

IMPLEMENTATION OF BANKING CREDIT AGREEMENTS RESTRUCTURING DURING THE COVID-19 PANDEMI

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Abstract

Apart from having a significant impact on the economic and financial sectors, the presence of Covid-19 has had a negative impact on all aspects of state administration. During the Covid-19 era, when non-performing loan cases have skyrocketed, the banking sector plays an important role, not only as a provider of capital but also because it is important to enable and handle the growth of customer-run companies so that companies can develop while minimizing the danger of bankruptcy, both for customers as a debtor or for a bank as a creditor. Debtors who have difficulty fulfilling their commitments to the Bank due to the spread of Covid-19 are given special treatment based on POJK Number 11/POJK.03/2020, which discusses National Economic Stimulus as a Countercyclical Policy. During the Covid-19 pandemic. The problem raised by the author is how to apply the restructuring of banking banking agreements during the Covid -19 pandemic at BPR Artha Mukti Santosa and what are the obstacles to implementing banking banking agreement restructuring during the Covid -19 pandemic at BPR Artha Mukti Santosa. The method used by the author is normative juridical by using secondary data such as literacy tests and in-depth interviews with employees at BPR Artha Mukti Santosa to draw conclusions about the law and its application to real world situations. Based on the results of research and discussion that the implementation of restructuring at BPR Artha Mukti Santosa was carried out incorrectly to prospective debtors with strict procedures referring to POJK provisions Number 18/POJK.03.2021 Jo POJK 17/POJK.03/2021 Jo POJK 34 /POJK.03/2021 Regarding the Second Amendment to the Financial Services Authority Regulation Number 34/POJK.03/2020 Concerning Policies for Rural Credit Banks and Sharia Rural Banks As a Impact of the Spread of Coronavirus Disease 2019 such as conducting surveys on debtor business health, debtor eligibility, and good faith of the debtor. Obstacles in implementing Restructuring at BPR Artha Mukti Santosa BPR are such as uncooperative debtors in following the rules, lack of cooperation and bad faith from debtors.

Keywords: Restructuring, Credit, Covid-19

INTRODUCTION

Although Coronavirus Disease (Covid-19) has been declared a pandemic since March 2020, international efforts to combat it will continue until at least 2022. The presence of Covid-19 has had a severe impact on the country's economy and financial system, among others, and has hampered all efforts within the scope of state administration.

A quick response from all walks of life is needed to cope with many of the unexpected changes caused by this man-made disaster. Health guidelines for social distancing suggest that minimizing physical contact between people can help slow disease transmission, and many business-related tasks can be completed without leaving home (working from home). The execution of these measures, however, has resulted in the loss of many dysfunctional jobs and economic functions.

There were joint efforts to prevent a slowdown in economic activity, therefore the government and other state institutions began to formulate new restrictions. Low interest and non-interest income and high cost of provision have an impact on the profitability of banks in Indonesia, so the industry is not immune to profit and loss corrections. In order to ensure the stability of the country's economy, the government and competent state bodies have worked hard to maintain it. Financial markets have been significantly impacted by this epidemic due to the increasing problems and dangers it poses. The financial industry in Indonesia has also been hit hard by this outbreak, which has now become a global issue. Various hazards, including lending, poor asset quality, and narrowed net interest margins, hit the banking sector after Covid-19 (Arif, 2020).

The banking and financial industry has developed into one of the most profitable in the world. Non-performing loans are a common problem for banks due to the risks inherent in the provision of money to borrowers (NPLs). A non-performing loan is a loan that has been extended by the bank but the borrower has not paid in full or made payments in accordance with the terms of the agreement between the lender and the borrower (Ismail, 2013). Banks lose money when borrowers don't repay their loans, and they don't make money on bad interest rates (Sukino & Yovita, 2015). It is detrimental to the health of banks if non-performing loans (NPLs) are not dealt with quickly and appropriately, as (NPLs) tend to increase. Bank Indonesia (BI) provides guidelines and policies to ensure that all financial institutions in the country gradually lower their (NPLs) to no more than 5 percent of their total loans (Suartama, Sulindawari, & Herawati, 2017).

Debtors (including MSME debtors) who have difficulty fulfilling their obligations to the Bank because the debtor or the debtor's business has been affected by the spread of Covid-19 are entitled to special treatment based on POJK provisions Number 17/POJK.03/2021 concerning National Economic Stimulus as a Countercyclical Policy. As long as creditors are recognized as being affected by Covid-19, the POJK explicitly states that in theory banks can restructure all credit or financing to all debtors, including MSME debtors. Given preferential treatment regardless of the amount of credit or funding available.

"The Financial Services Authority (OJK) in December 2020 issued POJK Number 48 /POJK.03/2020 concerning Amendments to the Financial Services Authority Regulation Number 11/POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy impacting the Spread of Coronavirus Disease 2019 and is valid until March 2022. Observing global and domestic developments in the economic impact related to the spread of Covid-19," OJK Deputy Commissioner for Public Relations and Logistics Anto Prabowo announced the extension of the policy, which is expected to have an impact on the performance and capacity of debtors and increase risks (Sulaian, 2022).

The banking sector plays an important role in the Covid-19 era, when the number of non-performing loans has increased dramatically, not only as a capital provider, but also because of the need for emancipation and supervision of business development run by customers in Indonesia. In order for this business to grow and reduce risks. bankruptcy, both for customers as debtors and the risk of bad debts for banks as creditors. Therefore, many banks in Indonesia are turning to restructuring as a way to solve their bad debt problem.

OJK requires banks to form impairment loss reserves or also known as CKPN "to accommodate debtors who are considered unable to survive after credit or financing restructuring. However, the impact of the coronavirus outbreak is regulated in "POJK No. 17/POJK.03/2021 which amends the Financial Services Authority Regulation No. 11/POJK.03/2020." The legal ramifications for consumers who do not meet their payment commitments under the restructured credit arrangements, and whether the bank or the customer has a legal or other remedy if not, are not explicitly regulated in 2019.

In order to maintain strong economic recovery momentum, the Financial Services Authority adopted two rules in September 2021 to extend the relaxation policy period for bank loan restructuring from March 2022 to March 2023. "Policy Regulation (POJK) Number 17/POJK.03/2021, concerning the Second Amendment to Policy Order (POJK) Number 11/POJK.03/2020, concerning National Economic

Stimulus as a Countercyclical Policy impacting the Spread of Coronavirus Disease 2019", is one of the policies issued and will be studied in this article.

Bank credit restructuring refers to the practice of replacing old credit agreements with new ones that change the structure, substance, and clauses of the agreement to make it easier for debtor customers to fulfill their obligations, including by providing new credit, extending the credit period, or eliminating interest and principal arrears. In another sense, the debtor may consider restructuring as a type of creditor's forgiveness for default. Further, the legal consequences of the implementation of the restructuring include modification of the terms of the credit agreement between the Bank and its clients. "According to POJK No. 17/POJK.03/2021", the decision to provide credit restructuring rests entirely with the institution concerned. This is based on the idea that the Bank's policy towards customers who are hampered in achieving their goals in the form of credit installment payments can be seen as restructuring those goals. So, the Bank as a creditor should not provide reorganization to all clients with current credit arrangements.

Before the Covid-19 pandemic and the issuance of "POJK Number 17/POJK.03/2021 concerning the Second Amendment to POJK Number 11/POJK.03/2020" concerning National Economic Stimulus as a Countercyclical Policy impacting the Spread of Coronavirus Disease 2019, the research was conducted from the point of view of different research, namely research on credit restructuring as an effort to solve the problem of bad debts between debtors and banks in 2003.

RESEARCH METHODS

Data on a study, as well as precise information or the truth itself, can be collected through the research process. When a study is carried out in a methodical way and uses predetermined techniques, we call it a study (Fristikawati, 2010).

This article was written using normative juridical research, which examines both legal norms created by statute and juridically created and socially accepted legal norms that develop over time (Ali, 2009): "Research will be conducted and aimed at written regulations and other reference materials (Ammirudin & Asikin, 2004).

RESULTS AND DISCUSSION

Application of Banking Credit Agreement Restructuring During the Covid-19 Pandemic at BPR Artha Mukti Santosa

A bank's growth and credit quality can be affected by the Covid-19 outbreak that has halted economic activity in some parts of the world. Banks need to be careful to ensure stability given these potential negative effects, such as making plans to support government projects that stimulate the real economy. The provision of new working capital loans or additional working capital in the context of restructuring through credit guarantee programs and/or providing interest subsidies to debtors of micro, small, and medium enterprises in accordance with regulations made by the regulator, namely the Financial Services Authority, can also help the speed of the nation's economic recovery bank as a whole.

Credit relaxation is applied selectively by referring to the "POJK Policy 18/POJK.03.2021 Jo POJK 17/POJK.03/2021 juncto Restructuring Policy carried out by BPR Artha Mukti Santosa, as shown in the results of an interview with BPR Artha Mukti Santosa or BPR Artha Mukti Santosa Second Amendment to the Financial Services Authority Regulation No.34/POJK.03/2020 which Affects the Policies of People's Credit Banks and BPRS Jo POJK 34/POJK.03/2021) Impact of Coronavirus Disease 2019" on Credit Relaxation Credit relaxation is given to its clients judiciously and in accordance with POJK criteria as mentioned above (Mardiati, 2023).

In the POJK provisions that are used as a basis by BPR Artha Mukti Santosa, it is stated in Article 2 paragraphs (1) and (2) that provide provisions stating that:

"(1)Banks can implement policies that support economic growth stimulus for debtors affected by the spread of Coronavirus Disease 2019 including micro, small and medium enterprise debtors"

"(2)policies that support economic growth stimulus as referred to in paragraph (1) include: a. asset quality determination policy; and b. credit or financing restructuring policies."

In addition, "Article 7 paragraph (1) of the POJK of the Financial Services Authority Regulation Number 17/POJK.03/2021 concerning National Economic Stimulus as a Countercyclical Policy impacting the Spread of Coronavirus Disease 2019 states that banks can provide credit or financing and/or provide other new funds. to debtors affected by the spread of coronavirus disease 2019", including debtors of micro, small and medium enterprises.

Supporting "economic growth stimulus and minimizing the increase in Non-Performing Loans by implementing asset quality determination policies and credit or financing restructuring policies in line with the Financial Services Authority Regulation No. POJK Number 17 /POJK.03/2021 concerning

National Economic Stimulus as a Countercyclical Policy impacting the Spread of Coronavirus Disease 2019 (Article 2 paragraph 2), as a reference or direction from the Financial Services Authority” (Authority, 2020).

“Most banks have started implementing the Financial Services Authority Regulation Number 17/POJK.03/2021 concerning National Economic Stimulus as a Countercyclical Policy impacting the Spread of Coronavirus Disease 2019, according to Heru Kristiyana, Chief Executive of the Banking Authority” Financial Services Supervision. According to him, banks in Indonesia have taken preventive measures by keeping detailed records of clients who may have difficulty in making their credit payments in the future. The aforementioned guidelines have been followed by 71 commercial and Islamic banks.

“As of August 18, 2020, 7.18 million debtors, including 5.67 million Micro, Small and Medium Enterprises debtors and 1.42 million non-Micro, Small and Medium Enterprises debtors, saw their bank restructuring become a reality. Trisnowati, a cookware seller in Cililitan Jakarta and a member of a micro, small and medium enterprise group, proved it by accepting a financial reorganization after seeing her company drop by 90% as a result of the covid19 outbreak.” According to him, the policy of delaying the payment of principal installments for six months as part of the restructuring he received gave him a “breather” so that his company would not go bankrupt and he was again passionate about running his business.

Reputable debtors affected by Covid-19 are prioritized in the implementation of credit restructuring. Here are some items that require special attention (Ibid) :

- a. *“The debtor must submit a restructuring application complete with the data requested by the bank or leasing which can be submitted online (email or website set by the bank/leasing) without having to come face to face.”*
- b. *“The Bank or Leasing will conduct an assessment, among others, on whether the debtor is directly or indirectly affected, the history of principal or interest payments, clarity of vehicle ownership (especially for leasing)” (Mardiati, 2023).*

Debtor customers who are given credit relaxation in the first and second periods during the Covid-19 pandemic in 2020-2021 but cannot improve their collectibility status, the credit relaxation period is automatically extended as part of the credit restructuring carried out by BPR Artha Mukti Santosa and related to the provisions described above. The ability to pay the debtor, the survival of the debtor's company, and the debtor's overall good faith are factors that must be considered in deciding whether to extend the credit relaxation period to a third term.

Application of Banking Credit Restructuring During the Covid - 19 Pandemic at BPR Artha Mukti Santosa

In providing Credit Restructuring at BPR Artha Mukti Santosa during the Covid-19 period, reputable debtors affected by Covid-19 are prioritized in the implementation of credit restructuring. Here are some items that require special attention:

1. *“The debtor is required to apply for restructuring complete with the data requested by the bank or leasing which can be submitted online (email or website set by the bank or leasing) without having to come face to face.”*
2. *“The bank or Leasing will conduct an assessment, among others, on whether the debtor is directly or indirectly affected, the history of principal or interest payments, clarity of vehicle control (especially for leasing).”*
3. *“The bank or Leasing provides restructuring based on the debtor's profile to determine the pattern of restructuring or extension of time, the amount that can be restructured including if there is still the ability to repay installments whose value is through assessment and discussion between the debtor and the bank or leasing. This certainly pays attention to the income of debtors affected by Covid-19. Information on restructuring approval from the bank or leasing is submitted online or through the relevant bank's website or leasing” (Authority, 2020).*

In the process of applying for credit restructuring at BPR Artha Mukti Santosa, there are several procedures that must be passed, namely after the customer submits a credit by collecting submission requirements such as (KTP, KK, Marriage Certificate, FC SHM and BPKB Guarantee, Electricity Rec, Employee Certificate, Salary Slip and Account for the Last 3 Months). The file will be forwarded and a survey will be carried out by the Marketing and Marketing Analysis team to ensure the validity of the data that has been submitted by the Customer.

If a survey and analysis has been carried out by the Marketing team, after confirming its validity and suitability, the file is immediately submitted to the Analyst and Manager of the survey to again look at the guarantee and collateral taxation and pay attention to the 5 C (*Character, Capacity, Capital, Collateral and Condition*). After the file analyst process is submitted to the leadership of the board of directors to ask for a decision on the credit application by the Customer, if approved by the Board of

Directors, then the file is forwarded to the operational party to check if the SHM guarantee (notarized) after the results of the check, then the customer can enter into a Credit Restructuring Agreement.

Paragraph IV of the Preamble to the 1945 Constitution mandates that the government defend the entire nation and all Indonesians for the achievement of social welfare, under any circumstances and pressures, and this policy is a representation of that commitment. Considering that the Covid-19 pandemic seems to have caused a significant decrease in the turnover of MSME players in all sectors, thus affecting their ability to repay debts to banks, this restructuring policy is also expected to provide relief in loan payments to MSME debtors and affected consumers. credit debtors. Given that psbb and work from home rules disproportionately impact the lower middle class, this also has an impact on the consumption credit industry.

In reality, financial institutions are faced with various problems, including moral hazard and losses that make it difficult to implement credit restructuring programs for debtors in the MSME sector, the formal and informal sectors, and others. Therefore, banks must apply the precautionary principle in implementing credit restructuring policies for debtors affected by the “impact of the Covid-19 pandemic, in accordance with Article 5 paragraph (5) of POJK No.48/POJK.03/2020 concerning Amendments to POJK No.11/POJK.03/2020 concerning Countercyclical Policy Stimulus against the Impact of the Spread of Covid-19, which states that the Bank can adjust credit or financing restructuring approvals” (Ibid)

Observation Results of Bad Credit Handling at BPR Artha Mukti Santosa

Regarding the handling of bad debts at the BPR Artha Mukti Santosa Office using several ways, the first way is to use a written approach such as giving bills to customers who do not pay installments for 90 days and have not paid off their obligations.

Providing a bill in the form of a report, this report contains data on the obligations that must be completed by the customer and the results of negotiations between the customer and the bank regarding when to repay his obligations, the next step in this verbal approach is by visiting the customer’s home and warning the customer to immediately pay off his obligations before being given a warning letter. If the customer still does not pay the installments, the Bank Artha Mukti Santosa makes a warning letter one. The first warning letter given by BPR Artha Mukti Santosa can be seen in the picture below:

- a. Warning Letter One (SP 1)

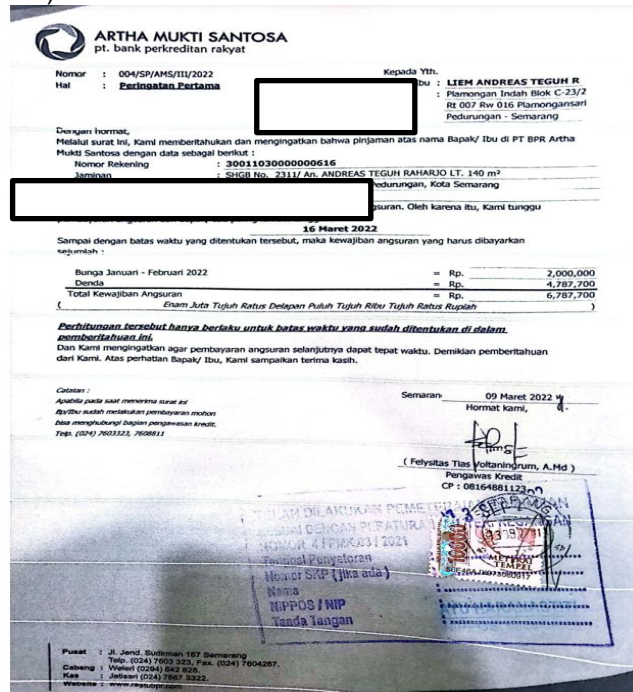


Figure 1. Warning Letter One (SP 1)

for customers who are stuck and given 1 month if the customer still does not pay installments, Bank Artha Mukti Santosa makes a second warning letter. The second warning letter given by BPR Artha Mukti Santosa can be seen in the picture below:

- b. Warning Letter Two (SP 2)

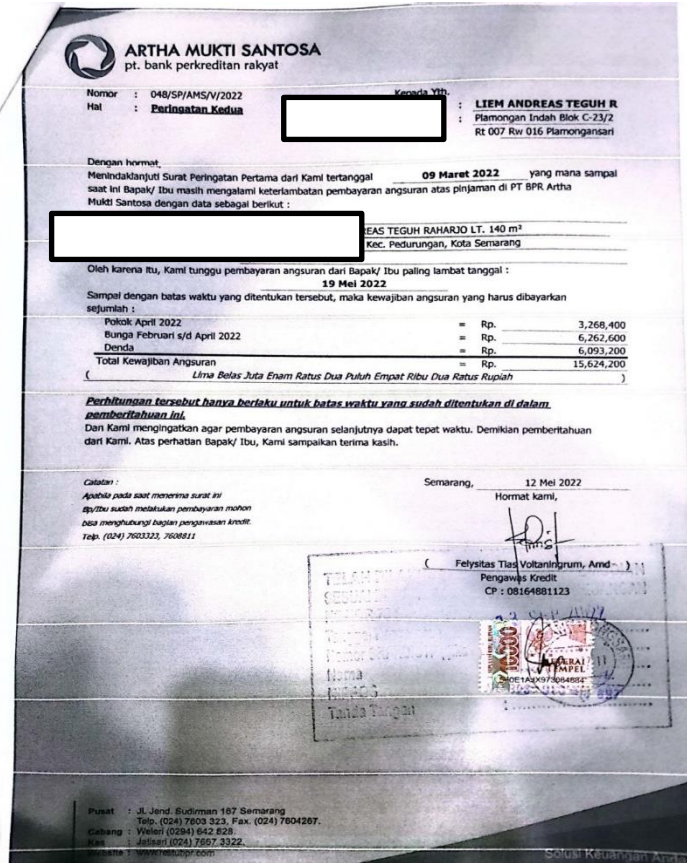


Figure 2. Warning Letter Two (SP 2)

and given 1 month if the customer still does not want to pay, BPR Artha Mukti Santosa made a warning letter III. As for the warning letter III. given by BPR Artha Mukti Santosa can be seen in the picture below:

c. Warning Letter Three (SP 3)

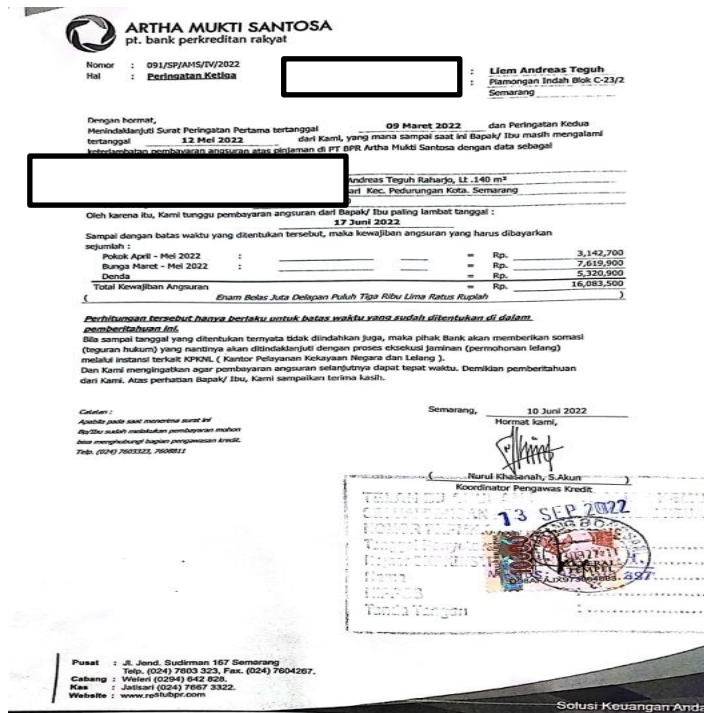


Figure 3. Warning Letter Three (SP 3)

Barriers to Providing Banking Credit Restructuring During the Covid-19 Pandemic at BPR Artha Mukti Santosa

The bank's credit restructuring program for debtor clients is intended to benefit the local economy as a whole, in particular small business owners. The purpose of the credit restructuring strategy is to give borrowers time to reorganize their business so that they can live in the midst of the Covid-19 outbreak without the need to pay their credit bills, including principal and interest in accordance with the agreed provisions. In general, debtors are very different, but not all creditors have been affected by the pandemic. However, it is understood that there are various obstacles in the real world that somewhat reduce the efficiency of the implementation of credit restructuring plans.

As a lender, the bank needs a guarantee that it will be repaid if it provides a loan to the borrower, so it often requires the borrower to provide collateral in the form of collateral. This gives banks protection if the borrower defaults or fails to meet the agreed time limit. The guarantee is not intended as the personal property of the creditor because the loan or credit agreement is not a sale and purchase transaction in which the creditor acquires a legal right to the debtor's property. In accordance with the relevant rules and regulations, collateral goods will be sold at auction with income applied to debts, with the remaining funds returned to the debtor.

Bank BPR Artha Mukti Santosa faced the following challenges in implementing the Covid-19 credit restructuring to debtors, as shown from the interview results:

- a. Lack of cooperation and bad faith of the debtor
- b. Lack of cooperation and bad faith of the debtor
- c. Since the debtor's company no longer operates, he no longer receives money from that source.
- d. Some customers who have received a credit restructuring forget their obligation to pay off after the credit restructuring period ends and the payment maturity. This is because the nature of the debtor changes after getting a credit restructuring policy. This is due to the established pattern of debtors treating delays in credit payments as reasonable.
- e. Because banks cannot constantly check and monitor the development of the debtor's business, it is difficult to monitor the debtor's financial situation and the debtor's business.
- f. We have a small team that can handle questions about our credit restructuring practices. Bank employees are experiencing a backlog in their work due to the increasing demand for credit restructuring from customers.
- g. Neither the debtor nor the creditor knows anything about the difficulties they face. This is intrinsically related to the dynamics of the battle of their relationship. Without taking into account the financial or commercial situation of the debtor, the creditor (here, the bank) sets limits that better represent the amount of losses that can be sustained and a guarantee of payment as soon as possible. Instead, the debtor will continue to look for ways to get the most forgiveness while providing the least collateral.

Due to the competition of interests and agendas, the institutions that serve as facilitators of the reorganization do not cooperate effectively. The right of dependents gives the creditor the legal right to own and sell the pledged land in the event of a failure of the debtor, but not to take advantage of the property itself. For debts to which he is entitled, the creditor may use all or part of the proceeds of the sale. Land rights and dependent rights are often used as collateral in bank credit agreements because of their high value and rising prices, thus requiring the protection of debtors as credit recipients and creditors as credit facility providers, as well as providing legal certainty for all parties involved. parties, through strong collateral rights institutions. "Publicity of the product is an important part of the legal protection system, and Article 13 paragraph (1) of Law Number 4 of 1996 concerning Dependent Rights to Land and Land-Related Objects requires that the encumbrance of dependent rights must be registered with the Land Office".

"Land rights and dependent rights are often used as collateral in bank credit agreements because of their high value and rising prices, thus requiring the protection of debtors as credit recipients and creditors as credit facility providers, as well as providing legal certainty to all parties involved. parties, through strong collateral rights institutions. Article 13 paragraph (1) of Law Number 4 of 1996 states that the encumbrance of dependent rights must be registered with the Land Office to meet the element of publicity of collateral goods and to facilitate the control of third parties in the event of a transfer of objects." This is done to provide legal certainty as a form of legal protection. Guarantee.

The bank must show that the debtor has neglected to perform an obligation or merit under the agreement before declaring the debtor in default. Default refers to the failure of one party to fulfill its responsibilities to the other party which is expected to be given priority due to the agreement made.

Mistakes or failures to meet commitments may be intentional or unintentional. Accidental violations of this obligation may arise if one or more parties are completely unable to achieve this result, or if the other party is forced to prevent this result from occurring.

The act of default has consequences for the aggrieved party, as the bank will file a lawsuit against the debtor to collect damages for his losses caused by the default. As is the case with cases that arise when trying to execute a credit guarantee. Creditors are taking legal action against debtors who are in arrears of payments when the effects of Covid-19 are apparent, and the event sparked some debate." This is not a circumstance where force majeure can be used because the agreement includes legally required provisions, such as:

"The Debtor acknowledges and accepts that any Default under this Agreement shall also constitute a Default under any other Agreement (and vice versa) between the Debtor and the Creditor (whether alone or jointly with any other party), subject to the Agreement by which the Debtor owes or may be owed to the Creditor, and that the Creditor reserves the right to immediately decide and take legal action against any or all of the Agreement, including but not limited to its implementation" (Faithful, 2017).

Claims for the realization of dependent rights are at the heart of the problem, as "can be seen from the aforementioned provisions (due to problems due to Covid-19). As a creditor, the plaintiff is very interested in the phrase "a default under this agreement would also be an event of default under another agreement (and vice versa) between the debtor and the creditor", since it means that all pre-existing acts of default do not take into account the rules on *force majeure*, which falls under the Covid-19 situation, and because of the clause for the sake of the law. The Creditor's position as a Plaintiff is sufficient to exercise the right of dependents, as evidenced by the following provisions: "The Creditor reserves the right to immediately decide and take legal action against any or all agreements, including but not limited to the execution of existing guarantees. rights either pursuant to or referred to in this Agreement or any other Agreement between the Creditor (either alone or jointly with the other party) and the Indebtedness."

The position of the creditor as the plaintiff in the agreement is also appropriate, considering that article 1338 of the Civil Code establishes the legal force of the agreement between the parties. It is important to remember that not all parties can immediately apply for a force majeure clause because some of them can still carry out their activities despite being affected by Covid-19.

The aforementioned examples simply scratch the surface of the complexity involved in the execution of Dependent Rights, which also includes the following issues with respect to the Execution of Collateral:

a. Execution of Warranties

The mortgage guarantee used in the agreement above is not a fiduciary guarantee because the fiduciary guarantee is a dependent right to movable goods, both physical and intangible, and immovable goods, especially buildings that cannot be burdened with dependent rights as referred to in Law Number 4 of 1996 concerning Dependent Rights that remain the property of the fiduciary provider, as collateral for repayment of certain debts (E, 2019).

Meanwhile, Article 1 paragraph (1) of Law No. 4 of 1996 defines dependent rights as "guarantees imposed on land rights as referred to in Law Number 5 of 1960 concerning Basic Agrarian Regulations, following or not following other objects that are an inseparable part of the property, for the repayment of certain debts, which give priority to creditors over other creditors".

"The promise to provide dependent rights as a guarantee for repayment of certain debts is stated in and is an integral part of the debt agreement in question, other agreements that give rise to the debt, and the granting of dependent rights is carried out by making a Deed of Grant of Dependent Rights by PPAT (Article 10 paragraphs (1) and (2) of Law No. 4 of 1996)".

b. The object of dependent rights is controlled by a third party

The original owner of the land object who feels that he is still entitled to occupy the land he has sold to the debtor (Execution Respondent) or a third party who feels that he owns the land, sues for the successful execution of the dependent right. So much so that things do not go smoothly during execution.

c. Uncooperative debtor

The reluctance of the debtor to cooperate both during the execution process (the defendant fled) and after the execution is completed is common in the enforcement of dependent rights (the defendant controls the object). In the first scenario, if the aanmaning needs to be issued twice, and it turns out that after being issued twice it turns out that the debtor's whereabouts are no longer known, then a letter of condolence is issued through the local regent and announced on the date of the notice board, and even if necessary, calls the debtor through the national mass media.

d. Differences in the boundaries of the objects of Dependent Rights

The Certificate of Dependent Rights and the Minutes of Confiscation of Execution may differ in their description of the boundaries of the mortgage object, which leads to the third common problem.

e. Resistance of the Second Dependent Rightholder

The fifth common problem is the pushback of subsequent mortgage holders who have been filed with religious courts on the grounds that they are also entitled to the object of confiscation because the promissory debtor has previously mortgaged it to the holder as collateral. Place two to ten and so on.

f. Absence of land for the shelter of executed objects

Inadequate land for mortgaged property is the sixth most common problem that arises during the exercise of dependent rights. When the emptying order is being executed, the personal property of the executor that has been removed from the execution object as part of the act of emptying must be stored in a safe place. If there is no appointment by the execution respondent, the court will choose a suitable place.

g. No bids or bidders

Given that the auction process is a process in which the value of execution assets can be realized if the debtor is unable to repay his credit, then the absence of bidders and bidders becomes the seventh issue. Which auctions aim to compensate the bank for losses arising from lending money to the debtor. Therefore, if there is no offer, the bank's refund efforts will not pay off.

Since an execution foreclosure suit can only be made by a third party on the basis of ownership, the judge/chief justice of the district court must refuse in such a case. Even if the holder of the second, third, or subsequent dependent right to the expropriated goods is not the owner, he is still entitled to collect all debts that may arise as a result of the execution sale. The holder of the second, third, etc. dependent right may obtain repayment of his receivables by filing an application for execution with the religious court concerned. So that after the first mortgage holder is paid off from the proceeds of the execution auction, the remaining funds, if any, are distributed to the second mortgage holder and so on. Here are some approaches that have proven effective in addressing the issues raised above:

1. When an execution petitioner applies to the Chief Justice to have his execution confiscation revoked, the seizure is released.
2. The person demanding the death penalty reapply to the presiding judge of the district court.
3. The district court conducted the seizure of the new execution and petitioned the KPKNL to hold a new auction.

The above-mentioned explanation of the problems with the implementation of guarantees suggests the following approach to solving them:

1. To begin with, begin settlement talks between the petitioner, the execution respondent, and third parties involving the village apparatus.
2. For loans with less current collectibility, various alternatives are offered to conduct public auctions, such as an extension of the credit period, exemption of interest on mutually agreed installments, and the provision of additional credit assistance, with the hope that collectibility can increase.
3. When the second and third steps have been taken, you can approach voluntary surrender or Assets Reclaimed (AYDA).
4. We will discuss how a cooperative debtor can get a reduction or exemption from fines.

CONCLUSION

Selective implementation of POJK 18/POJK.03.2021 policy by BPR Artha Mukti Santosa regarding the provisions for restructuring banking loans during the Covid-19 pandemic. A. Jo POJK 17/POJK.03/2021 Second Amendment to the Financial Services Authority Regulation No. 34/POJK.03/2020 concerning the Policy of People's Credit Banks and Sharia People's Credit Banks Due to the Corona Virus Outbreak in 2019 (Jo POJK 34/POJK.03/2021). Creditors who are in good faith and affected by Covid-19 and meet various requirements as referred to in Article 2 Paragraph 2 must be prioritized in the implementation of credit restructuring (3).

In the midst of the Covid-19 pandemic, BPR Artha Mukti Santosa experienced difficulties in supervising the debtor's business and the debtor's financial condition directly as a result of the following debtor-related constraints: uncooperative and lacking good faith debtors; the debtor's business is not running; the nature of the debtor changes after obtaining a credit restructuring policy; and banks have difficulty in overseeing disjointed debtor efforts to facilitate reorganization due to lack of coordination between relevant agencies.

Creditors face challenges in the execution of bad faith debtors for a variety of reasons, among others when the mortgage subject is under the control of a third party, when the debtor is uncooperative, when there is a dispute over the limits of the mortgage subject, when the holder of the second, third, etc. dependent rights try to exercise his rights, and so on.

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