

# Analysis Of Factors That Cause Non-Performing Loan And The Settlement On Sari Permata Niaga Savings And Loans Cooperative Denpasar

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**Abstract:** The purpose of this research is to find out the factors that cause non-performing loan and their settlement at Sari Permata Niaga Savings and Loans Cooperative Denpasar. This study analyzes the results of interviews conducted with cooperative party and debtors from Sari Permata Niaga Savings and Loans Cooperative Denpasar. The data used is credit data from 2019-2021. This study uses descriptive qualitative analysis techniques. The results showed that the factors causing the occurrence of non-performing loan at Sari Permata Niaga Savings and Loans Cooperative Denpasar came from internal and external factors. Internal factors are caused by the cooperative party who is not precise in conducting the initial analysis of lending in accordance with the principles of 5C and 7P analysis. Furthermore, external factors caused by debtors and the impact of the Covid 19 pandemic are factors of need, business failure, debtors who have been laid off (Termination of Employment) and the decline in the economy due to the Covid 19 pandemic. The settlement of non-performing loan is done by sending Warning Letter I, Warning Letter II, Warning Letter III, and Summons. Furthermore, the head of the credit section of Sari Permata Niaga Savings and Loans Cooperative Denpasar will propose ways to settle loans by rescheduling, restructuring, reconditioning, and the last way that can be done if the debtor is really unable to pay all his debts is confiscation of debtor's collateral.

**Keywords:** Cooperative, Non-Performing Loan, Factors That Cause Non-Performing Loan, The Settlement Of Non-Performing Loan

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## Introduction

Cooperative is taken from the English co-operation which means joint venture. It can be said that every joint work by being carried out together can be called a cooperative. Cooperative in this case means a form of certain regulations and goals, in a company built by a number of individuals to carry out a certain activity (Moonti, 2016). Crediting is a form of effort that the cooperative runs to manage capital obtained from donations and member deposits as loans given to members by withdrawing profits through interest payments by members who apply for loans (Syafriansyah, 2015). The cooperative will get a loan fee (interest) from the credit provision. However, there are risks involved in providing credit. For example, if the credit recipient does not pay all or part of the credit and the payment is delayed so that the bad loans become piled up and hinder the cash flow of the cooperative (Wahyuni, 2017). Savings and loan cooperatives often encounter problems caused by the weakness of the cooperative itself or the debtor. For cooperatives, this weakness is that credit to debtors cannot be collected or non-performing loans arise (Suarjana, 2015). Bad debt is a condition where the debtor is reluctant or unable to pay off the credit on time and does not keep the various promises he has made in accordance with those contained in the credit agreement (Cahyani et al., 2020). Internal actors include human resources, the lack of ability of the cooperative to analyze credit applications, and the weak credit administration information system explained that internal factors include human resources (officers or workers), the lack of ability of the cooperative to analyze the application credit, and the weak information system of credit administration.

Meanwhile, external factors include the emergence of catastrophic failures that occur to customers and cooperatives, the presence of bad faith on the part of customers, and the occurrence of credit abuse by customers ((Purbowati & Hendrawan, 2018). Factors that result in the emergence of non-performing loans are always empty ATMs, the attitude of debtors who are indeed thinking about being reluctant to try to pay off

related loans, problems that debtors face for a number of certain reasons (Maulidatul K, 2019). Internal factors (by the cooperative) are triggered by the lack of analysis of prospective debtors and give too much confidence in prospective debtors regarding the ability to repay loans on time. This is influenced by the familial relationship of the employees of the cooperative with the future debtor. Meanwhile, external factors (by the customer) are triggered by the need factor, credit loans are not utilized optimally, the business failure of debtors and debtors is bankrupt and debtors are affected by disasters (Setyaningrum et al., 2021). Settlement of non-performing loans to debtors about the insurer of bad debts or things that make their loans difficult, restructuring of loans that are carried out, namely extending the credit period, lowering credit interest rates, reducing the principal of credit actions, reducing credit interest arrears, handing over non-performing loans to third parties, auctioning non-performing loans with collateral auctions (Desmayanti Anisa & Widayati, 2020). Settlement is carried out through the provision of a warning letter against debtors who are in arrears, then deliberating with debtors to obtain solutions in resolving bad debts together, if there is no middle ground found, it will be investigated to the court, settlement by auction if there is an agreement between the debtor and the Village Credit Institution regarding the debtor has been unable to pay the remaining credit in full (Kariarta et al., 2018). Efforts to resolve non-performing loans triggered by internal factors are carried out with written warnings in the form of Warning Letters, mutations, and demotions, as well as efforts to resolve non-performing loans triggered by external factors carried out by sending Warning Letters 1 to Warning Letters 3 charges the participating party to provide signatures in the credit agreement, then executes the withdrawal and auction of collateral (Herman & Widayati, 2019).

As one of the financial institutions, the Sari Permata Niaga Denpasar Savings and Loans Cooperative is a cooperative that operates in the field of savings and loans business in the form of a joint business with the aim of welfare of members and family-based. As well as the Sari Permata Niaga Denpasar Savings and Loans Cooperative located on Jalan Gunung Sanghyang No. 124, Padangsembian, West Denpasar District, Denpasar Regency. The business of the Sari Permata Niaga Denpasar Savings and Loans Cooperative is in the form of deposits that come from the community in the form of investment and savings. In addition, the Sari Permata Niaga Denpasar Savings and Loans Cooperative also provides credit loans to the community. The business of providing credit loans is the business that generates the largest income for the Sari Permata Niaga Denpasar Savings and Loan Cooperative. The problem that arises in the Sari Permata Niaga Denpasar Savings and Loans Cooperative is an increase in the number of bad loans that occur due to the impact of the Covid-19 pandemic. Credit collectibility is divided into five types, namely current credit, in special attention (DPK), less current, doubtful and bad credit. The following is an overview of the number of loans provided and data on bad loans from the Sari Permata Niaga Denpasar Savings and Loan Cooperative for three years, namely 2019-2021, as can be seen in Table 1 below.

**Table 1 Non-Performing Loan Data at the Koperasi Simpan Pinjam Sari Permata Niaga Denpasar**

| Year | Total Customer | Total Credits | Number of Non Performing Loan Customers | Number of Non Performing Loan | Percentage of Non Performing Loan |
|------|----------------|---------------|---|-------------------------------|-----------------------------------|
| 2019 | 338            | 8.549.000.000 | 15                                      | 454.000.000                   | 5%                                |
| 2020 | 342            | 8.628.000.000 | 27                                      | 738.000.000                   | 9%                                |
| 2021 | 350            | 8.864.000.000 | 34                                      | 962.000.000                   | 11%                               |

Source: Cooperative data, 2019-2021

From the credit data, it can be seen an increase in the number of bad loans from 2019 to 2021. The increase in the number of bad debts is certainly due to various factors, both internal and external. Therefore, it is necessary to find out the factors causing the occurrence of these bad loans and compile measures for their settlement at the Sari Permata Niaga Denpasar Savings and Loans Cooperative.

## Method

This research applies a qualitative type of research. Qualitative research is research that cannot be achieved using statistics. The data that has been collected in this study will be explained by the application of a descriptive approach that describes the factors that cause the emergence of bad debts and settlements at the Sari Permata Niaga Denpasar Savings and Loan Cooperative.

This research was conducted at the Sari Permata Niaga Denpasar Savings and Loan Cooperative located on Jalan Gunung Sanghyang No. 124, Padangsembian, West Denpasar District, Denpasar Regency, Bali. This research began in February 2022 with a period of 6 months for the study and the estimated completion of this study is in July 2022.

The source of this research data is information about credit and the factors causing bad debts and their settlement obtained through interviews with the head of the credit section and bad credit debtors from the Sari Permata Niaga Denpasar Savings and Loan Cooperative. In addition, secondary data is in the form of data related to credit from the Sari Permata Niaga Denpasar Savings and Loan Cooperative. The collection instruments in this study were cellphones, stationery and books for taking notes, as well as cameras. The data collection techniques in this study were interviews, observations, and documentation. The completion of this research is through a descriptive qualitative analysis method.

## Result and Discussion

### 1. Factors causing bad debts at the Sari Permata Niaga Denpasar Savings and Loan Cooperative

#### a. Internal factors

Internal factors are factors caused by the cooperative. In the problem of bad debts of the Sari Permata Niaga Denpasar Savings and Loan Cooperative, internal factors are in the form of 5C and 7P credit analysis that has been carried out by the cooperative, but after conducting interviews and analyzing credit on character, capacity, and condition of economy (3C) and personality, prospect, payment, and profitability (4P) that has not been fulfilled, causing problems resulting in bad debts. The analysis of the 3C principle in the description of the research results by means of a checklist analysis of the Sari Permata Niaga Denpasar Savings and Loan Cooperative is only one that has been carried out well, namely character analysis in analyzing the provision of credit to debtors. Meanwhile, two analyses that have not been fulfilled properly are capacity and condition of economy.

#### b. External factors

External factors are factors caused by debtors and the impact of the Covid 19 pandemic. In the problem of bad debts at the Sari Permata Niaga Denpasar Savings and Loan Cooperative after conducting interviews with debtors, external factors caused by debtors are factors of debtor needs, debtor business failures, debtors who experience layoffs (Termination of Employment) and the decline in the debtor's economy due to the Covid-19 pandemic.

### 2. Settlement of bad debts at the Sari Permata Niaga Denpasar Savings and Loans Cooperative

In the realm of solving bad debts at the Sari Permata Niaga Denpasar Savings and Loan Cooperative, not all bad debts can be handled in the same way. The steps for settling bad debts at the Sari Permata Niaga Denpasar Savings and Loan Cooperative are:

#### a. Credit billing

Dalam penagihan kredit, pihak koperasi akan melakukan pendekatan secara kekeluargaan kepada debitur dengan cara melakukan kunjungan secara rutin kepada debitur untuk membicarakan penyebab terjadinya kredit macet yang dialami debitur. Setelah itu pihak koperasi memberikan Surat Peringatan dan Surat Panggilan kepada debitur yang mengalami kredit macet.

#### b. Using 3R and confiscation of collateral by the Sari Permata Niaga Denpasar Savings and Loan Cooperative

The steps for resolving bad debts at the Sari Permata Niaga Denpasar Savings and Loan Cooperative to debtors affected by bad debts are by rescheduling, restructuring, reconditioning (3R), and the last way that can be done if the debtor is really unable to pay all his debts is the confiscation of the debtor's guarantee.

## Conclusion

The factors causing the occurrence of bad debts at the Sari Permata Niaga Denpasar Savings and Loan Cooperative are caused by internal and external factors. Internal factors are caused by the cooperative being inappropriate in conducting a preliminary analysis of credit provision according to the 5C analysis principle, especially in the analysis of the capacity and economic condition of the debtor that is not suitable. From the analysis based on the 7P principle, analysis based on prospects, payments, and profitability has also not been assessed as inappropriate. Furthermore, external factors caused by debtors are factors of debtor needs, debtor business failures, debtors who experience layoffs (Termination of Employment) and the decline in the debtor's economy due to the Covid-19 pandemic.

The settlement of bad debts at the Sari Permata Niaga Denpasar Savings and Loan Cooperative is carried out with the mechanism of Warning Letter I, Warning Letter II, Warning Letter III, and Summons Letter. After meeting with debtors affected by bad debts, the head of the credit section of the Sari Permata Niaga Denpasar Savings and Loan Cooperative will provide a solution to credit settlement steps, namely by using rescheduling, restructuring, reconditioning (3R), and the last way that can be done if the debtor is really unable to pay all his debts is the confiscation of the debtor's guarantee.

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