



MURABAHAH FINANCING PROBLEM SOLVING STRATEGIES: ANALYSIS AND EVALUATION

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ABSTRACT

The research was conducted with the aim of analyzing the settlement of troubled *murabahah* financing at BPRS Rahmah Hijrah Agung Lhokseumawe. This research is a type of field research conducted in BPRS to obtain relevant data or data sources (primary and secondary) the author conducts data collection through observation, documentation and interviews. Then the data obtained were analyzed using descriptive methods. Based on the research and discussion that the author has done, it can be concluded that the factors that cause problematic *murabahah* financing can be caused by bank who are not careful in analyzing financing and lack of supervision after funding is given in addition it is also caused by customers who intentionally do not want to fulfill their obligations or because the customer's business has decreased. The handling of *murabahah* financing is problematic in the BPRS Rahmah Hijrah Agung Lhokseumawe, namely by collecting incentives, granting warning letters or reprimand, extension of the installment period and execution of collateral. Settlement of troubled financing carried. Out by BPRS Rahmah Hijrah Agung Lhokseumawe is not contrary to islamic because in accordance with the fatwa of the national shariah council of the Indonesia ulama council in handling troubled financing BPRS provides time allowance for customers who have not been able to pay their obligations by giving an extended period of time to pay installments for customers who fall into the category of experiencing a disaster or a business downturn but still be saved.

Keywords: *Problematic Financing* , *BPRS*, *Murabahah*

1. INTRODUCTION

The development of Islamic banks in Indonesia has progressed rapidly, people have started to recognize Islamic banks since the establishment of Bank Muamalat Indonesia in 1992. In the midst of conventional banks which are the pillars of the Indonesian economy based on an interest system, many observers doubt the existence of Islamic banks based on sharia. Agung (2009). However, the answers to these doubts began to be found in 1997, when Indonesia experienced a rather alarming economic crisis, which began with the monetary crisis which had very significant consequences for the decline in Indonesia's economic growth. The most severe condition was shown by the banking sector, marked by the large number of conventional banks that were unable to pay interest rates, this resulted in bad credit.

Seeing the condition of Islamic banking at that time, one of the efforts of Islamic banks to gain profits and help economic growth was by channeling funds consisting of buying and selling principles which included *murabahah*, *salam* and *istishna* financing. However, *murabaha* financing was the most popular and dominant used by Islamic banking at that time until now in providing customer financing needs by selling goods at the price of goods plus the agreed profit, payment is made by way of the customer in installments. However, it is from this method of installments that problems often arise in *murabahah* financing such as delays by customers in repaying, inability of customers to repayments, up to customers who do not want to repay due to lack of public awareness and responsibilities as customers. This condition is called problematic financing. Non-

performing financing is one of the big risks that occurs in every banking world, both conventional banks and Islamic banks. Problematic or non-performing financing has a negative impact on bank development. The greater the problem financing, the negative impact it will have on the soundness of bank liquidity, and this will also affect the lowering of the level of trust of depositors who deposit their money (Soemitra 2015).

Problematic financing has indeed become commonplace in the world of Islamic Financial Institutions (LKS) such as banking, but this does not rule out the possibility that this can also be experienced by Islamic People's Financing Banks (BPRS) (Nurul Huda and Muhammad Heykal 2013). BPRS Rahmah Hijrah Agung Lhokseumawe distributes funds that have been collected from customers to various small and medium businesses, including for consumer needs. BPRS Rahmah Hijrah Agung is a sharia financial institution that is inseparable from a problematic financing problem like other finance. Problem financing is shown by the ratio of Non Performing Financing (NPF) for sharia-based financing, which is the ratio between the amount of problem financing and the total amount of financing. Table 1.1 shows the condition of the NPF at PT BPRS Rahmah Hijrah Agung Lhokseumawe for the 2013-2017 period, namely

Table 1.1.
Problematic Financing at BPRS Rahmah Hijrah Agung
Lhokseumawe Period 2013-2017

Year	Amount of Customer	Troubled	Financing	NPF (%)
2013	11.188.502.013	1.298.000.000	400	11.60%
2014	11.741.202.014	1.785.000.000	505	15.20%
2015	9.520.502.015	1.520.000.000	607	15.96%
2016	18.075.752.016	1.000.750.000	530	5.54%
2017	22.201.651.017	1.200.869.000	811	5.41%
Total	72.727.609.075	6.804.619.000	2.853	53.71%

Source: Secondary data processed in 2018, BPRS Rahmah Hijrah Agung

Based on table I.I, it can be seen that the condition of Non Performing Financing (NPF) in murabahah financing at BPRS Rahmah Hijrah Agung Lhokseumawe from 2013 to 2017. This indicates an increase in the number of murabahah financing customers who experience bottlenecks in financing installment payments. Financing for the last 5 years which shows that problem financing from 2013 to 2015 has increased by 11.60% to 15.96%, even though in the last two years namely 2016-2017 it has decreased by 5.54% to 5.41% when viewed from Bank Indonesia standards that problematic financing in BPRS it cannot be more than 7% so here BPRS Rahmah Hijrah Agung is still in the safe category from 2016 to 2017 and unsafe or problematic from 2013 to 2015 this increase and decrease could have been caused by the number of customers and the amount of financing provided by BPRS Rahmah Great Migration. This is a type of risk faced by BPRS Rahmah Hijrah Agung Lhokseumawe, namely problem financing. From the explanation above, BPRS Rahmah Hijrah Agung must make efforts to resolve problematic financing more seriously but still comply with sharia procedures and principles and what factors cause problematic financing. Based on the description above, the author is interested in trying to examine more deeply the Strategy for Settlement of Problematic Murabahah Financing: Analysis and Evaluation of BPRS Rahmah Hijrah Agung Lhokseumawe.

1.1. Murabaha Financing

Murabahah etymologically comes from the word ribhun (profit). Meanwhile, in terms of terminology, the term murabahah is defined as the principle of buying and selling where the selling price consists of the cost of goods plus the agreed profit value (ribhun) (Sutedi 2009). The fuqaha



interpret murabaha as a form of buying and selling on the basis of trust. This is because the seller believes in the buyer which is manifested by informing the buyer of the cost of goods to be sold along with the profits (Djamil 2014). In channeling financing based on a murabaha contract, the bank acts as a party providing funds in murabahah transaction activities with customers. Banks can finance part or all of the purchase price of goods whose qualifications have been agreed upon. If there has been an agreement between the bank and the customer, the bank is required to provide funds to realize the supply of goods ordered by the customer (Wangsawidjaja 2012). From the definition above, it can be concluded that murabaha is a sale and purchase contract between a bank and a customer for certain goods with a mutually agreed sales value and margin.

As for the DSN MUI fatwa No.4/DSN-MUI/IV/2000, that in order to help the community to maintain and improve their welfare, Islamic banks need to have murabaha facilities for those who need them, namely selling an item by confirming the purchase price to the buyer, and buyers pay higher prices as profits (Mardani 2015).

1.2. Legal Basis of Murabahah Financing

Judging from the aspect of Islamic law, the practice of murabaha is permissible according to the Al-Quran, hadith and ijma' as follows (Hakim 2011):

1. The Qur'an

The Qur'an is the word of Allah revealed to the Prophet Muhammad SAW. As the main source of Islamic law, the Qur'an makes issues that concern human needs. The basis of buying and selling is permitted by Allah SWT in Q.S al-Baqarah [2]: 275:

Meaning: "And Allah has justified buying and selling and forbidding usury" The meaning of the translation of the verse above is that all forms of buying and selling are permissible on condition that they do not contain usury, in Islam it is prohibited to carry out transactions in unlawful ways such as usury, and one should obtain property by means of trade (trade) which applies based on the willingness of each one. this is permissible in Islam as well as not doing things that are prohibited in religion which cause accidents (disasters) to get it.

2. Al-Hadith

In principle what is meant by hadith is everything that is referred to / leaned on the prophet, whether in the form of words, deeds, or decrees. Here are some hadiths of the prophet that support the validity of murabaha, namely:

From Abu Sa'id Al-Khudri that Rasulullah SAW said, "Indeed, buying and selling must be done like and like." (Narrated by al-Baihaqi and Ibn Majah, and rated authentic by Ibn Hibban) From the translation of the hadith above, murabaha financing in Islamic banking is used to help customers, financing for the procurement of certain objects where the customer does not have sufficient financial ability to do it in installments or on a tough basis and buying and selling at a selling price of more as a profit is done like the same. like and willing.

3. ijma

Muslims have agreed on the legitimacy of buying and selling. Humans as members of society always need what is produced and owned by other people. Therefore buying and selling is one way to get it legally. Thus it is easy for each individual to meet their needs. In carrying out murabaha transactions, the provisions or rules that need to be considered are the provisions in the Fatwa of the National Sharia Council and Bank Indonesia provisions contained in Bank Indonesia Regulations and the Indonesian Sharia Banking Accounting Guidelines (PAPSI).

4. DSN Fatwa Concerning Murabaha Products (DSN Fatwa No.4/DSN-MUI/IV/2000)

"That in order to help maintain and improve welfare and various activities, Islamic banks need to have murabaha facilities for those who need them, namely selling goods by stating the purchase price to the buyer and the buyer paying a higher price as profit."

1.3. Problematic Murabahah Financing

Non-performing financing is financing whose payment quality is in the category of substandard, doubtful and loss (Djamil 2014). Non-performing financing is financing that according to its quality is based on the possible risk of the condition and compliance of the customer in fulfilling the obligation to pay off the financing (Trisadini 2013). Based on the definition above, it can be concluded that problem financing is a distribution of funds made by financing institutions such as Islamic banks in which in the implementation of financing payments by customers, things occur such as non-current financing, financing where the debtor does not meet the promised requirements, and financing did not meet the installment schedule. So that these things have a negative impact on both parties (debtors and creditors).

1.4. Problem Financing Category

Financing quality classification according to SE BI No. 31/10/UPPB dated 12 November 1998 are five categories, namely:

- a. Current, is financing for which there are no arrears on margin or principal installments, and the loan is not due or on time. Future installment payments are expected to be smooth or on schedule or beyond doubt.
- b. Substandard is financing in which the payment of margin and principal installments may be or has been disrupted due to unfavorable changes in terms of finance and management, adverse economic and political policies, or very inadequate collateral. At this stage there is no visible loss at the bank.
- c. Doubtful is financing in which all loans are starting to be doubted, so that it has the potential to cause losses to the bank, it's just that the amount and time cannot be determined. Careful and proper measures must be taken to minimize losses.
- d. Loss is financing that is considered to be non-refundable. The bank will bear the loss on the financing provided (Musjtari 2012).

From the above categories, financing is divided into non-performing financing and non-performing financing. Financing is not problematic if it is included in the current category. While financing is said to be problematic if it is included in the category of substandard, doubtful and loss.

2. ANALYSIS METHOD

This type of research is field research, that is, a researcher will go straight to the field/place of research to find data. Researchers observed and explored the information in the field. This research was conducted at PT. BPRS Rahmah Hijrah Agung Lhokseumawe which is located at Jl. Merdeka No. 1-2, Kutablang Village, Kec. Banda Sakti, District Lhokseumawe, Aceh. This research is a qualitative research with a descriptive method, namely by describing or describing the object under study and the data obtained during the research. Then the results of the research will be in the form of words (paragraphs) which are the results of analysis and conclusions from the data obtained while in the field (Sugiyono 2014). The data sources used in this study were obtained from primary data and secondary data. Primary data obtained through interviews with the parties concerned. In this study, data were obtained from interviews with the head of division or remedial marketing. Secondary data is data obtained not directly from the source, but original data obtained from internal BPRS, whether it is customer data that makes financing, financing application forms and other reports related to research.

Then literature study is a method of collecting data obtained from studying literature books and other readings that can assist in solving problems related to problem financing problems. This was obtained by researchers from the literature, books, journals and so on. The data obtained by researchers is classified, arranged neatly, and researchers examine the problems in order to explain and draw conclusions about problematic financing and the efforts made by PT. BPRS Rahmah Hijrah Agung Lhokseumawe.



3.RESULTS AND DISCUSSION

Factors of Troubled Murabahah Financing at BPRS RHA

According to Mr. Khairul Fajri as the Head of Marketing Division, there were several factors that caused customer congestion, namely:

1. From the Bank's Internal Party

Factors causing problematic murabahah financing caused by Rahmah Hijrah Agung BPRS, namely the lack of thoroughness in conducting the 5C survey (character, capital, capacity, collateral, condition) and inadequate supervision after the financing has been provided. Guarantees (collateral) are one of the most common causes of problem financing, so BPRS Rahmah Hijrah determines the amount of collateral that must be prepared by murabahah financing customers, namely for movable objects such as cars, the guarantee is 50% of the market price (Heri 2015). Meanwhile, for immovable objects such as house certificates, the guarantee is 80% of the market price. This aims to minimize or reduce the occurrence of problematic murabahah financing.

2. From the Customer

The factors that cause problematic murabahah financing originating from customers can occur due to an element of intent, where customers deliberately do not return financing that has been obtained from the bank, even though they are able to return it. Then there is an element of accident, where the customer has the desire to return the financing, but is unable to pay due to difficulties in business/economy (Muhammad 2014).

3. From External Parties

The factors that cause problematic murabahah financing come from internal, which can be caused by economic changes, namely economic crises, political changes, natural disasters, the customer suddenly becomes seriously ill so he cannot run a business, the customer dies and has no heirs or have heirs but are unable to pay their debts (Djamil 2014). Of the factors that cause problematic murabahah financing above, Rahmah Hijrah Agung Lhokseumawe BPRS should conduct an analysis for each of the factors causing the above, so that the possibility of problematic financing can be minimized, especially the factors caused by the BPRS itself. The factors above had an impact on the revenue of BPRS Rahmah Hijrah Agung Lhokseumawe which decreased so that profits decreased and NPF became high.

3.1.Settlement of Troubled Murabahah Financing at BPRS RHA

According to Mr. Khairul Fajri as the Head of Marketing, based on several efforts made by the Rahmah Hijrah Agung Lhokseumawe BPRS in resolving problematic murabahah financing consisting of stages, including:

1. Incentive Billing

Intensive billing or approaching the customer by reminding the customer that the financing payment will be due. So what BPRS Rahmah Hijrah Agung Lhokseumawe did was approach the customer by contacting the customer within 3 days before the due date, to remind the installment payment. Then direct billing from 1 to 5 days past the due date, the customer has not paid the financing, so the BPRS Rahmah Hijrah Agung Lhokseumawe visits directly or field visits to the financing customer who is in arrears to collect the financing payment. BPRS Rahmah Hijrah Agung Lhokseumawe Incentive billing of 20% annually is completed in the event of problematic murabahah financing.

2. Issuing a Warning or Reprimand Letter

Giving a warning letter or reprimand, namely with a period of 5 to 10 days the customer is still experiencing payment arrears, the BPRS Rahmah Hijrah Agung Lhokseumawe gives a warning letter (SP) I then if the arrears exceed 11 to 20 days then SP II will be given and so on if it is more than 20 days or up to a month the customer still does not pay the financing installments,

the BPRS will provide SP III. Before the BPRS issues SP I to III, it usually reminds and consults with the customer beforehand, looking at the customer's business condition or the cause of the decrease in income, whether it can be saved or not, if it can be saved, a rescheduling will be carried out. BPRS Rahmah Hijrah Agung Lhokseumawe can complete 10% annually by using a warning or warning letter in dealing with problematic financing (Khairul 2019).

3. Term Extension

The extension of the installment period provided by BPRS Rahmah Hijrah Agung to customers who experience problem financing is one of the ways BPRS Rahmah Hijrah Agung Lhokseumawe helps customers who experience economic difficulties (Khairul 2019). Here the BPRS looks at the causes of traffic jams, if a disaster occurs but the business is still there but decreases, the BPRS will reschedule, namely changing the customer's payment schedule, extending the financing period so that the amount for each customer installment decreases and extends the installment period, for example the financing period was extended from 55 times to 70 times in this way, of course the number of installments got smaller as the number of installments increased. This is in accordance with the Fatwa of the National Sharia Council of the Indonesian Ulema Council number: 48/DSN-MUI/II/2005 concerning the rescheduling of murabahah bills.

Reconditioning, namely changing some or all of the financing requirements, including delaying margin payments, in the sense that the margin is still calculated but the payment or collection of the margin is made after the customer is able, here the BPRS reduces installments without adding margin. However, this concession is only given if the customer experiences difficulties, not because of other reasons (such as the customer is able to pay but does not want to pay). This is in accordance with DSN Fatwa No. 46/DSN-MUI/II/2005 Concerning bill deductions or reconditioning. BPRS Rahmah Hijrah Agung Lhokseumawe can complete up to 30% annually in dealing with problematic financing with an extended period of time.

4. Guarantee Execution

The execution and auction of collateral carried out by BPRS Rahmah Hijrah Agung Lhokseumawe is one way to return capital and reduce losses that will affect the financial health of the BPRS. This step was taken after going through several stages and there was no common ground between the BPRS and the customer. The BPRS sells guarantees or collateral to customers who are unable to pay off the financing after being given warning letters 1, 2 and 3 without any changes. If the object is movable, it will be executed in court, while the object is immovable, such as a land certificate, then a plank "House Under Supervision of the BPRS" will be installed, then a seal will be auctioned immediately, if there are no changes, the auction will be held at the state auction office. If the customer has good faith, the collateral can be sold by the customer himself so that they do not incur costs for selling through auction and vice versa if they do not want to sell themselves, then the BPRS will sell an intermediary to the State Auction Office by sending documents in the form of an Identity Card (KTP), Family Card (KK), and Property Rights Certificate. After receiving a reply from the Auction Office, the bank will make the first announcement via a sheet affixed to the bank and given to the customer.

Then 14 days later a second announcement was published in the newspaper. So far, what has happened at BPRS Rahmah Hijrah Agung Lhokseumawe is that many customers, after seeing evidence of advertisement announcements in the newspaper, there new customers pay, then BPRS Rahmah Hijrah Agung Lhokseumawe just revokes it by writing a letter canceling the auction for the auction office so that only pays administration here. However, if the customer does not pay until the time when the collateral is sold and the winner is determined by the Auction Office to buy the collateral, then the collateral has been legally sold. The settlement of problematic financing by means of auctions or sales guarantees is mostly done at BPRS Rahmah Hijrah Agung Lhokseumawe, namely 40% each year and prospective buyers can access auction guarantees via the website. This is in accordance with the Fatwa of the National Sharia Council of the Indonesian



Ulema Council number: 47/DSN-MUI/II/2005 concerning the settlement of murabahah receivables for customers who are unable to pay. There is the first point, namely: Murabaha objects or other guarantees are sold by customers to or through LKS at predetermined market prices.

4.CONCLUSION

Factors causing problematic financing caused by internal parties of BPRS Rahmah Hijrah Agung Lhokseumawe, namely not being thorough in conducting surveys before providing financing, especially in the 5C analysis (character, capital, capacity, collateral, condition) and inadequate supervision after financing is given and the causative factors murabahah financing is caused by the customer, namely the existence of an element of intent, where the customer deliberately does not return the financing that has been obtained from the bank, even though they are able to return it. Then there is an element of accident, where the customer has the desire to return the financing, but is unable to pay due to difficulties in business/economy. Then other causal factors can come from external parties, namely economic changes, namely economic crises, political changes, natural disasters, customers suddenly seriously ill so unable to run the business, the customer dies and has no heirs or has heirs but is unable to pay his debts.

Settlement of troubled murabahah financing carried out by BPRS Rahmah Hijrah Agung Lhokseumawe consists of several stages, namely first by collecting incentives by contacting customers to remind installment payments before maturity. Then direct billing if past the due date the customer has not paid for the financing, the BPRS visits directly or field visits to the financing customer who is in arrears to collect payment for the financing. If during this visit it is proven that the customer is capable but deliberately delays paying the installments, then the BPRS will issue a Warning Letter (SP) to the customer to pay the installments immediately. This Warning Letter was given 3 times, namely SP I, II, III, then gave a letter of surrendering the collateral and selling the collateral at the auction office. However, if the customer is really experiencing difficulties, the economy is weakening and the customer's business can still survive, BPRS Rahmah Hijrah Agung Lhokseumawe will provide several reliefs, including extending the installment payment period by rescheduling, re-conditioning, and rearranging.

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