputation. Each stage in the implementation of credit restructuring and the results of the analysis carried out by the Bank committee and independent financial consultants on the restructured credit must be completely and clearly documented. After the handling stage as described above occurs, several options will be generated for the rescue and / or settlement of the non-performing debtor's credit facility. Subsequent settlement is carried out by referring to the provisions if a debtor who receives a small credit, either still having prospects or no prospect, and who does not fulfill his obligations, can be collected intensively by the bank. However, if there is a debtor who lacks prospects and does not have the good faith to settle their obligations, this can be pursued by way of exit in the form of credit take over, compensation, liquidation, collateral

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redemption, and auction by the bank. Debtors who have no prospects but still have good intentions to be able to complete their obligations, can be given relief of interest arrears, fines, and other costs. Debtors who have no prospect and do not have good faith in fulfilling their obligations, settlement can be made through a third party, namely Badan Urusan Piutang dan Lelang Negara (BUPLN) or the District Court. Non-performing loans that have been given guidance but are increasingly becoming bad collectibles and according to the consideration of parties debtor bank is difficult to collect, the credit can be written off in the sense that it is written off from the books and recorded separately, reduces the allowance for accounts receivable write-off, becomes a profit / loss expense, and does not write off bank receivables from debtors.

2.3. Research Conceptual Framework

The bank is currently making various efforts to improve the quality of credit that has been extended to debtors. Credit restructuring is an effort that can be done to resolve non-performing loans by banks. The credit restructuring policy is implemented in accordance with established regulations and policies. It is important that the implementation of credit restructuring be effective in order to achieve the goal of improving credit quality. The implementation of credit restructuring is of course inseparable from obstacles in each of its implementation, therefore, efforts are needed to resolve these obstacles. The following is a picture of the conceptual research framework:



Gambar 2.1. Conceptual Research Framework

III. RESEARCH METHOD

3.1. Research Strategy

The type of research used in this research is a type of research using qualitative descriptive research methods, namely research that intends to understand the phenomena of what is experienced by research subjects such as behavior, perception, motivation, action holistically, and by means of descriptions in the form of words. and language, in a specific natural context and by making use of various natural methods. Through this strategy, the authors describe the relationship between the implementation of consumer credit restructuring policies in an effort to improve the quality of home ownership loans at PT. Bank Tabungan Negara(Persero) Tbk. So it can be concluded that the purpose of this study is to get a complete picture or explanation regarding the effectiveness of efforts to improve the quality of home ownership loans which will be examined in the procedures for implementing consumer credit restructuring policies on housing loans (KPR) that have been running until now and can find out the relationship. in improving credit quality at PT. Bank Tabungan Negara(Persero) Tbk.

3.2. Population and Research Sample

The population in this study is an area that the researcher wants to study. According to Sugiyono (2013: 215) population is defined as an area of generalization consisting of: Objects / subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions. Qualitative research does not use population, qualitative research from certain cases that exist in certain social situations and the results of the study will not be applied to the population.

The sample is part of the population that the researcher wants to study. According to Sugiyono (2013: 215) the sample is part of the number and characteristics of the population. The sample is part of the existing population, so that sampling must use a certain way based on existing considerations. Samples in qualitative research are not named as respondents, but as sources or pastis, informants in the study. The resource person in this study is the Unityang Branch Collection consisting of 1 (one) Branch Collection Unit Head, namely Mr. Gagat and 1 (one) staff member, namely Mrs. Bunga at PT. Bank Tabungan Negara (Persero) Tbk Kelapa Gading Square Branch Office.

3.3. Data and Data Collection Methods

The data taken in this study are from PT. Bank Tabungan Negara (Persero) Tbk. Other data obtained by the author by reading books, the internet and other literature related to the thesis material. This research requires a series of data and several data sources to be analyzed, namely primary data and secondary data.

Primary data is data obtained, collected, and processed from the results of direct interviews, both with leaders and employees who are directly related to the implementation of consumer credit restructuring. The author conducted interviews at the Unit Branch Collection consisting of 1 (one) Branch Collection Unit Head, namely Mr. Gagat and 1 (one) staff member, Mrs. Bunga.

Secondary data is data available at PT. Bank Tabungan Negara (Persero) Tbk obtained from documents of PT. Bank Tabungan Negara (Persero) Tbk as well as literature books related to consumer credit restructuring.

The data collection methods used in this research are field research and library research. The following is an explanation of each data collection method.

Field research ,namely the collection of primary data from the object of research carried out by direct observation to the field which includes interviews ,observation and documentation. Interview , namely conducting direct interviews and asking questions to Mr. Gagat Bangun Karyadi as the Branch Collection Unit Head and Mrs. Bunga as a Collection Coordinator staff for parties involved in the company, both verbally and in writing regarding policies, implementation as well as obstacles and efforts to resolve implementation obstacles. consumer credit restructuring.

Observation is a way to get the data or information needed by directly observing or observing the location of the object of research. Researchers made direct observations at PT. Bank Tabungan Negara (Persero) Tbk with due observance of the consumer credit restructuring process that has been implemented.

Documentation, namely how to collect data such as a Brief Company History of PT. Bank Tabungan Negara (Persero) Tbk, Organizational Structure of PT. Bank Tabungan Negara (Persero) Tbk, the procedure for granting credit to PT. Bank Tabungan Negara (Persero) Tbk, Credit Collectability Report at PT. Bank Tabungan Negara (Persero) Tbk, Procedure for the restructuring of problem loans at PT. Bank Tabungan Negara (Persero) Tbk.

Literature research is a research that will be carried out to obtain the necessary secondary data, by studying the theories related to the problem under study. This literature study aims to obtain a theoretical basis and these results will be used as a basis for analyzing data obtained in field studies so as to produce conclusions and suggestions in solving existing problems. Researchers get secondary data from books and journals obtained from the internet.

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3.3.4. Operational Research Variables

In order for the research to be carried out properly, it is necessary to operate the relevant variables as indicators of the research. Variable operational aims to determine the measurement scale of each variable, so that hypothesis testing using tools can be carried out appropriately. Determination of the types of indicators, as well as the scale of the variables involved in the study according to the research title regarding Non Performing Loans and efforts to improve the quality of housing loans (KPR) which are presented in table 3.1

Table 3.1. Variable Operational

No	Variable	Indicator	Type of Data	
1	Consumer credit restructuring policy	Juridical aspects	Qualitative Data	
		Technical and operational aspects		
2	Effectiveness of the implementation of consumer credit restructuring	the purpose of implementing the credit restructuring	Qualitative Data	
		customer credit quality status		
3	Barriers and efforts to resolve consumer credit restructuring barriers	restructuring offer	Rejected	Qualitative Data
			Accepted	
		the terms and conditions for applying for credit restructuring	Fulfilled	
			Not met	
Credit restructuring debtor agreement compliance	Obeyed			
	Violeted			

Table 3.1 above shows that there are three variables which are operational variables. Each variable has several indicators. All variables in the table indicate the type of qualitative data.

3.5. Data Analysis Method

The data series that have been collected will then be analyzed the data with processing procedures and techniques so that they can be interpreted properly. The following is the formulation in the data analysis method.

The first formulation can be interpreted using aspects described in general, namely juridical aspects and technical and operational aspects. Indicators of juridical aspects in the implementation of Bank BTN's Consumer Credit Restructuring Policy consist of Bank Indonesia Regulation Number 14/15 / PBI / 2012 dated 24 October 2012 concerning Asset Quality Assessment for Commercial Banks, Bank Indonesia Circular Letter Number 15/28 / DNPB dated 31 July 2013 concerning Asset Quality Assessment for Commercial Banks, Otoritas Jasa Keuangan's Regulation Number 11 / POJK.03 / 2015 dated 24 August 2015 concerning Prudential Provisions in the Context of National Economic Stimulus for Commercial Banks and Financial Services Authority Regulation Number 18 / POJK.03 / 2016 dated 16 March 2016 concerning Application of Risk Management for Commercial Banks.

The technical and operational aspects of the implementation of consumer credit restructuring at BTN KC Kelapa Gading Square can be interpreted using two indicators of Bank BTN's internal regulations. The bank's internal regulations consist of Board of Directors Regulation Number 9 / PD / CCRD-AMD / 2014 dated 04 September 2014 concerning Restructuring and Settlement of PT Bank Tabungan Negara (Persero), Tbk Credit and Directors Circular No. 54 / DIR / CCRD / 2014 dated 22 December 2016 concerning Restructuring of Consumer Credit.

The second formula related to the effectiveness of the implementation of consumer credit restructuring will be answered by using the objective indicators of consumer credit restructuring and the status of debtor credit quality after the credit restructuring is carried out. The implementation of the Consumer Credit Restructuring is declared effective if the indicators of objectives can be achieved, including avoiding losses for the Bank, helping to alleviate debtor liabilities and avoiding credit settlement through legal institutions.

The status of the debtor's credit quality has been determined based on the Otoritas Jasa Keuangan's Regulation Number 40 / POJK.03 / 2019 concerning Asset Quality Assessment for Commercial Banks Article 12 Paragraph 3 states that Credit Quality is determined into five types. Types of credit quality are current, special mention, substandard, doubtful or loss.

The third formula in order to identify obstacles and efforts to resolve obstacles in the implementation of the credit restructuring requires indicators. The indicators needed are consumer credit restructuring offers to debtors, requirements for debtor consumer restructuring applications and debtor compliance with regard to the credit restructuring agreement.

Data processing is done by doing several stages. The first stage of data processing starts from preliminary research to the compilation of research proposals. The second stage, deeper data processing is carried out by processing the results of interview activities from divisions that are directly related to credit and collecting various field information at the research location. The third stage, after that, checks the validity of the interview data with a number of reports obtained from the management of the company and compares the data with various related information. Data processing is considered optimal if the data obtained is considered complete and can represent the problem that is the object of research. The final stage is data analysis in order to answer the research questions carried out and then make conclusions and suggestions.

IV. RESULTS AND DISCUSSION

4.1. Discussion of Research Results

4.1.1. Bank BTN's Consumer Credit Restructuring Policy in an Effort to Improve the Quality of Home Ownership Loans (KPR)

A. Juridical Aspects

Based on the results of an interview with Mr. Gagat as the Branch Collection Unit Head on June 23, 2020, which stated that "The regulation of credit restructuring provisions at Bank BTN KC Kelapa Gading Square is based on Bank Indonesia Regulation Number 14/15 / PBI / 2012 concerning Assessment of Commercial Bank Asset Quality. "And Financial Services Authority Regulation Number 11 / POJK.03 / 2015 concerning Prudential Provisions in the Context of National Economic Stimulation for Commercial Banks". Bank Indonesia Regulation Number 14/15 / PBI / 2012 concerning Commercial Bank Asset Assessment, there are several policies for saving non-performing loans through restructuring, including lowering interest rates, extending credit terms, reducing loan interest arrears, reducing loan principal arrears, adding credit facilities. and convention credit to be temporary equity participation.

Pak Gagat revealed that Bank BTN KC Kelapa Gading Square is carrying out a credit restructuring through several patterns as follows:

A reduction in loan interest rates is a form of credit restructuring that provides relief to debtors in the form of a reduction in loan interest rates.

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Credit term extension is a credit restructuring that provides relief to borrowers in the form of a longer period to be able to complete the loan

Reducing loan interest arrears is a credit restructuring pattern that provides relief from interest expenses to borrowers by reducing arrears on loan interest.

The reduction in principal loan arrears is the maximum credit restructuring.

The addition of credit facilities provided by the bank to the debtor is expected to be able to assist the debtor in running his business so that it can generate income that can be used to fulfill old credit payment obligations as well as new loans.

The convention of credit being a temporary equity participation in a debtor company is a credit restructuring. The convention to become capital means that a certain amount of credit value is converted into shares in the debtor company. This is usually called an equity swap.

Mr. Gagat explained that based on the provisions of the Bank Indonesia Regulation and Bank BTN Financial Services Authorization, the Board of Directors Regulation Number 09 / PD / CCRD-AMD / 2014 concerning Restructuring and Settlement of PT Credit was issued. Bank Tabungan Negara (Persero) Tbk, the implementation of which is regulated in Directors Circular Letter Number 54 / DIR / CCRD / 2016 regarding Consumer Credit Restructuring. The definition of credit restructuring according to the Board of Directors Circular Letter Number 54 / DIR / CCRD / 2016 states that credit restructuring is an effort to make improvements made by the Bank in lending activities for debtors who are having difficulty fulfilling obligations.

There are six policies related to the Consumer Credit Restructuring pattern at PT. Bank BTN (Persero) Tbk in accordance with the Directors Circular Letter Number 54 / DIR / CCRD / 2016. The following is an explanation of each policy.

- 1) Rescheduling The remaining balance consists of two, namely rescheduling the remaining loan principal and rescheduling the remaining arrears. The following is an explanation of each reschedule. Rescheduling of Remaining Credit Principal Loan (PUSP) using the restructuring pattern of rescheduling is a pattern carried out by rescheduling the installment period of the remaining principal amount of credit.
- 2) Postponement of Principal and / or Interest Payment (Grace Period) is a Bank may provide relief in the form of postponement of principal and / or interest payments to Debtors.
- 3) Reduction of Arrears on Credit Interest (Discount) is a Bank can provide relief to debtors in the form of a reduction in arrears on credit interest (discount).
- 4) Decrease in Credit Interest Rates is a Bank can provide relief to debtors in the form of lowering credit interest rates below the prevailing interest rate at the time of submitting an application for Credit Restructuring.
- 5) Reduction of Principal Credit Arrears is relief in the form of reduction in principal arrears of credit that can be provided by banks to debtors so that debtors can pay arrears of loan principal that are less than / less than the arrears of loan principal that should have been paid.
- 6) A combination of 2 or more Restructuring Patterns is the implementation of consumer credit restructuring can use more than 1 (one) restructuring pattern according to the results of the debtor's condition analysis so that it is expected that the debtor can settle his credit obligations

There are four determinations of credit quality based on Otoritas Jasa Keuangan's Regulation Number 11 / POJK.03 / 2015 concerning Prudential Provisions in the Context of National Economic Stimulus for Commercial Banks Article 7. The following is the explanation.

First, the quality of Credit after restructuring is determined to be at the highest Sub Standard for loans classified as Doubtful or Loss prior to restructuring and Fixed or unchanged credit quality for Loans which were classified as Current, Special Mention, or Substandard before restructuring.

Second, the quality of Credit after restructuring, how as referred to in paragraph 1 can become Current, if there is no arrears for 3 (three) consecutive periods of principal and / or interest installments in accordance with the Credit Restructuring agreement.

Third, in the event that a debtor does not meet the criteria and / or requirements in the Credit Restructuring agreement, the Credit quality assessment shall be determined in accordance with the applicable provisions based on the provisions of principal payments and / or requirements in the restructured Credit Restructuring agreement up to an amount of IDR 5,000,000,000.00 (five billion rupiah); or c. business prospects, debtor performance, and ability to pay for restructured Loans with an amount of more than Rp.5,000,000,000.00 (five billion rupiah).

Fourth, in the event that the principal and / or interest installment period is less than 1 (one) month, the quality improvement to Current as referred to in paragraph (2) can be carried out for at least 3 (three) months after the Credit Restructuring is carried out.

The results of restructured credit monitoring at Bank BTN KC Kelapa Gading Square in the period 2018 and 2019, the restructured credit with the provision of a grace period for principal payments, is determined to have the highest quality, namely Substandard for Loans that were classified as Doubtful or Bad and permanent or not prior to restructuring. change for Credit which prior to the restructuring was classified as Current, Special Mention, or Substandard. Credit quality during the grace period for principal payments may become Current, if there are no arrears in interest payments for 3 (three) consecutive payment periods in accordance with the Credit Restructuring agreement.

B. Technical and Operational Aspects

The implementation of Bank BTN KC Kelapa Gading Square consumer credit restructuring is carried out in accordance with the Directors Circular Letter Number 54 / DIR / CCRD / 2016 regarding Consumer Credit Restructuring. Prior to restructuring, the Bank must prepare steps to be implemented.

The first step to take is debtor mapping, this is done by grouping debtors who are in the collectability of DPK and NPL. Mapping is carried out by each group based on credit products that have contributed greatly to improving credit quality, debtors / property which contributed greatly to improving credit quality. The priority scale is intended for debtors with collectability of DPK1 (arrears of 1 month), DPK2 (arrears of 2 months), and DPK3 (arrears of 3 months). The next step, the officer sends a summons to the debtor by looking for solutions to the problems faced by the debtor. The next step is restructuring planning, restructuring submission which consists of two types, namely BTN initiative and customer initiative, document verification, restructuring analysis, restructuring approval and restructuring monitoring. Restructuring monitoring is carried out by monitoring the debtor data that has been successfully restructured. It will check how to pay and will be compiled as report material and will be evaluated. Evaluation reports and recommendations will be executed by the arcoll head for memos to the branch office as the implementation of the CCRD is implemented.

4.2.2. Effectiveness of the Implementation of Consumer Credit Restructuring

There are two indicators in the variable of the effectiveness of the implementation of consumer credit restructuring, namely the purpose of implementing the credit restructuring and the status of customer credit quality.

Avoiding losses for the bank in question is that if the debtor does not have the ability to pay, the bank will experience a loss due to not receiving back the distributed funds, as well as interest income that is not received. Bank BTN KC Kelapa Gading Square in the 2018-2019 period did not experience a loss. Helping to ease the debtor's obligations in question is by providing a pattern of consumer credit restructuring in settling non-performing loans. This can help ease the burden on debtors in credit settlement efforts. In the 2018-2019 period, Bank BTN KC Kelapa Gading Square can help debtors to settle credit arrears so that the quality of credit in that period can improve. Avoiding credit settlement through legal institutions, this is very much avoided by the bank. Credit settlement through legal institutions will add to the burden on the BTN KC Kelapa Gading Square bank, for this reason the existence of non-performing loans as much as possible the bank can settle

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with the debtor through a credit restructuring pattern. In the period 2018-2019 the settlement of Bank BTN KC Kelapa Gading non-performing loans without involving legal institutions.

Collectibility is the condition of the payment of principal or loan principal and interest installments by the customer as well as the likelihood of the return of funds invested in securities or other investors. The effectiveness of the implementation of consumer credit restructuring can be illustrated if the credit that has been restructured is at the status of current collectibility or col. 1.

The implementation of the consumer credit restructuring carried out at Bank BTN KC Kelapa Gading Square in 2018 and 2019 can be presented through the following table 4.9:

Table 4.9 Collectability Movements in 2018

No	Type of Restructuring	Credit Quality Before Restructuring							Credit Quality After Restructuring					
		1	2	3	4	5	Blank	Total	1	2	3	4	5	Total
1	Discount	1	17	2	-	1	-	21	16	5	-	-	-	21
2	Discount & Grace Period	-	1	-	-	-	-	1	1	-	-	-	-	1
3	Discount & Grace Period & PUST	-	2	-	-	-	-	2	-	2	-	-	-	2
4	Discount & PUSP & Grace Period & PUST	11	26	6	3	1	1	48	34	12	-	1	1	48
5	Grace Period	3	-	-	-	-	-	3	3	-	-	-	-	3
6	Lower Interest Rates	1	-	-	-	-	-	1	1	-	-	-	-	1
7	PUSP	2	-	-	-	-	-	2	2	-	-	-	-	2
8	PUSP, Grace Period & PUST	2	1	-	-	-	-	3	1	2	-	-	-	3
9	PUSP, PUST & Discount	5	22	1	-	4	-	32	26	5	1	-	-	32
10	PUST & Discount	2	16	1	-	-	-	19	15	4	-	-	-	19
Grand Total		27	85	10	3	6	1	132	99	30	1	1	1	132
Description: 1: Smooth 2: Special Mention 3: Less Smooth 4: Doubtful 5: hampered														

The table above shows the collectability movement in 2018, where there were ten patterns of restructuring policies that were implemented. The first pattern is a reduction in loan interest arrears (discounts) by 21 debtors. Non-performing loans that have been reinstated have experienced an increase in credit quality, as illustrated in the number of loans with collectability status of 1, which has increased from 1 debtor to 16 debtors. The second pattern combines two patterns, namely a discount and a postponement of principal and / or interest payments (grace period) of 1 debtor. Debtors who have been restructured using the second restructuring pattern experience an increase in collectability status from 2 (two) collectibility to collectability 1. The third pattern combines three patterns, namely discount, grace period and rescheduling of 2 remaining outstanding arrears (PUST). The results of the implementation of the third restructuring pattern that has been carried out for the 2 debtors cannot improve the credit quality of the debtor so that the collectability status of the 2 debtors remains at collectability 2. The fourth pattern combines four patterns, namely discount,

rescheduling of the remaining principal loan (PUSP), grace period and PUST as many as 48 debtors. The credit restructuring for the 48 debtors gave good results. The collectability status of 1 increased, from 11 debtors to 34 debtors. The fifth pattern is a grace period of 3 debtors. The collectability status of the 3 debtors before the restructuring was at collectability status 1 and after restructuring the 3 debtors were at the same collectability status. The sixth pattern was a reduction in interest rates by 1 debtor. The debtor is at collectability status 1 and after the restructuring is still at the same collectability status. The seventh pattern is PUSP as many as 2 debtors. The seventh restructuring pattern is also able to maintain the collectability status of the 2 debtors at collectability status 1. The eighth pattern combines 3 patterns, namely PUSP, grace period and PUST as many as 3 debtors. Debtors who have been restructured using the eighth pattern are only able to maintain 1 debtor only to stay in collectability status. 1. The ninth pattern combines three patterns, namely PUSP, PUST and discounts of 32 debtors. This ninth restructuring pattern was able to significantly improve credit quality, debtors with collectability status of 1 increased from 5 to 26 debtors. The tenth pattern combines the two patterns, namely PUST and a discount of 19 debtors. The tenth restructuring pattern is able to increase the collectability status of 15 debtors to collectability status 1. In 2018 the total number of debtors who had restructured was 132 debtors, the results of the restructuring of 132 debtors gave effective results where there were 99 debtors whose collectability status was in the collectability position 1 which means that the 99 debtors are current debtors.

Table 4.10 Collectability Movements in 2019

No	Type of Restructuring	Credit Quality Before Restructuring					Credit Quality After Restructuring			
		1	2	3	4	Total	1	2	4	Total
1	Discount	1	4	-	-	5	3	2	-	5
2	Discount & PUSP & Grace Period & PUST	3	8	1	1	13	8	4	1	13
3	Penurunan Suku Bunga	2	1	-	-	3	2	1	-	3
4	PUSP	4	1	-	-	5	5	-	-	5
5	PUSP, Grace Period & PUST	8	2	-	-	10	8	2	-	10
6	PUSP, PUST & Discount	3	11	-	-	14	12	2	-	14
7	PUST & Discount	2	9	2	1	14	9	5	-	14
Grand Total		23	36	3	2	64	47	16	1	64
Description: 1: Smooth 2: Special Mention 3: Less Smooth 4: Doubtful 5: hampered										

Table 4.10 represents the collectability movement in 2019, where there were seven patterns of restructuring policies that were implemented. The first pattern is a reduction in credit interest arrears (discounts) by 5 debtors, of the 5 debtors who have restructured the credit, there are 3 debtors who are in collectability status 1. The second pattern combines four patterns, namely discounts, rescheduling of the remaining principal loan (PUSP), postponement of payment of principal and / or interest (grace period) and rescheduling of the remaining arrears (PUST) of 13 debtors. The results of the implementation of this second pattern of credit restructuring can result in 8 debtors with credit collectability status. The third pattern is a reduction in interest rates by 3 debtors, the implementation

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of this third pattern does not give good enough results where the 3 debtors are still in the same collectability status as before the implementation of the restitution. The fourth pattern is PUSP as many as 5 debtors, after the implementation of the restructuring, the 5 debtors are in collectability status 1. The fifth pattern is PUSP, grace period & PUST as many as 10 debtors, this pattern also does not provide significant results where 10 debtors are still in the collectability status. same. The sixth pattern, namely PUSP, PUST & discount as many as 14 debtors, the implementation of the sixth pattern gave significant results where of the 14 debtors there were 12 debtors in the current collectability status. The seventh pattern is PUST & discount as many as 14 debtors, the implementation of the seventh pattern gives good results where there is an increase in the number of debtors who are in collectability status 1, namely as many as 9 debtors. The implementation of consumer credit restructuring in 2019, there were 64 debtors who carried out the restructuring, the implementation of this restructuring gave effective results where out of the 64 debtors, there were 47 debtors who were in collectability status 1 or current.

The results of the Collectability Movement data in 2018 and 2019 at Bank BTN KC Kelapa Gading Square which have been presented can illustrate that the implementation of credit restructuring can be carried out effectively where the quality of credit that has been restructured can increase, in 2018 and 2019 Bank BTN KC Kelapa Gading Square can achieve the goal of implementing a restructuring where Bank BTN KC Kelapa Gading Square does not experience losses, can help ease Debtor liabilities so that credit quality can improve and in that year there is no credit settlement through legal institutions

4.2.3. Obstacles and Efforts to Settle Credit Restructuring

The first obstacle is a rejection of the restructuring offer. Rejection of offers can occur from both the bank and the debtor. If a debtor submits a restructuring application but there is a rejection of the restructuring offer from the bank because the debtor's documents are incomplete, the debtor can make efforts to complete the requirements and the restructuring application can be submitted again. Another offer rejection that occurs is the restructuring offer made by the bank to debtors who have been in arrears for more than 2 (two) months but the debtor rejects the offer, the bank will do two things, namely billing or credit settlement. If the debtor accepts the restructuring offer, the bank will propose a restructuring pattern according to the debtor's current circumstances.

The second obstacle is the conditions for proposing restructuring. The requirements that have been set by the bank in implementing the restructuring are things that must be fulfilled by the debtor, however in practice not all debtors can meet these requirements. If the conditions are not met, the bank cannot proceed with the restructuring offer.

The third obstacle is compliance with the credit restructuring agreement between the debtor and the bank. Each month, the bank will monitor the payment method of the debtor in accordance with the given restructuring pattern. If the debtor complies with the payment, the restructuring pattern that has been given to the debtor can be applied, but if the debtor does not comply with the payment according to the agreement, the bank will re-analyze the restructuring pattern or the bank will cancel the restructuring process that has been running and find the best solution in order to settle debtor arrears.

V. CONCLUSIONS AND SUGGESTIONS

5.1. Conclusion

The conclusion is the scope of the research results in order to answer the research objectives. The following is the conclusion from the research results.

The consumer credit restructuring policy in an effort to improve credit quality at Bank BTN KC Kelapa Gading Square is divided into two indicators, namely based on juridical aspects and based on technical and operational aspects. Based on the juridical aspect, it is known that there are six restructuring policies related to the restructuring pattern of consumer credit at PT. Bank BTN

(Persero) Tbk in accordance with the Circular of the Board of Directors Number 54 / DIR / CCRD / 2016 implemented by Bank BTN KC Kelapa Gading Square, namely rescheduling the remaining balance consisting of two, namely rescheduling the remaining loan principal loan (PUSP) and rescheduling the remaining arrears (PUST), postponement of principal and / or interest payments (grace period), reduction of arrears in credit interest (discount), lowering of loan interest rates, reduction of loan principal arrears and a combination of 2 or more restructuring patterns. Based on technical and operational aspects, the BTN KC Kelapa Gading Square bank implements a restructuring process with stages, namely restructuring planning, submitting restructuring from both BTN initiatives and customer initiatives, verifying documents, analyzing restructuring according to debtor conditions, conducting restructuring approvals and monitoring restructuring every month a report will be made to the OJK.

The effectiveness of the implementation of consumer credit restructuring in an effort to improve credit quality is divided into two indicators, namely the objectives of the implementation of credit restructuring and the status of customer credit quality. Bank BTN KC Kelapa Gading Square in the 2018 and 2019 period can achieve the objectives of the restructuring implementation. The first objective is to avoid losses for the Bank, in the period 2018 and 2019 Bank BTN KC Kelapa Gading Square did not experience losses. The implementation of the restructuring carried out by BTN KC Kelapa Gading Square can achieve the second goal, which is to help ease the debtor's obligations. Bank BTN KC Kelapa Gading Square in the period 2018 and 2019 succeeded in completing credit without going through legal institutions.

The status of customer credit quality is based on Otoritas Jasa Keuangan's Regulation Number 40 / POJK.03 / 2019 concerning Asset Quality Assessment for Commercial Banks Article 12 Paragraph 3 states that credit quality is determined to be of five types. The first credit quality is current, the second is under special mention, the third is substandard, the fourth is doubtful or bad. The implementation of consumer credit restructuring at Bank BTN KC Kelapa Gading Square has been carried out effectively so as to improve the quality of mortgage loans.

Constraints and efforts to resolve obstacles in the implementation of credit restructuring consist of three indicators, namely the restructuring offer, the requirements for applying for credit restructuring and compliance with the debt restructuring debtor agreement. The restructuring offer is made for debtors who have been in arrears within a period of 1 or 2 months of late payment, the offer to the debtor may be rejected by the debtor. If rejected by the debtor, the bank will collect or settle the credit. Credit restructuring offers made by the debtor to the bank may result in rejection by the bank, if there is rejection, the debtor can complete the restructuring document and make a re-submission. The debtor must fulfill the requirements for applying for mandatory credit restructuring so that it can be analyzed by the bank, so that it can produce a restructuring pattern that is in accordance with the current condition of the debtor. Credit restructuring debtor agreement compliance is whether or not the debtor makes credit payments. This will be monitored by the bank and will be analyzed again if in the future bottlenecks are found in payments and a more effective restructuring pattern will be proposed.

5.1. Suggestion

The author has conducted an analysis regarding the implementation of consumer credit restructuring policies in an effort to improve the quality of Home Ownership Credit (KPR), the author will provide several recommendations to Bank BTN KC Kelapa Gading Square which if they can be taken into consideration in implementing consumer credit restructuring to run better and can minimize the risk. The implementation of consumer credit restructuring will be better if from a business and operational perspective it can run in a balanced manner. The increased amount of credit will be better if it is balanced with sound credit risk control so that bad credit will decrease and credit growth will be better in the future and can avoid restructuring of consumer loans.

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