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Implementation of Rescheduling as an Effort to Rescue Non Performing Financing in Rahn Tasjily Contracts at BMT Al Hikmah

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Abstract: *Distribution of financing to members even though it has passed the 5 C analysis (Character, Capacity, Collateral, Capital, Condition) does not eliminate the possibility of problematic financing. BMT Al Hikmah's efforts to rescue problematic financing through non-litigation and litigation channels. This research examines financing settlement using a non-litigation process, namely, the mechanism for rescheduling problematic financing with the rahn tasjily agreement at BMT Al Hikmah as well as examples of cases of implementing rescheduling. The type of research used is by conducting research directly in the field (field research). Data collection techniques include interviews, collecting documents needed to dig up information, and direct observation. The data analysis technique is descriptive qualitative. The analysis results show that rescheduling provides relief to members by extending the payment period, with the aim that members can still pay their financial obligations without excessive pressure by considering members' income and abilities. The rescheduling process involves two mechanisms, namely by members who have good faith by visiting BMT Al Hikmah to carry out rescheduling and the second method is by the Account Officer (AO) when members do not have good faith, by visiting members directly to offer financing settlement options by rescheduling . This research also explains a concrete example that provides an overview of how rescheduling is implemented in practice*

INTRODUCTION

Baitul Maal Wa Tamwil (BMT) is a microeconomic system that plays an important role in stable economic development. This is because BMT supports the real economy, especially Micro, Small and Medium Enterprises (MSMEs), which are quite numerous in Indonesia. The support provided by BMT to the community includes funding. BMT also plays a role in managing

sources of funds including Zakat, Infaq, and Shodaqoh as well as managing funds collected for business needs. These two functions, namely social and commercial, are combined into one to advance the welfare of the general public(Putri & Ansori, 2024).

In carrying out BMT's operational activities, namely distributing funding to the community, it is certainly not free from the risk of financing problems. Before being given financing, a 5C analysis was carried out consisting of Character, Capacity, Collateral, Capital, Condition and conducting a location survey did not eliminate the possibility of financing problems(Lestari, 2018). This financing problem also occurs at BMT Al Hikmah which can result in losses for members and the BMT itself.

The causes of financing problems are various, including members' inability to pay installments on time, members being unable to pay off their payments when they are due, the amount paid by members does not match the agreed installments or what is usually called default. This problematic form of financing is reflected in its collectibility. This collectability is a form or description of principal payments, margin distribution and the level of possibility of receiving back the loaned financial assets(Fauziah, 2018).

Table 1. Total collectability of BMT Al Hikmah Keling members

Collegectibility	Jumlah Member	Presentatione (%)
Collegebility I (Current)	1,299	90.9%
Collegectibility II (In Attention Special)	50	3.5%
Collegebility III (Substandard)	26	1.8%
Collegecability IV (Doubtful)	17	1.2%
Collegectibility V (Traffic)	37	2.6%
Jumlah Member	1,429	

The data was processed by researchers

Based on the percentage of collectability data above, the focus on handling collectibility can be given to the Collectability II category (Special Mention) which has a relatively high percentage. Further action may be required to ensure that members in this category can quickly return to collectibility I (Current). If the number of members in the risk categories (Collection II, III, IV, and V) increases, this could be a warning that there is a problem that needs to be addressed immediately. Conducting further interviews or surveys with members in risk categories can help to understand the causes of low collectibility. This can help BMT to design more effective settlement strategies(Luluk Budi Astutik et al., 2024; Putri & Ansori, 2024)

In financing problems, BMT Al Hikmah offers many resolution steps, depending on the agreement between BMT and members. One of the strategies implemented at BMT Al Hikmah is rescheduling, namely the process of rearranging the schedule or grace period for payment of financial obligations that has been previously agreed upon. The rescheduling process can include several aspects, such as changes in payment terms, changes in payment amounts, or adjustments to profit sharing levels. The purpose of rescheduling is to provide flexibility to members so they are better able to fulfill their obligations without experiencing excessive financial pressure, help reduce the level of collectibility and maintain good relations between BMT and members.(Nasution & Khamal Rokan, 2021).

Rescheduling in the context of financing can be considered as an effective way to overcome

members' financial problems(Enjeli & Tambunan, 2024). This method gives them the opportunity to rearrange their payment schedule to better suit their current financial capabilities. The effectiveness of rescheduling can be increased if there is good cooperation between members and the BMT. In the rescheduling process there are two mechanisms. First, members who have good intentions go directly to BMT Al Hikmah Bangsri to carry out financing rescheduling, complete the rescheduling requirements documents, then the member's negotiation process with BMT regarding financing rescheduling. Second, if a member has reached collectibility 2 (in special attention) and there is no good faith in coming to BMT, then the account officer (AO) goes directly to the member to be offered financing rescheduling, if the member agrees then completes the rescheduling requirements documents and the member's negotiations with BMT for financing rescheduling. Before carrying out rescheduling, a careful financial analysis needs to be carried out to ensure that the payment schedule being rescheduled is in accordance with the member's capabilities and still fulfills financial obligations. If it is proven that the business is still running and is experiencing a decline in income, rescheduling can be carried out. After that, negotiations take place between BMT and members regarding the payment schedule or time period.

However, although rescheduling has been recognized as one of the solutions in BMT Al Hikmah, its implementation in BMT practice has not been fully explained. Therefore, in this research the author wants to investigate the implementation of rescheduling at BMT Al Hikmah Bangsri Branch with a deeper understanding of the rescheduling mechanism and its implementation.

LITERATURE REVIEW

Financing

Financing is one of the functions of sharia financial institutions to channel funds provided from parties who have surplus (excess funds) to parties who need funding. Financing is also defined as an activity where funding is channeled to finance a business or economy that produces added value through the provision of services, trade or processing of industrial products ((Haryoso, 2017). In general, financing means funding or spending, namely financing either by oneself or carried out by other people to support the investment plan that will be carried out. In a narrow sense, financing is funding by financial institutions such as Islamic banks for those who need funds(Toyyibi & Mawardi, 2021).

According to Bank Indonesia regulations, financing is the investment of banking funds in financing rupiah, foreign currency, receivables, qardh, shares, sharia securities, capital participation, temporary capital participation, commitments on administrative accounts and Bank Indonesia wadiah certificates.(National Sharia Council of the Indonesian Ulema Council, 2018)

Based on Law (UU) no. 10 of 1998, what is meant by financing is "the provision of money or bills that can be equated with it based on a loan agreement between a bank and another party which requires the borrower to pay off the debt after a certain period of time in exchange for a reward or distribution of results" (Law Number 10, 1998).

Non Performing Financing

Non performing financing (NPF) is a description of a situation where the financing return agreement is threatened with default and could result in potential losses. Large amounts of problematic financing not only cause difficulties, but also weaken the health of the bank itself. In broad terms, problematic financing is the occurrence of a funding problem due to violations by members who do not follow the installment payment schedule and have violated the initial

agreement, resulting in arrears and requiring additional action and strategies in collection.(Rohman & Ansori, 2024).

Financial restructuring is a technical term commonly used for the efforts and actions of financial institutions in dealing with problematic finances. Restructuring of problematic financing in accordance with sharia principles is carried out through:

a. Rescheduling, namely the process of rearranging the schedule or grace period for payment of previously agreed financial obligations. The rescheduling process can include several aspects, such as changes to payment terms, number of payment installments, or adjustments to profit sharing levels.
b. Reconditioning requirements, namely changing part or all of the funding requirements without adding to the remaining principal obligations that members must pay to the financial institution
c. Restructuring Restructuring is a change in member financing conditions in the previous agreement(Ikesari, 2020)

Rahn Tasjily's contract

Rahn tasjily is a contract where the object used as collateral for the debt is not the physical object, but only a letter of proof of ownership. This concept is similar to providing a fiduciary loan or transferring trust ownership of an object. This can make it easier for Rahin to still be able to use the items used as collateral for his debt(Hidayatullah & Abadi, 2024).

Based on DSN fatwa No.68/DSN-MUI/III/2008, rahn tasjily is collateral in the form of goods for debts, but the collateral remains in Rahn's hands and the ownership certificate passes to murtahin. Rahn Tasjily is also called Rahn Rasmi, Rahn Tamini, or Rahn Hukmi, namely collateral for debts in the form of goods, with an agreement that only legal proof of ownership is given to the guarantor (murtahin), while the goods guaranteed (marhun) are still in the control and use of the rahin (the person who gave guarantee)(Pertiwi & Hanifuddin, 2021).

METHODS

This research uses a qualitative descriptive method which includes several approaches to explore financing problems at KSPPS BMT Al Hikmah Bangsri Branch. First, research is carried out through experiments by giving special treatment to subjects to understand the impact of the actions taken. Second, this research involves direct observation in the field to describe the real conditions that occur. Third, this research aims to find a solution to problematic financing problems with the Rahn Tasjily contract. Data collection was carried out through in-depth interviews with managers, Account Officers (AO), Customer Service (CS), and members involved in financing rescheduling, as well as through analysis of related documents. The data obtained was then analyzed using qualitative analysis techniques involving data reduction, data display, and verification to reach valid conclusions. Data validity is maintained through triangulation of data sources to ensure the accuracy of information from various perspectives(Arikunto, 2013).

RESULTS AND DISCUSSION

In distributing financing, especially with the rahn tasjily agreement, BMT Al Hikmah provides services in the form of business and consumer capital facilities which aim to help members obtain funding. Where BMT provides loan facilities to members and borrowers are required to provide collateral. The collateral is in the form of goods for the debt, with the agreement that only legal proof of ownership will be handed over to the recipient of the guarantee (murtahin), while the physical collateral (marhun) remains in the control and use of

the guarantee provider (rahin). Rahn Tasjily financing can be used by employees, both civil servants and private employees and SMEs (Small and Medium Enterprises).

B.MT Al Hikmah in providing financing must go through a survey process by fulfilling the 5 C analysis; Character (character), Capacity (member's ability), Collateral (guarantee), Condition of Economy (economic conditions), Capital (capital). The 5 C analysis is carried out to determine whether or not prospective members are eligible to receive financing. Even though BMT Al Hikmah's 5C analysis has been carried out in carrying out its operations, it is not free from the risk of financing problems.

B.MT Al Hikmah, in facing financing problems, took action early so that the funds spent by BMT could be returned. Resolving problematic financing at BMT Al Hikmah goes through several stages, namely (Sutiyono, 2024):

1. Settlement through non-litigation channels

   a. Billing by approaching members by reminding them before the due date. This approach is carried out through telephone communication.
   b. Giving a letter of warning or reprimand.

      In this case, BMT issued Warning Letter (SP) 1 for 7 days from the financing due date, Warning Letter (SP) 2 for 14 days from the financing due date, and Warning Letter (SP) 3 for
      21 days from financing maturity. c.
   Rescheduling (Rescheduling).
      AIf BMT has approached the member and given a warning letter, the problematic financing member is still unable to fulfill his obligations, BMT Al Hikmah provides relief by rescheduling.
2. Settlement through litigation a. Sell
   voluntary assets.
      JikIf resolving problematic financing using non-litigation channels is unsuccessful, BMT Al Hikmah carries out a voluntary asset sale where members can participate in determining the price of the collateral provided.
   b. Auction

      AIf members have no news and no longer care about their obligations to pay off the financing, in this case BMT Al Hikmah sells collateral without members participating in determining the selling price in accordance with the decision of the religious court.

BMT Al Hikmah to deal with financing problems prioritizes non-litigation channels, namely the family system. This means that members who are provided with financing can carry out transaction activities again in the future without any obstacles or doubts from BMT. Resolving problematic financing is carried out by BMT by reminding members when the due date is approaching via telephone with the aim of approaching the member, if the member has not paid off by the due date BMT will provide a Warning Letter (SP). However, if after the SP is imposed there is no change, BMT provides a settlement option by rescheduling with the aim of providing relief for members in fulfilling their obligations, namely paying off financing. The rescheduling activity applied by BMT Al Hikmah is by changing or rearranging the financing period and the number of installments which are of course agreed between members and BMT according to the members' abilities.

Table 2. Number of Rescheduling Members

Year	Percentage
2021	19.73%
2022	17.22%
2023	15.8%

Interview Data, 2024

From the data above, there is a decrease in the number of members who are rescheduling from 2021 to November 2023. In 2021, there were 105 members who were rescheduling, but this number fell to 88 in 2022, and further fell to 87 in November 2023. The decline in the number of members rescheduling from year to year can have several interpretations. Several possible causes for this decline include members being more financially stable, so they can make their installment payments and do not need to reschedule payments or members choose other options for the financing settlement process. Rescheduling is an effective rescue effort because it provides relief to members by extending the payment period, with the aim that members can still pay their financial obligations without excessive pressure by considering the member's income and abilities.

The implementation of rescheduling at BMT AL Hikmah is adjusted to members' income and abilities based on the member's level of difficulty by extending the financing period. In this case, members are given relief regarding the financing period, for example extending the financing period from 12 months to 24 months, so that members have more time to repay their obligations (Sutiyono, 2023).

Financing rescheduling is carried out by BMT Al Hikmah as a form of service to members who have difficulty paying their obligations. Rescheduling is intended for members who cannot pay off their financing by providing relief to members in installments according to the agreed amount and time, with the following conditions (Supriyanto, 2023):

a. Does not increase the remaining bill;
b. Charging costs in the rescheduling process is a real cost,
c. Extension of the payment period must be based on agreement between both parties.

The determination not to increase the remaining amount of debt is the goal in determining rescheduling. Another provision for charging costs in the rescheduling process is real costs. The real costs referred to are administrative costs. Fines are not included in real costs, because in rescheduling there are actually no fines. The addition of real costs in rescheduling is justified by Islamic law. Additional costs that are prohibited are costs that lead to BMT profits, such as fines for lateness and additional payment costs resulting from deferral of financing debt payments. The addition of late fines is not justified in Islamic law because it constitutes usury. A member's inability to pay cannot be subject to a fine because the member is in difficulty. Profits are obtained from member fines as a form of injustice towards other people's difficulties.

In implementing this rescheduling, BMT Al Hikmah hopes that members will feel relieved by increasing the agreed installment time and can return to running smoothly. However, in reality there are some rescheduling members who are still unable to return it until it is due. BMT Al Hikmah in dealing with the problem of members getting stuck again after the rescheduling process, which is resolved amicably. Members who are still stuck after rescheduling for a reasonable reason can still be accepted by BMT Al Hikmah as long as the member has good intentions and is willing to pay what he can. However, if there is no good faith on the part of the member or they run away from responsibility, the collateral will be processed further.

CONCLUSION

Financing with a rahn tasjily contract at BMT Al Hikmah Bangsri even though it has passed the 5 C analysis (Character, Capacity, Collateral, Capital, Condition of Economy) does not eliminate the possibility of problematic financing. BMT Al Hikmah Bangsri handles problematic financing through non-litigation and litigation channels. The non-litigation approach involves collections, warning letters, and rescheduling, while the litigation route involves voluntary asset sales and auctions. Rescheduling is carried out to provide relief to members by changing the financing period and installment amount according to the member's capabilities. The rescheduling application process involves two mechanisms, namely by members who have good faith by visiting BMT Al Hikmah Bangsri to carry out the rescheduling and the second method is by the Account Officer (AO) when members do not have good faith, namely the AO goes to the member directly to offer settlement options. financing by rescheduling.

In rescheduling, the remaining unpaid installments and margin are combined into the new principal, so that the total monthly installments become lighter. BMT applies the principle of not increasing the amount of bills remaining in rescheduling, and the fees charged must be real costs without additional fines which lead to BMT's profits. However, there are some members who are still unable to return the financing until maturity after rescheduling. BMT handles this problem in a friendly manner, but if members do not show good faith, the collateral will be processed further.

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