Jurnal Rekognisi Ekonomi Islam
e-ISSN: 2827-8976, p-ISSN: 2827-9409
Tersedia pada http://ejournal.unisnu.ac.id/jrei/
Vol. 2, No. 02, Halaman 41-46
DOI : https://doi.org/10.34001/jrei.v2i02.679
Artikel diterima: 20 Juni 2023, Direvisi: 29 Juni 2023
Disetujui: 10 Agustus 2023, Terbit: 24 Agustus 2023

Is it true that Non-Performing Financing is a Risk Mitigation effort?

Wahidullah[1],Jumaiyah[2]
Universitas islam nahdlatul ulama Jepara, Indonesia
Email korespondensi: wahidullah@unisnu.ac.id

Abstract
Distribution of financing to customers is inseparable from various risks, such as failure of financing, as evidenced by repeated arrears in paying credit. Various efforts were made to save the health of the Sharia People's Financing Bank (BPRS). The purpose of this study is to determine effective and efficient non-performing financing (NPF) settlement strategies for murabahah financing and the obstacles encountered in completing NPF murabahah financing as a risk mitigation effort. The method used is a qualitative approach with a field approach. The data collected is primary and secondary data for 2020–2022, using observation, interview, and documentation techniques. The results of the first study show that non-performing murabahah financing continues to increase. In 2020, 5%, in 2021, 10%, and in 2022, 14% Second, if there are indications of a problem with murabahah financing being stuck, it is resolved through a personal approach by deliberation, routine billing via telephone or WhatsApp, home billing, and 3 warning letters. If there is a response or good faith, restructuring is carried out through restructuring, rescheduling, and reconditioning, and if with this step the customer has no ability to complete the financing, the sale of collateral will be carried out. Meanwhile, if the settlement steps have been taken but the customer has no response or no good faith, then the sale of collateral items is carried out and a simple lawsuit is filed with the Religious Courts. The three obstacles encountered in completing murabahah financing, namely customers disappearing or running away by going out of town, lack of understanding of customers regarding financing restructuring, customers deliberately removing goods or vehicles that are used as collateral objects, and customers who always show rude attitudes or behavior, have to be approached many times and definitely require a lot of energy, time, and money.

Keywords *: Non-Performing Financing; Risk Mitigation; strategi penyelesaian; pembiayaan murabahah*

INTRODUCTION

The development of the Islamic banking market (financial institutions) is closely related to organizational risk management for the tools of financial institutions to act as collectors and a stable distribution of capital. Islamic banking must have, implement, and control unexpected risks and seize business opportunities that are created by traditional banks (Setyani, 2012). Product features and implementation are unique and differentiate Islamic banks from ordinary banks. The development of Islamic financial institutions is relatively rapid. One of the pillars of this Islamic bank is the existence of aqidah. The Muslim community believes that ordinary banks contain elements of appropriation. This was reinforced by the decision of the 2nd UN General Assembly in Surabaya on October 9, 1927. In the results of the Bahstul Masail NU8, it was decided that it was internal. Banks still have different interpretations within the framework. Bank interest rates However, most scholars forbid banking concerns, although some other scholars allow them and make them illegal. Likewise, after the MUI fatwa banned Islamic bank interest rates from the start (Komarudin & Hidayatullah, 2021).

So far, Islamic financial institutions have experienced vulnerability in their ability and effectiveness to direct their activities. There are several types of risks associated with Islamic financial institutions, namely: 1) Credit or Financing risk; 2) Market risk; 3) Operational risk; 4) Liquidity risk; 5) Legal Risk (legal risk); 6) Reputation risk; 7) Strategic risk; 8) Compliance risk; and 9) Capital Risk (Yulianti, 2009). The types of risk are divided into three parts: the first is financing risk, the second is market risk, and the third is operational risk. In this article, we will discuss financing risks, so the purpose of this article is to find out effective and efficient non-performing financing (NPF) settlement strategies for murabahah financing and the obstacles encountered in completing NPF murabahah financing as a risk mitigation effort (Rahardiansyah et al., 2022).

LITERATURE REVIEW

Risk Studies in the Qur'an

Risk comes in many forms and sources; reality cannot be separated from human activity. This is because the future is unpredictable. No one in this world knows the future (Ahimsa-Putra, 2012). So there is always an element of uncertainty that creates risk. Risk is a possible outcome that is not desired by any entity, including financing institutions. In the Qurn, it is mentioned about risk, which is contained in Sura at-Tin verses 4–6:

لَقَدْ خَلَقْنَا الْإِنْسَانَ فِي أَحْسَنِ تَقْوِيمٍ (4) ثُمَّ رَدَدْنَاهُ أَسْفَلَ سَافِلِينَ (5) إِلَّا الَّذِينَ
آمَنُوا وَعَمِلُوا الصَّالِحَاتِ فَلَهُمْ أَجْرٌ غَيْرُ مَمْنُونٍ (6)

Meaning: "Indeed, We have created man in the best form. Then We returned him to the lowest place (hell), except for those who believe and do good deeds; then for them will be a reward that never ends." (QS: at-Tin: 4-6)

This verse explains that Allah made human beings as good as possible. Both the form and the existence of risks that are not involved in faith and good deeds will be returned to a small part and become humble human beings in the sight of Allah SWT. Said al-insn (man) with the presence of al in this sentence denotes all types of people, both infidels and Muslims. Even Bint Asy-Syathi understands that all the words al-insn in the Qur'an are defined by the use of the article al, emphasizing the general type of person, including anyone, whereas according to al-Qurtubi, a human being who disobeys Allah SWT In his quest to earn a living, a Muslim faces a state of uncertainty about what will come tomorrow. We may plan commercial activities or investments, but we cannot be sure what the return on the investment will be, whether it is a profit or a loss. That is the sunnatullah, or the provisions of Allah SWT, as explained in the letter al-Luqmn, verse 34:

"...and no one can know for sure what he will try tomorrow." [QS: al-Luqmn: 34]

In this verse, the role of God is very prominent, and humans must always obey, submit to, and put God first. God knows everything. Therefore, all humans must be prepared and make predictions about the risks that will occur in the future.

Risk can be defined as the possibility that something will happen that can cause losses (Fasiha, 2014). This means that there is a possibility of unwanted outcomes, possibly incurring losses if they are not foreseen and managed as they should. Risk in the banking sector is one of those potential events, expected or not, that have a negative impact on a bank's income and capital. This risk cannot be avoided but can be managed and controlled (Ramadiyah, 2014). This risk must be minimized. Predictions can also be made using risk management, namely the various methods and procedures used to identify, measure, and monitor the control of risks that arise in all bank business activities.

Financing

Financing, orfinancing, is financing provided by one party to another party to support planned investments, either carried out alone or by institutions (Atal et al., 2020). In other words, financing is money issued to support planned investments. According to Banking Law No. 10 of 1998, financing is the provision of money or bills that can be equated with it based on an agreement between the bank and other parties being financed to return the money or bills after a certain period of time with an imbalance or profit sharing.

UU No. 21 of 2008 concerning Islamic Banking Chapter 1 Article 1 Paragraph 25 explains that financing is the provision of funds or equivalent claims in the form of profit-sharing transactions in the form of Mudharabah and Musyarakah, leasing transactions in the form of ijarah or lease-purchase in the form of ijarah Muntamlik, sale and purchase transactions in the form of murabahah, salam and istishna receivables in the form of qardh receivables, and service leasing transactions in the form of ijarah for multiservice transactions (Wibisono & Budi Harto, 2018). The term shopping basically means I believe, I trust, or I place my trust. The word expenditure, which means trust, means the Financing institution, as Shahibul Mal places trust in someone to carry out the mandate given. These funds must be used properly and fairly, accompanied by clear terms and conditions, and be mutually beneficial to both parties.

Murabahah

In murabaha, it is taken from the word rabiha-yarbahu-ribhan-murabah, which means lucky or profitable. Meanwhile, the word ribh itself means an advantage obtained from production or capital (profit) (Atal et al., 2020). Murabahah comes from masbhar, which means "profit, profit, or benefit". According to the terminology of the science of fiqh, murabaha means selling with real capital along with clear additional profits. Murabahah is the buying and selling of goods at the initial price with an agreed-upon profit or margin. In buying and selling murabaha, the seller must notify the buyer of the price of the product purchased and find a profit level in addition (Djamhuri, 2008).

In terms defined by the fuqahah, buying and selling murabaha is buying and selling with the selling price equal to the buying price plus profit (Iltiham, 2017). The description of murabaha, as stated by Malikiyah, means the buying and selling of goods at the purchase price, along with additions that are known by the seller and the buyer. Ibn Qudamah states that murabaha is selling at the purchase price plus the agreed profit.

RESEARCH METHODS

This research uses a type of field research (field research) using a descriptive-qualitative approach. In conducting research, data sources are needed to strengthen the authenticity of a study. In this study, researchers used two data sources, namely, primary data and secondary data. Primary data is data obtained directly from the original source through direct observation and interviews. In this study, researchers will make observations and conduct direct interviews with parties who are part of the research object of PT. People's Financing Bank. Secondary data is a source of data obtained through intermediary media or indirectly.

RESEARCH RESULT

a. Financing Products
   First, iB Murabahah Financing, namely a sale and purchase agreement between the bank and the customer Can be used to fulfill working capital, investment, or consumptive businesses (motor vehicles, houses, etc.) with a term of 1 to 3 years. Second, iB Musyarakah Financing, which is a collaboration of two or more parties for a particular business, Can be used to finance business working capital; Profit sharing system in accordance with project or business results; Payments can be made in accordance with cash flow; Financing period according to project completion schedule. The third iB Multiservices Financing, namely Financing, exists for the purposes of funding the needs of services such as Education, Health, Tourism, and marriage with a financing period of 1 to 3 years. Fourth iB Teacher Certification Funding Specifically, funding for teachers who have certification or professional standard allowances for a period of 1 to 4 years
b. Deposit Product
   The iB Noble Fund Deposit product is one of the products intended for customers who wish to place their funds in the form of a safe investment. The customer is free to determine the deposit period, namely: 1, 3, 6, or 12 months.
c. Pawn Products
   iB Gold Pawning Financing is a solution to your problem without having to lose your favorite jewelry items. Pawning Gold: BPRS Saka Dana Mulia serves loans quickly and easily with pawn collateral in the form of gold according to Sharia.

DISCUSSION

Non-Performing Financing, or problem financing, is a financing condition that is classified as substandard, doubtful, and loss collectibility, or collectibility 3, collectibility 4, and collectibility 5. Which is said to be problematic when the customer is not in accordance with the contract or agreement, in the sense that the customer is unable to pay financing installments according to the agreed time. Murabahah financing is one of the types of financing that is in great demand at BPRS Saka Dana Mulia.

Murabahah itself is the sale and purchase of goods at a purchase price plus an agreed profit between the two parties (Atal et al., 2020).

The strategy for resolving problematic murabahah financing is urgently needed by BPRS, both in prevention efforts and in the strategy for solving problematic murabahah financing. These efforts are needed to avoid the risks that will occur and to anticipate the increase in problematic murabahah financing (non-performing financing), which will have a negative impact on BPRS finances or the collectability of financing (Ramadiyah, 2014; Fasiha, 2014).

Financing collectibility is the state of principal or installment payments and credit interest by the debtor, as well as the level of possibility of receiving funds invested in securities or other investments. The collectibility category of non-performing financing is divided into 5, namely: collectibility 1 is current; there are no arrears; collectibility 2 is under special mention; there are arrears of 1–90 days; collectibility 3 is substandard; there are arrears of 91–120 days; collectibility 4 is doubtful; there are arrears of 121–180 days; and collectibility 5 has overdue arrears of more than 180 days.

According to the results of an interview with Mr. M, who has a tile production business, he said that h e had taken murabahah financing at BPRS Saka Dana Mulia Kudus for about 8 months. Interview with Mrs. A, who owns a food stall business and has taken murabahah financing for about a year. Interview with Mr. K, who has a fruit shop business and has done two murabahah financings with the same period of 36 months.

Completion of NPF murabahah financing is carried out in several stages, namely, if there is an indication that the start is not smooth, the first is done with a personal approach, in the sense that the bank provides an opportunity for customers to consult with parties to find the best solution and find out what the problem is in installment payments and how to do so. obligations can be resolved as soon as possible so that it is not classified as a serious problem. Deliberation is the best way if the customer can cooperate in solving the problems faced, and this is the first step in order to avoid bigger risks. However, if the deliberations have not resolved the murabahah financing, the BPRS will take steps to save the financing funds.

Furthermore, when the deliberation has been carried out as much as possible, the BPRS must always maintain good communication with customers by making regular billing via cell phone or WhatsApp messages before the due date every month to remind customers so that murabahah installment payments do not exceed the payment date, but if there is no answer or response from the customer beyond 1–7 days from the due date by deliberately not paying their obligations, the Account officer or marketing will make direct billing to the customer's house in the hope that financing can be completed as soon as possible and can find out the economic condition of the customer that actually happened.

If by billing at home there is no settlement of financing or installment payments, then the BPRS Saka Dana Mulia will issue a notification or warning letter three times, sent to the customer's house, with a distance between letters 1 to 3 of approximately 1 month. However, if there is a response or good faith and there is still willingness and ability from the customer to complete the murabahah financing, BPRS Saka Dana Mulia will provide relief by carrying out financing restructuring such as rescheduling, reconditioning, and restructuring. However, if the customer has undergone a restructuring process and is still unable to fulfill the installment payments, the BPRS takes remedial action to save funds by selling collateral. The proceeds from the sale of collateral are used by the BPRS to pay off the remaining debt, and if there is still some left over from the sale of collateral, the BPRS will return it to the customer, but if the sale of collateral is still insufficient to pay off the remaining debt, then it is still the responsibility of the customer to pay the BPRS.

For customers who have taken settlement steps but there is no response and even no intention to complete the murabahah financing, the BPRS will take action to settle the murabahah financing by selling collateral because the customer is classified as bad and will file a simple lawsuit with the Religious Court to provide a deterrent effect to customers who are no longer responsible for the financing provided by the BPRS, and banners will be placed on the land or building used as collateral. In this study, researchers conducted interviews with three murabahah financing customers at BPRS who experienced problematic murabahah financing to find out what the problems were in installment payments and to find out the strategies used by BPRS in solving problematic murabaha financing for customers.

Interview with Mrs. A, who did murabahah financing for the development of a food stall business in the PWJ Factory complex. According to Mrs. A, in applying for murabahah financing at BPRS Saka Dana Mulia, the process was fast and the conditions were easy. Mrs. SN developed her food stall business by borrowing funds from the BPRS with a financing period of 24 months. He has made 11 monthly installment payments smoothly, but in subsequent installments he experienced difficulties in making payments because the food stall business was not full of buyers, causing decreased and erratic income. Before the due date, the Account Officer had reminded Mrs. A by telephone, and it turned out that Mrs. A had not made the installment payment 7 days after the due date. The Account Officer then sent a Warning Letter to Mrs. SN's house, and she had a good response and was still able to complete the murabahah financing. So, the Account Officer took a deliberative step by visiting Mrs. A to provide a settlement solution through rescheduling. Mrs. A agreed to extend the installment payment schedule, namely, the remaining 13-month payment installments were extended to 18 months.

Based on the results of the interviews, the Non-Performing Financing settlement strategy for murabahah financing is an effort to mitigate risk by: first, a personal approach or deliberation; this approach is carried out when the customer has started to show indications of problems, and as soon as possible, handling is carried out, such as finding out what the problem is and how to solve it in fulfilling its obligations. It still belongs to the category of current murabahah financing. The BPRS will know if a financing customer starts to show problems because, after being given financing, the Account Officer will monitor or supervise at least once a month to ensure that the customer uses the financing funds properly according to the agreement and supervises the customer's business or work, whether it is experiencing development or not. on the contrary. This deliberation is the first step to reducing the risk of greater financing.

Both routine billing After the initial handling is carried out by deliberation, as much as possible, the BPRS must always maintain good communication with customers by reminding murabahah financing customers via telephone or WhatsApp messages. Third-home billing Home billing is done with the hope that the customer will provide certainty when the financing is completed. Billing is carried out at home at least once a week, as well as for other purposes, to find out how the customer's condition is and what problems are being faced so that the BPRS can provide a solution. Fourth Warning Letter This warning letter is given to customers with the intention of informing them that their financing has entered the category of serious problems. This letter was sent by the BPRS because there was no response from the customer to previous warnings 1 to 3. According to Zalfaitus Sa'diah et al., a warning letter of 1 to 3 times is a warning given to customers who do not pay financing installments.

CONCLUSION

Non-Performing Financing Settlement Strategies for Effective Murabahah Financing as a Risk Mitigation Effort, namely carried out with a personal or deliberative approach, which is the first step to avoid greater risks, intensive or routine billing via telephone or WhatsApp messages, Warning Letters 1-3 times, relief is given in installment payments if there is still good faith and the customer is still able to complete financing through financing restructuring, including restructuring, rescheduling, reconditioning, and selling collateral if the customer does not have the ability to complete the financing, as well as an amicable settlement through a simple lawsuit in court if the customer is not cooperative and has no good faith. The obstacles faced in the settlement of Non-Performing Financing in murabahah financing are effective as a risk mitigation effort, namely the customer disappearing or running away by going out of town, the customer's lack of understanding regarding financing restructuring, the customer deliberately removing goods or vehicles that are used as collateral objects, and customers who always show rude attitudes or behavior. This must be approached many times and definitely requires a lot of energy, time, and money.

BIBLIOGRAPHY

Ahimsa-Putra, H. S. (2012). THE Living Al-Qur'an: Beberapa Perspektif Antropologi. *Walisongo: Jurnal Penelitian Sosial Keagamaan*, *20*(1), Article 1. https://doi.org/10.21580/ws.20.1.198

Atal, N. U., Iranmanesh, M., Hashim, F., & Foroughi, B. (2020). Drivers of intention to use Murabaha financing: Religiosity as moderator. *Journal of Islamic Marketing*, *13*(3), 740–762. https://doi.org/10.1108/JIMA-07-2019-0147

Djamhuri, T. L. (2008). Community participation in a social forestry program in Central Java, Indonesia: The effect of incentive structure and social capital. *Agroforestry Systems*, *74*(1), 83–96. https://doi.org/10.1007/s10457-008-9150-5

Fasiha, F. (2014). Managemen Resiko dan Resiko dalam Islam. *MUAMALAH*, *4*(2), Article 2. https://doi.org/10.24256/m.v4i2.781

Iltiham, M. F. (2017). Implikasi Akad Simpan Pinjam Dalam Perspektif Hukum Kontrak Fiqih (Studi Pada BMT-MMU Pasuruan Cabang Purwosari). *MALIA: Jurnal Ekonomi Islam*, *9*(1), Article 1. https://doi.org/10.35891/ml.v9i1.902

Komarudin, P., & Hidayatullah, M. S. (2021). Alur Legislasi dan Transformasi Hukum Perbankan Syariah di Indonesia. *Mizan: Journal of Islamic Law*, *5*(1), Article 1. https://doi.org/10.32507/mizan.v5i1.868

Rahardiansyah, R. F., Purnamaputra, M. Z., Dhea, P. A., & Wilujeng, P. S. (2022). Indikasi Moral Hazard Dan Strategi Mitigasi Risiko Dalam Pembiayaan Mudharabah Pada Perbankan Syariah Di Indonesia. *Al-Muhasib: Journal of Islamic Accounting and Finance*, *2*(1), Article 1. https://jurnalfebi.iainkediri.ac.id/index.php/almuhasib/article/view/188

Ramadiyah, R. (2014). Model Sistem Manajemen Resiko Perbankan Syariah Atas Transaksi Usaha Masyarakat. *Menara Riau*, *13*(2), Article 2. https://doi.org/10.24014/menara.v13i2.852

Setyani, N. H. (2012). Implementasi Prinsip Good Corporate Governance Pada Perbankan Syari'ah Di Indonesia. *Economica: Jurnal Ekonomi Islam*, *2*(2), Article 2. https://doi.org/10.21580/economica.2012.2.2.849

Wibisono, C., & Budi Harto, R. (2018). Effects Rahn, Ijaroh, Customer Satisfaction Through Quality of Service in. PT. Sharia Rural Bank Syarikat Madani. *International Journal of Engineering & Technology*, *7*(2.29), 1026. https://doi.org/10.14419/ijet.v7i2.29.14302

Yulianti, R. T. (2009). Manajemen Risiko Perbankan Syari'ah. *La_Riba*, *3*(2), Article 2. https://doi.org/10.20885/lariba.vol3.iss2.art2