

FACTORS AFFECTING DEBTOR COMPLIANCE IN CREDIT SETTLEMENT IN PT. MANDALA MULTIFINANCE Tbk, THE TILAMUTA BRANCH

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ABSTRACT

The research objectives are: to determine the factors that affect debtor compliance in credit settlement at PT. Mandala Multifinancial, Tbk Cab. Tilamuta.

This type of research used in this research is a type of qualitative research with a descriptive approach. Researcher's descriptive approach wants to describe or describe the facts or circumstances or symptoms that appear in PT. Mandala Multifinance, Tbk Cab. Tilamuta.

The results of this study are that natural factors that hinder debt repayment are crop failure for farmers and business instability by Civil Servants (PNS) because at this time they are still in the process of monitoring the Covid-19 pandemic. The consumer character that appears because the attitude and service of the company are not in accordance with the initial promise that the creditor has conveyed to the debtor. At maturity, the creditor provides a grace period of 3 days even up to 1 week when due, although the creditor has been given a grace period, unlike providing relief because the intervals of one day at maturity have been contacted directly by the company. The settlement taken by the company or the debtor in the process of handling credit is in the form of Rescheduling, Reconditioning and Restructuring.

Keywords: compliance, settlement, debtors and creditors.

INTRODUCTION

Credit is a financial facility that allows a person or business entity to borrow money to buy products and pay them back within a specified period. Credit is also defined as the provision of the use of money or goods to another person at a certain time with guarantee or not with guarantee, with the provision of services or interest or without interest.

Financial management is the activity of company owners and management to obtain the cheapest source of capital and to use it as effectively, efficiently and productively to get profit [1].

Financial management is all activities of a company or organization related to

how to obtain funds, use funds, and manage assets according to the overall goals of the organization [3].

The word credit is not a strange thing in society, but a very popular term, both among urban and rural communities. In everyday terms, the word credit is often interpreted as obtaining a money loan, the payment of which is made at a later date in installments or installments in accordance with the agreement.

Thus, crediting activities can be carried out between individuals, individuals and business entities or between business entities. Then it also developed with formal business entities specifically engaged in crediting and

financing, namely banks and other financial institutions.

The implementation of providing credit in its implementation is inseparable from a dilemma, on the one hand it has a mission to help low-income people, on the other hand, as a credit provider, they must lend their funds in such a way that the funds are safe enough.

PT. Mandala Multifinance Tbk, is a company engaged in the world of leasing / finance which was established on July 21, 1997. As a company engaged in the world of leasing / finance, PT. Mandala multifinance, Tbk, has financial products and services that are profitable and enjoyable for all Indonesians. The superior product of PT. Mandala Multifinance Tbk, is a new and used motorcycle financing company, as well as PT Mandala Multifinance Tbk, offers capital / cash loans for the public. One of the things I said in my research was PT. Mandala Multifinance, Tilamuta Branch.

The relationship between creditors and debtors cited in Law no. 37 of 2004 article 1 number 2 concerning bankruptcy and postponement of debt payment obligations, namely Creditors are people who have receivables due to agreements or laws that can be collected in advance of the court and Debtors are people who have debts due to agreements or laws whose repayments can be collected in advance court. The relationship between a creditor and a debtor is established when both of them enter into a credit agreement, which we all know is a credit agreement or a legal relationship between a debtor and creditor which regulates the rights and obligations of both parties, this agreement is usually followed by an individual "guarantee" agreement. .

Compliance is a change in behavior from behavior that does not obey the rules to behavior that obeys the rules. The factors that affect the level of compliance are anything that can have a positive

effect so that the debtor is no longer able to maintain compliance, until he becomes less obedient and disobedient. Factors that influence compliance include education level, belief and social support. However, at PT. Mandala Multifinance tilamuta branch, factors that influence debtor compliance are natural factors, consumer character and maturity.

Natural factors that inhibit debt repayment are in the form of unfriendly natural conditions every season such as crop failure due to heavy and frequent rainfall every day, pests that attack plants such as caterpillars, snails and grasshoppers. Apart from these two elements, there are also other elements that can inhibit the growth of food plants, namely the dry season throughout the season which will kill the plants. The second factor is the character of the consumer (debtor), the character that is directly related to the debtor who carries out the credit system in the company, but at the time concerned or when it is time to make payments, the debtor shows an unsightly expression by the creditor. At the time of billing, debtors are often angry for no reason at creditors because creditors are claimed to be forcing payments even though they are not and another thing that concerns the character of consumers is that they often hide and run away when collecting. The last factor is maturity. Maturity is also a major factor in debtor compliance because it is time for the debtor to make deposits to the creditor, always passing on the payment date.

Some of the solutions offered by PT. Mandala Multifinance, Tbk in dealing with problems like the one above is for factors such as farmers who experience crop failure or as debtors in being accountable for their obligations to pay their debts on July 10, 2020, but something unwanted happens until payments are postponed until August 10, 2020 or are given a deferment for 1

month. In terms of consumer character factors, PT. Mandala Multifinance often encounters things such as the appearance of coercion on debtors. In fact, this is impossible, only to clarify the status of arrears for debtors. By conducting deliberation. With a warning until the collection of certain items from PT. Mandala Multifinance. Other factors such as maturity, debtors are given up to 1 week.

When talking about maturity, it will discuss the deadline for debt repayment for debtors 15 days from the date of borrowing. Sometimes the payment of debt if it is past the due date will incur a penalty or interest. The problems encountered at PT. Mandala Multifinance, Tbk related to the dominant maturity date of the debtor or the customer sometimes experiences a delay from the due date, such as in the Covid-19 era, the customer or the debtor has difficulty paying according to the due date given. In the Covid 19 era, customers experienced difficulties in paying because they had not received money on the due date, so they had difficulty paying debts according to the due date. But sometimes they are given waivers like 10 days from the due date. The biggest difficulty for customers, PT Mandala Multifinance, Tbk sometimes they are not notified or conveyed that they receive interest from the due date until the time of the loss to pay off the debt given. So that complaints from customers/debtors related to policies or due date policies, often occur at PT. Mandala Multifinance.

The solution that can be taken in dealing with several problems in the company is in the form of Rescheduling, Reconditioning and Restructuring.

The identification of the problems taken in this study are:

1. Natural factors that hinder debt repayment.

2. The character of the debtor who often delays the time of payment.
3. It's full time to pay off debts during the Covid-19 pandemic.

The formulation of the problem of this research is how the factors that influence debtor non-compliance in credit settlement at PT. Mandala Multifinance, Tbk Cab. Tilamuta?

Analysis of bad credit handling at PT. Bank Rakyat Indonesia (Persero) Tbk, Lamongan Branch. The results of observations made by BRI Branch Lamongan show that most of the bad loans that occur are caused by consumers or debtors who deliberately slow down credit installment payments with a total percentage of 3.69% [1].

Research on efforts to handle non-performing loans at the main Padang branch of the Nagari bank. The results of the study were non-performing loans at Bank Nagari, Padang Main Branch, consisting of loans requiring special attention, substandard credit, doubtful credit, and bad credit [14]. The cause of non-performing loans at Bank Nagari is an external factor where the customer is unable to repay the loan from the bank and the handling of problem loans is carried out by providing a warning letter according to the level of the credit problem, by approaching the customer, the first warning letter, the second warning letter. up to the Third Notification Letter (SP III). If the customer still does not pay the obligation, the credit collateral will be withdrawn for an auction. Tendered to pay off debtor's debt and costs incurred. If the funds are in excess, it will be returned to the debtor.

Research on credit management analysis in order to minimize credit risk. The results of this study 1) The application of credit management at PD BPR BKK Tasikmadu is still not optimal because there are still deficiencies in terms of ineffective credit analysis, lack of

upholding the principle of accuracy of the credit company and in terms of ineffective supervision. 2) efforts to rescue non-performing loans are adjusted to problematic credit conditions, as a result of the ineffective credit and goodwill of the customer 3) the conclusion is that the bad credit is related to the disbursement of collateral for credit repayment, write-offs and legal measures [10].

Research on the Priority Analysis of Non-Performing Loans in the Framework of Nourishing Credit Quality at Rural Banks. The results of the study that the increase in non-performing loans in BPRs is due to external factors, debtor factors and internal factors of BPRs. Weak credit analysis processes are due to a lack of skilled human resources that facilitate credit and too thin the new consumer selection process as well as weak credit monitoring are contributing factors to the increase in non-performing loans from within BPRs [13]. Management is a process or framework, which involves the guidance or direction of a group of people towards organizational goals or real purposes. Some of the opinions of experts about management are as follows:

Management is a science and art that regulates the process of utilizing human resources effectively, supported by other sources within an organization to achieve goals [2].

Management is defined as how the manager (the person) manages, guides, and leads all those who become assistants so that the work being done can achieve predetermined goals [15].

The definition of management has a complex meaning including the following: "Management is the process of planning, organizing, directing and supervising the efforts of members and the use of other organizational resources in order to achieve predetermined goals".

Management is the science and art of carrying out activities to achieve goals.

Management is a systemized combination of knowledge or a structured unit of knowledge. Management as a science can also be seen as an approach (Approach) to the entire empirical world, namely a world that is bound by time and space factors, a world that in principle can be observed by the human brain [12].

So some of the opinions of the experts above can be concluded, Management is the science and art of planning, organizing, directing and controlling the efforts of organizational members and the use of organizational resources to achieve goals that have been previously set.

Management is a very important subject because it questions the setting and achievement of goals [5].

Management not only identifies, analyzes and combines effectively the talents of people and utilizes these resources, it is sometimes expressed in terms of 6 M from management, namely:

1. Humans (Men), in management, the human factor is what most determines humans who make goals and humans also carry out the work process, because basically humans are working creatures. Therefore, management arises because of the people who work together to achieve goals.
2. Money (Money), which is needed to achieve the goals desired by money is a very important factor, it even determines in every process of achieving goals, of course it is unpredictable. Every program, every activity or routine or project, large or small, will not be carried out without the provision of sufficient money or funds. Money or money is one element that cannot be ignored. Money is a medium of exchange and a means of measuring value. The size of the results of activities can be measured from the amount of money circulating in the company. Money in traditional economics is identified as

- any generally accepted medium of exchange. The tukat tool can be any object that can be accepted by everyone in the community in the process of exchanging goods and services. In modern economics,
3. The ways (Methods), which are used in an effort to achieve goals. In carrying out work, work methods are needed. A good working procedure will make the work run smoothly. A method can be expressed as determining how the work of a task will be carried out by giving various considerations to the target, the facilities available and the use of time, as well as money and business activities. Keep in mind that although the method is good, while the person who implements it does not understand or have no experience, the results will not be satisfactory. Thus, the main role in management remains the human being.
 4. Materials (Materials), which are used to achieve the goal. In the business world to achieve better results, apart from humans who are skilled in their fields, they must also be able to use materials or materials as a means. Because matter and humans cannot be separated, without matter the desired results will not be achieved.
 5. Tools (Machines), which are used to achieve goals. Machines or machines are used to provide convenience or generate greater profits and create work efficiency. Machines (Machines) are used to provide convenience or generate greater profits and create work efficiency. The use of machines in a job is to reduce the services and thoughts of people in carrying out their duties.
 6. Markets (Markets), To sell the output and services produced. Marketing is the whole rule of business activity designated for planning, setting prices,

marketing and releasing goods, services, ideas to target markets in order to achieve them. Marketing products of course is very important because if the goods being produced are not sold, the process of producing goods will end. This means that the goods process will not run. Therefore, understanding the market in terms of expanding the output is a decisive result in the office. In order for the market to be owned, the quality and price of goods must be in accordance with the tastes of the buyers and the purchasing power (abilities) of the buyers. market is a factor that always changes according to market demand and is not a decision from management.

Financial management is an amalgamation of science and art that discusses, studies and analyzes how a financial manager uses all company resources to raise funds, manage funds, and share with the aim of being able to provide profit or prosperity for shareholders and sustainability.) business for the company. Definitions according to experts are as follows:

Financial management is the activity of company owners and management to obtain the cheapest source of capital and to use it as effectively, efficiently and productively to get profit [6].

Financial management is all activities of a company or organization related to how to obtain funds, use funds, and manage assets according to the overall goals of the organization [4].

The function of financial management is as a guide for company managers in making decisions. This means that a financial manager is allowed to make breakthroughs and creative thinking, but all of this still does not override the prevailing principles in financial management science. Such as complying with the rules contained in SAK (financial

accounting standards) GAAP (General Accepted Accounting Principle), laws and regulations on corporate financial management, and others [9].

By understanding financial management properly, it is hoped that various parties in marketing, production, personnel, and financial positions are expected to be able to place every decision in a much wiser manner. There are many other issues related to financial management. Like the marketing department, it must look at any advertising decisions (advertising) bias influencing financial decisions.

The objective of financial management is to maximize shareholder value of wealth. The value of wealth can be seen through the development of the company's common stock in the market [8].

Debtor is a person or business entity that has a debt to a bank or other financing institution due to an agreement or law [16].

Creditors are banks or other financing institutions that have receivables due to agreements or laws [16].

In the word credit contains various meanings. Or in other words, the word credit contains elements which are glued together. So that we become one. So if we talk about credit, it includes discussing the elements contained therein.

The stages of granting credit, namely:

1. Credit preparation is an activity at the initial stage with the intention of finding out basic information between prospective debtors and banks, especially prospective debtors who are about to apply for credit to the bank for the first time, usually through interviews or other means. Global/general information presented by creditors includes, among others, procedures/procedures for applying for credit as well as requirements for obtaining credit facilities, the main task

area of the creditor concerned, namely the business sectors that can be financed (if there are restrictions).

2. Credit analysis stage, in this stage an in-depth assessment of the business situation or project of the credit applicant is held.
3. The credit decision stage, namely on the basis of the credit analysis report, the debtor through credit termination, whether in the form of an official appointed or led by the bank or in the form of a committee with more than one official member as stated in the respective crediting policy can decide whether the credit application is feasible or given credit or not [7].

The credit function that is highly believed to stabilize the economy, namely:

1. Increasing business efficiency, namely the owner of funds can directly lend to entrepreneurs to increase their income.
2. Increase the development and traffic of money, namely Credit taken by check, money order so that it can be withdrawn in cash to increase the circulation of money.
3. Increasing the usability of goods, namely with credit, production can process raw materials into finished goods. And with credit, entrepreneurs who have obtained credit are able to sell on debt and buy materials on cash.
4. Credit is one of the tools for economic stabilization, namely by providing credit it can be said to be economic stability because the credit provided will increase the number of goods needed by the community.
5. Increasing the enthusiasm for business, namely the provision of credit to increase business capital so that it can increase its business.
6. Adding even distribution of income, namely the provision of investment credit can be a new business opportunity, an excellent job opportunity.

7. Enhancing international relations, namely foreign banks that have business networks that provide direct or indirect relief or injection of credit funds. A strong foreign exchange country will help a weak country [7].

The elements contained in lending:

1. Confidence or trust is what exists between the lender and the recipient of the credit that in the future, the provision of credit in the form of money, goods and services will actually be received back in a certain period in the future money.
2. Agreement, besides the element of trust in credit, it also contains elements of an agreement between the buyer and the recipient of the credit. The agreement between the debtor and creditor is stated on a sheet of paper where each party signs their rights and obligations.
3. Term, each credit given has a certain period of time. This period includes the agreed loan period, the timeframe can be in the form of short term, medium term and long term.
4. Constraints or risks, the existence of a grace period for repayment will cause a risk of uncollectible credit. The longer the time period, the greater the risk, and vice versa, this risk is borne by the bank.
5. Fees for services It is a bank advantage for the provision of a loan in the form of interest and credit administration. Based on this description, credit can be interpreted as the ability to obtain goods / services by promising to pay back with money or goods at a specified time [10].

RESEARCH METHODS

This type of research used in this research is a type of qualitative research with a descriptive approach. Researcher's descriptive approach wants to describe or describe the facts or circumstances or

symptoms that appear in PT. Mandala Multifinance, Tbk Tilamuta Branch.

The qualitative research method is a method based on the post-positivism philosophy, while for examining natural objects, where the researcher is the key instrument, the technique of collecting data is by means of triangulation (combined). Data analysis is inductive or qualitative, and the results of the study emphasize meaning rather than generalization [13].

By using a descriptive research approach to taking problems or focusing on the problem as it was when the research was carried out, the research results were then processed and analyzed to draw conclusions.

In order to conduct research, a relevant research approach is needed, because it is the most important requirement in discussing and solving research problems. Therefore, in this study using a deductive approach, namely the research process begins with the problems faced by the researcher. The reason for using this type of research is to describe the factors that affect debtor compliance in credit settlement at PT. Mandala Multifinance, Tbk.

RESEARCH RESULT

The results of this study are that natural factors that hinder debt repayment are crop failure for farmers and business instability by Civil Servants (PNS) because at this time they are still in the process of monitoring the Covid-19 pandemic. The consumer character that appears because the attitude and service of the company are not in accordance with the initial promise that the creditor has conveyed to the debtor. At maturity, the creditor provides a grace period of 3 days even up to 1 week when due, although the creditor has been given a grace period, unlike providing relief because the intervals of one day at maturity have been

contacted directly by the company. The settlement taken by the company or the debtor in the process of handling credit is in the form of Rescheduling, Reconditioning and Restructuring.

DISCUSSION

Natural factors that usually inhibit debt repayment are more specific to crop failure, and the provision of Covid-19, so this states that consumers or debtors will be given monthly installment payment relief, but with the failure of the main harvest, the community even due to Covid-19 is often in arrears at the time of the agreement predefined.

Depending on the season, as it is currently still in a pandemic period, the debtor is late in repaying his debt because he is still isolated in their respective homes. For farmers during this pandemic, they are late in repaying their debts because they are still isolated in their homes so that they rarely do the time to go to the garden, coupled with the crop failure they experience so that they are late in paying off debts and for civil servants the delay in paying off debts is like during the pandemic. now their salaries are cut by 50% so it is most likely for civil servants who are slow in paying off debts. Rescheduling for consumers or debtors for financing customers overcomes business difficulties, so that they have the ability to carry out their business activities again as before, including restoring the ability to fulfill obligations to PT. Mandala Multifinance, Tbk Tilamuta Branch. Supposedly also PT. Mandala Multifinance Tbk Tilamuta Branch will provide relief for consumers or debtors if they are given a warning and the extension is not successful and the customer is not in good faith then the settlement will continue to legal channels. Usually the factor that affects the debtor's compliance if the farmer is crop failure, but in the case of leasing there is no crop

failure system, so in PT. Mandala Multifinance, Tbk does not have the term payroll but it pays monthly. Another case with civil servants, which affects compliance in paying their debts due to their inefficient, not running business smoothly and also their TKOD salary, which is often deducted. Mandala Multifinance Tbk Tilamuta Branch will provide relief for consumers or debtors if they are given a warning and the extension is not successful and the customer is not in good faith then the settlement will continue to legal channels. Usually the factor that affects the debtor's compliance if the farmer is crop failure, but in the case of leasing there is no crop failure system, so in PT. Mandala Multifinance, Tbk does not have the term payroll but it pays monthly. Another case with civil servants, which affects compliance in paying their debts due to their inefficient, not running business smoothly and also their TKOD salary, which is often deducted. Mandala Multifinance Tbk Tilamuta Branch will provide relief for consumers or debtors if they are given a warning and the extension is not successful and the customer is not in good faith then the settlement will continue to legal channels. Usually the factor that affects the debtor's compliance if the farmer is crop failure, but in the case of leasing there is no crop failure system, so in PT. Mandala Multifinance, Tbk does not have the term payroll but it pays monthly. Another case with civil servants, which affects compliance in paying their debts due to their inefficient, not running business smoothly and also their TKOD salary, which is often deducted.

At PT. Mandala Multifinance Tbk, Tilamuta Branch performs credit settlement on natural factors by way of restructuring, namely changes in credit terms changing the addition of funds and convection of all or part of interest arrears

into new loan principal and convection of all or part of the credit into a statement within the company . At PT. Mandala Multifinance Tbk, Tilamuta Branch implements a restructuring system that provides direct injection of funds to debtors, the injection of funds is in the form of additional capital provided by the company to the debtor so that the debtor is not in arrears in payment of his debt.

The consumer character that appears because the attitude and service of the company are not in accordance with the initial promise that the creditor has conveyed to the debtor. Characteristics that usually occur on creditors who fail to promise against the debtor, in the agreement if there is a solution or a grace period given by the company to the creditor, then they are always transparent towards us and in fact it is very vague. To overcome the consumer character of PT. Mandala provides relief in the form of reconditioning requirements because when billing debtors, the debtor often complains to the company because the company or creditor does not provide valid information and in resolving the problem the creditor or company implements a credit settlement system, namely the requirements for return or recondition. The creditor or the company provides a period for the debtor by increasing the payment period of only 3 days to 1 week

At maturity, the creditor provides a grace period of 3 days even up to 1 week when due. The efforts of PT. Mandala Finance Tbk Tilamuta Branch changed credit conditions to ease the responsibility of debtors involved in bad debts. This is done by adding credit facilities, converting arrears into new loan principal, to scheduling and repayment requirements. Even though a grace period has been given, the creditor is not like giving relief because the company has contacted the company directly after one

day of due date. In dealing with maturities, the company uses a credit settlement system, namely rescheduling or rescheduling to debtors who have been in arrears in payment of their debts. Rescheduling was carried out for a week only because according to the company this was the best alternative. In extending the credit period, the debtor is given relief from the problem of the repayment period of the credit, for example, an extension of the credit period to 3 months, so that the debtor has a longer time to repay the loan.

CONCLUSION

Natural factors that hinder debt repayment are crop failure for farmers and business instability by Civil Servants (PNS) because at this time they are still in the process of monitoring the Covid-19 pandemic.

The consumer character that appears because the attitude and service of the company are not in accordance with the initial promise that the creditor has conveyed to the debtor.

At maturity, the creditor provides a grace period of 3 days even up to 1 week when due, even though the creditor has been given a grace period, unlike providing relief because the intervals of one day at maturity have been contacted directly by the company.

The settlement taken by the company or the debtor in the process of handling credit is in the form of Rescheduling, Reconditioning and Restructuring.

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