

Mechanism For Applying For Kredit Usaha Rakyat On Bank Rakyat Indonesia

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E-ISSN 2961-9904	Abstract
P-ISSN 2985-4873	Purpose - The purpose of this writing is to find out how the procedure for granting People's Business Credit and for the process of approval or rejection of People's Business Credit.
Volume 01 No 02 2022	Design/methodology/approach - The method used in this research is descriptive qualitative research method. The techniques used in data collection where the data sources obtained are primary and secondary data.
DOI:	Finding - PT. Bank Rakyat Indonesia, Tbk has procedures that must be followed in granting People's Business Loans. In addition, PT. Bank Rakyat Indonesia, Tbk also applies the precautionary principle, this aims to minimize the risk of non-performing loans which can occur at any time. In the procedure for granting credit, there needs to be good cooperation between the bank and the debtor so that the credit granting process goes well. From the results of the discussion, the Procedure for Providing People's Business Credit (KUR) Case Study at PT. Bank Rakyat Indonesia, Tbk Karangantu Serang - Banten Branch Office is in accordance with predetermined procedures and the bank has criteria in overcoming processes that occur in the procedure for granting People's Business Credit so that the credit granting process can run properly and according to procedure..
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Introduction

Bank Rakyat Indonesia (BRI) is one of the largest state-owned banks in Indonesia. Initially, Bank Rakyat Indonesia (BRI) was established in Purwokerto, Central Java by Raden Bei Aria Wirjaatmadja under the name *De Poerwokertosche Hulp en Spaarbank der Inlandsche Hoofden* or "Help and Savings Bank of the Aristocrats in Purwokerto", a financial institution serving people of nationality. Indonesian (native). The institution was founded on December 16, 1895, which was later used as the birthday of BRI. Of course, there are many facilities provided by Bank Rakyat Indonesia (BRI) for the public, namely savings and loans.

The bank is a financial institution that acts as an intermediary for third parties who have excess funds with other parties who need funds and is also an institution that functions to facilitate the flow of public payments. The main activity of the bank is to receive deposits from people who have excess funds in the form of current accounts, savings, time deposits and provide credit to those who need funds. The main task of a bank is to manage money, therefore the role of a bank is very important in a country's economy.

Banking in Indonesia has a big role in the Indonesian economy and has a role in the payment system. Article four (4) of Law Number 10 of 1998 explains, "Indonesian Banking aims to improve the implementation of national development in the framework of increasing equity, economic growth, and national recovery towards increasing the welfare of the people at large."

Based on the Banking Law Number 10 of 1998 Article 1, a Bank is a business entity that collects funds from the public in the form of savings and distributes them in the form of credit or other forms in order to improve the standard of living of the common people.

According to Law Number 10 of 1998 concerning Amendments to Law Number 7 of 1992, Commercial Banks are banks that carry out business activities conventionally and or based on sharia principles which in their activities provide services in payment traffic.

In its operations, one of the business activities that can be carried out by banks is to provide credit. In accordance with Article 1 (11) of Law Number 10 of 1998 concerning Banking, it is stated that credit is the provision of money or equivalent claims based on a loan agreement or agreement between the bank and another party.

Credit activities are the main and largest series of activities of a bank, because in addition to contributing a large share of interest income, banks will also face problems that may arise as a result of failed credit repayments. This is common in the banking business where it is almost impossible that all the loans disbursed will run smoothly 100% so that a few or many banks will have non-performing loans.

Credit generally arises because humans have a need and desire to produce or obtain goods and services that exceed the ability of their funds. In order to fulfill these needs, he needs to get credit (loans) from other parties, both from other people and from financial institutions such as banks. A sound credit procedure is that every prospective debtor must provide assurance from various aspects that he can return credit (principal and interest) on time. If for some reason it turns out that the debtor cannot fulfill his obligations, the bank will cover the collateral in sufficient value to pay the principal debt and interest.

In the credit level, the bank will face various situations, such as if the debtor does not pay his obligations on time, the debtor disappears and so on. Therefore it is necessary to supervise the implementation of credit.

Before the debtor obtains credit, he must first go through the stages of assessment, namely starting from the prospective debtor's application, data research by the credit department, checking data completeness, interviews, direct field recovery, credit analysis, credit decisions, credit agreements, and binding guarantees. The stages in granting credit are known

as the credit granting procedure, the purpose of the credit granting procedure is to ensure the eligibility of a credit is accepted or rejected.

One of the policies made by the government to empower small businesses, especially in terms of access to capital, is through the people's business credit program. Basically people's business credit is credit or financing for working capital and or investment for micro, small and medium enterprises and cooperatives in productive business sectors.

At the Karangantu unit office, there are many customers who make savings and loan transactions. Of course, Bank employees must work hard to select the eligibility of customer credit applications. Of course, a fast and precise way is needed in making decisions on granting people's business credit worthiness (KUR).

Literature Review

Banks

Banks are known as financial institutions whose main activities are accepting demand deposits, savings and time deposits. Then the bank is also known as a place to borrow money (credit) for people who need it.

According to the Law of the Republic of Indonesia Number 10 of 1998 concerning banking, a bank is a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit and or other forms in order to improve the standard of living of the common people.

According to Prof. GM Verryn Stuart (Hasibuan, 2009: 2) provides an understanding, a bank is a business entity whose form is to satisfy the needs of other people, by providing credit in the form of money received from other people, even by issuing new paper or metal money.

According to Dr. BN Ajuha (Hasibuan, 2009: 2) defines, banks channel capital from those who cannot use it profitably to those who can make it more productive for the benefit of society. Kasmir (2010), a bank is a financial institution whose main activity is to collect funds from the public and channel these funds back to the community and provide other bank services.

Based on the expert opinion above regarding the definition of a bank, the authors can conclude that a bank is a financial institution whose activities collect funds from the public and channel them back to the community in the form of credit and provide other bank services to satisfy and benefit many people.

Credit

The term credit comes from the Latin credere which means to believe. The meaning of trust is the lender who believes in the recipient of the credit that the credit he distributes will definitely be returned according to the agreement. Creditors are called creditors, while credit recipients are called debtors. Creditors can be institutions or individuals. The institutions in question are banking institutions, both commercial banks and rural banks (BPR). While the debtors come from the community and the business world.

According to the Banking Law Number 10 of 1998 Article 1 Paragraph 11, credit is the provision of money or equivalent claims based on a loan agreement or agreement between a bank and another party that agrees that the party agrees to repay the loan after a certain period of time and after offering flower .

According to Raymond P. Kent in the book Money and Banking, credit is the right to receive payment or the obligation to make payments at the time requested or at a time that will come due to the delivery of goods now.

According to the general encyclopedia, credit is a financial system to facilitate the transfer of capital from the owner to the user in the hope of making a profit. Credit is given based on the trust of other people who give it to the quality and honesty of the loan.

From the several expert opinions above regarding the definition of credit, the author can conclude that credit is a loan in the form of money, goods, or other forms between the two parties based on mutual agreement and agreement and completed according to a predetermined time.

Credit Elements

Trust

Trust is a form of confidence in the lender that the credit given will actually be received back in the future according to a predetermined time period. The trust given by the bank is the main basis for why credit dares to be disbursed. In addition, the bank as a lender will carry out research and investigations on prospective borrowers both on an apprentice and external basis, several standard requirements known as credit conditions will also be assessed for eligibility by the bank.

Deal

The next credit element is the agreement. The giver's agreement is in a credit contract (agreement) and signed by both parties before the credit is disbursed.

Timeframe

Each credit has a certain period of time. The time period is the time limit for repaying the loan that has been agreed upon by both parties. For certain conditions this period of time can be extended as needed. The timeframe can be short term, medium term and long term.

Refund

Remuneration for banks is a profit or income from lending. Repayment of credit services at conventional commercial banks is called interest (interest). In addition to remuneration in the form of interest, banks charge customers credit administration fees which are also the bank's profit. For banks with the sharia remuneration principle, credit services are determined by the profit sharing principle.

Risk

Because there is a long time, returning credit allows a risk of uncollectible or bad credit. This is because there are violations that cannot be accounted for in the future. The longer the credit term, the greater the risk. This risk is borne by the bank, both the risk of theft by customers and risks that are not detrimental. The risk is not detrimental, for example due to natural disasters or bankruptcy of the customer's business without any element of intent so that the customer can no longer pay off the credit he has obtained.

Credit Functions and Benefits

The following are some of the functions of credit in the economy:

1. Increasing the usability of money

Money in the economic context has a value or value. Money can also function as a store of value, but money that is simply kept will not add value to its owners. The value of money will actually decrease in accordance with the principle of time value of money. If the money is lent to other parties through banking institutions, the usability of money increases. With para loans, money can be used for various productive business activities. Fund owners will also enjoy benefits in the form of interest or profit sharing.

2. Increase the circulation of money

Bank credit extended in cash will increase the circulation of currency. Currency consists of banknotes and coins that can be used immediately (liquid). Credit extended through checking accounts can create new payments, such as checks, demand deposits, and money orders. If payments are made with these instruments, the circulation of demand deposits in the economy will increase.

3. Increasing the usability and circulation of goods

The goods circulating around are the result of the production process from raw materials to finished goods. With credit, entrepreneurs have the funds to process various raw materials into finished goods so that the usability of goods increases.

4. Tool of economic stability

Credit can function as a tool for economic stability because the existence of a credit system does not rule out the possibility that people who want to do business or buy something can make it happen, so that the economy will continue to run as it should, this supports one's economic stability so that the economy in general remains stable.

5. Increasing business activities

Business activities require capital in the form of money or means of production. Limited capital can hinder business development. Limited capital is a problem that is often experienced by entrepreneurs in Indonesia and in other developing countries. Credit assistance from banks can overcome the limitations of capital entrepreneurs so that they can increase their business.

6. Increasing income distribution

Credit selected for productive activities helps increase income equity among the community. For example, the credit chosen for small and medium entrepreneurs. Small and medium entrepreneurs generally experience barriers to growth due to a lack of capital. With the help of credit banks, they will have the same opportunity to increase business capacity. When their

business can develop, more workers are needed and it means that more people enjoy equal distribution of income.

7. Improving relations between countries

Lending is not only national, but also between countries (international). International credit sources also generally come from developed countries, world financial institutions, and donor agencies. Credit provided by developed countries to developing countries can improve relations between countries because it is impossible for a country to obtain loans if the country does not establish harmonious relations with other countries.

Credit facilities involve many parties so that the benefits of credit can also be felt by parties who are in need, both banks, the community and the government. The benefits of credit in detail can be distinguished as follows:

1. Benefits of credit for loans (Debtors)

Benefits obtained (debtor) from the credit facility, as follows:

- a) Debtors can increase their business by using credit funds to procure or increase various factors of production.
- b) Debtors can choose a bank that is suitable for their business because of the many credit facilities available from various types of banks.
- c) The costs incurred to obtain bank credit are relatively cheap.
- d) There are various types of credit so that it can be adjusted by the prospective debtor.
- e) The debtor's financial secrets are protected because the bank will not reveal the debtor's secrets.
- f) Credit allows debtors to expand their reach more freely.
- g) Having a Credit Institution minimizes the risk of disputes between customers and banks in the future.
- h) The credit period can be adjusted according to the needs of the prospective debtor.

2. Benefits of credit for banks

The benefits obtained by the bank from the credit facility are as follows:

- a) Banks earn income from interest received from debtors. With credit interest, it is expected that bank profitability will improve. This situation is reflected in the increased profit burn.
- b) Provision of credit assists in marketing other banking products or services.
- c) Lending can win market share in the banking industry.
- d) Lending can maintain and develop the bank's business.
- e) The provision of credit allows the banking sector to educate its employees in detail about business activities.

3. Benefits of credit for the government

The benefits obtained by the government from the existence of credit facilities are as follows:

- a) Credit is used as a tool to encourage economic growth.
- b) Credit as a tool to control monetary activities.

- c) Credit as a tool to create business fields.
- d) Providing credit as a tool to increase and equalize people's income.
- e) Credit can increase state revenues.
- f) Credit can create and expand markets.

4. The benefits of credit for the community

The benefits obtained by the community from the existence of credit facilities are as follows:

- a) Credit will encourage economic growth and will ultimately reduce the level of stimulation and increase people's income.
- b) Fund owners who deposit money in the bank hope that the invested funds can be received back in full along with the interest.
- c) With the increasing number of projects and companies being opened due to obtaining credit facilities, other businesses that have ties to the company are growing.
- d) The existence of a type of credit such as a bank guarantee or L/C provides a sense of security and peace of mind for the parties involved such as project leaders or contractors.

Types of Credit

The types of credit extended by banks to the public can be grouped as follows:

Types of credit according to their purpose

According to its use, bank credit can be stated as follows:

a) Consumptive credit (Consumer Loans)

Consumer credit is credit intended for the needs of the debtor himself and his family. Consumer credit provided by banks to facilitate the consumption activities of their customers. Examples of consumer loans are loans used to buy houses, cars, and electronic equipment.

b) Working capital credit or productive credit

Working capital credit is intended to increase business capital so it is also referred to as productive credit. This credit helps expedite the production process. The amount of working capital credit can be determined by calculating the largest difference between current liabilities and current assets. The size of the maximum difference indicates the amount of funds that must be supported by banks.

c) Investment credit

Investment credit is credit used for investment activities or hidden capital. In general, this credit is chosen by entrepreneurs engaged in the plantation sector, such as oil palm plantations and rubber plantations.

d) Trade credit

Trade credit is credit intended to purchase goods to be resold. Trade credit consists of domestic trade credit and foreign trade credit.

2. Credit based on the term

Based on the payment term, credit accumulates into three, namely as follows:

a) Short term loans (Short Term Loans)

Short term loans have a maximum repayment period of one year. Examples of short-term credit are checking account credit, sales credit, buyer credit, money order credit, and exploited credit.

b) Medium-term credit

Medium-term credit has a repayment period of one to three years. Medium-term loans are used by companies to buy raw materials, buy spare parts, and pay labor wages. An example of a medium-term loan is the Permanent Working Capital Loan (KMKP).

c) Long Term Loans

Long-term credit requires a repayment period of more than three years. Long-term loans are used to increase capital when the company undertakes rehabilitation, expansion and establishment of new projects.

3. Credit based on economic sector

The following are various types of economic sectors that are credit targets.

a) Agricultural credit, namely credit extended to the agricultural business sector, such as animal husbandry, fisheries, and plantations.

b) Industrial credit, namely credit extended to the industrial sector, both home industry, small industry and large industry, for example the textile, tempeh, handicraft, pharmaceutical and automotive industries.

c) Service credit, namely credit extended to the service sector, both Small and Medium Enterprises (SMEs) and large businesses.

d) Mining Credit, namely credit extended to various types of mining, for example minerals, oil, and natural gas.

e) Trade, restaurant and hotel credit, namely credit given to trade businesses, hotels and restaurants, for example credit to exporters and importers of various goods.

f) Cooperative credit, namely credit given to business entities in the form of cooperatives.

g) Professional credit, namely credit given to various professions.

h) Construction credit, namely credit extended to the business of building and repairing roads, markets and airports.

4. Credit based on collateral or collateral

Collateral or collateral is one of the conditions for granting credit. The collateral is obtained by the bank through a proper assessment of the character, ability, capital and business prospects of the prospective debtor. The form of collateral can be in the form of goods, projects or claims financed by credit, other goods, securities, and warranty risk.

Based on the collateral, credit can be reduced as follows:

a) Collateralized credit, namely credit provided with a guarantee from a person to the debtor concerned.

b) Securities collateral loans, namely loans provided with collateral - securities or commercial papers.

- c) Goods collateral loans, namely loans provided with fixed goods (assets), movable goods, and metals (gold) as collateral
- d) Document collateral credit, namely credit provided with transaction document collateral, for example L/C. Letter of credit or L/C is a facility or service provided by a bank to customers in order to facilitate and expedite goods buying and selling transactions, especially those related to international trade transactions.

Principles of Lending

According to Kasmir (2012: 136) before a credit facility is given, the bank must feel confident that the credit given will actually return. This confidence is obtained from the results of credit assessment before the credit is disbursed. The assessment uses several principles, namely, the 5C principles, 7P principles, and 3R principles.

A. Principle 5 C

1. Character

Character is the nature or character of the customer. This analysis is to find out the nature or character of a creditor customer, whether he has the character or characteristics that are responsible for the credit he takes. From this character or nature, it will be seen the customer's willingness to pay under any difficult conditions. However, on the other hand, if the customer does not have the nature of being willing to pay, the customer will try to avoid paying for various reasons, of course. This character or trait can be seen from the client's past through observations, experiences, curriculum vitae, as well as the results of interviews with clients.

2. Capacity

Capacity, namely the analysis used to see the ability of customers to repay credit. This ability can be seen from personal income for consumptive credit and businesses financed for trade or productive credit. This ability is important to assess so that the bank does not experience losses. To assess the ability of customers can be assessed from the documents owned, the results of confirmation with parties who have the authority to issue certain letters (for example a person's income), the results of interviews or through the calculation of financial ratios.

3. Capital

Capital is to assess the capital owned by customers to finance loans. This is important because the bank will not finance the credit 100%, meaning that there must be capital from the customer. The goal is for customers to feel motivated to work hard to make their business successful, and to be able to pay their credit obligations.

4. Conditions

Condition, namely the general condition at this time and in the future, of course. The conditions to be assessed are mainly current economic conditions, whether it is feasible to finance credit for certain sectors.

For example, certain crop production conditions are booming in the market. Thus, credit for the sector is on the contrary reduced. Another condition that must be considered is the condition

of the surrounding environment, for example the condition of security and social conditions of the community.

5. Guarantee

Collateral is a customer guarantee given to the bank in the context of financing the loan it proposes. This guarantee is used as a last resort for banks to guard against a default in the credit underwritten. Why is collateral or guarantee the final assessment of 5 C, this is because the most important is the assessment above. If it is feasible, the guarantee is only an addition, just in case there are unavoidable factors that cause credit defaults, for example natural disasters. Besides that, it is also to motivate customers to pay because the guarantee is held by the bank.

B. Principle 7 P

While credit assessment with 7 P analysis, among others:

1. Personality

Personality, namely assessing the client in terms of personality or daily behavior as well as past personality, personality assessment includes the client's emotions, behavior, and actions in dealing with a problem and solving it.

2. Party

Parties, namely classifying customers into certain classifications or certain groups, based on their capital, loyalty and character.

3. Purpose

The aim is to find out the customer's goals in taking credit, including the type of credit the customer wants.

4. Prospects

Prospects, namely to assess prospective clients' businesses in the future are profitable or not or in other words have prospects or vice versa.

5. Payment

Payment is a measure of how the customer returns the credit that has been taken or from which source the credit is returned.

6. Profitability

Profitability is to analyze how the customer's ability to make a profit, the profitability as measured from the period will remain the same or increase, with the additional credit that will be obtained.

7. Protection

The function of protection is how to ensure that the credit provided is guaranteed protection, so that the credit provided is truly safe. The protection provided by the customer can be in the form of goods guarantees or insurance guarantees.

C. Principle 3 R

1. Returns

Return includes an assessment of the results to be achieved by the prospective borrower's company after obtaining credit. If the results obtained are sufficient to pay off the loan and at the same time help the business development of the prospective debtor concerned, then credit is given, and vice versa.

2. Redemption

Repayment is calculating the ability, schedule and term of credit payments by prospective borrowers, but the company can run.

3. Ability to Bear Risks

Risk Bearing Ability is taking into account the ability of the prospective borrower's company to face, whether the prospective debtor's company has big or small risks. The company's ability to face risk is determined by the amount of capital and its structure, type of business and management.

Aspects of Credit Analysis

There are 6 aspects that need to be analyzed on a prospective debtor's credit application, including the following:

1. Analysis of Legal Aspects

Basically, the analysis of legal aspects is carried out to evaluate the legal aspects of prospective debtors. In a credit agreement, there are two parties, namely the bank as the party giving the loan (creditor) and the party receiving the credit (debtor). Both parties have their respective rights and obligations. Therefore, it needs to be based on a formal legal basis in accordance with the applicable law.

From a legal point of view, basically prospective debtors can be submitted into three groups, including:

- a) Individual debtors are credit applications submitted by someone on behalf of individuals, and the purpose of credit is for their own interests.
- b) The debtor is a business form that is not a legal entity. The debtor is a business entity that is not a legal entity, including CV, UD, and Firma. In this case, the bank needs to see who owns it and who has the right to make payments. This can be seen in the deed of sincerity for CV. In addition, it is necessary to look at the business license owned, domicile, and NPWP.
- c) Debtors are legal entities that are included in this group are debtors with legal entities such as PT, Cooperatives, and Foundations. Some of the data needed is as follows:
 - 1) Deed of establishment, whether drawn up by a notary.
 - 2) The deed has been ratified by the Ministry of Justice and Human Rights.
 - 3) Owned business license.
 - 4) NPWP.

By analyzing the legal aspects, the bank will receive information about who has the right to make an agreement in the agreement and their rights and authorities.

2. Analysis of Marketing Aspects

The marketing aspect is a very important aspect for a more in-depth analysis, because this is related to the marketing activity of the candidate's debit product. The bank can find out to what extent the product of the prospective debtor is accepted by the market and how long the product can last. In detail, the marketing aspects that need to be analyzed include:

- a) Products marketed.
- b) Market share.
- c) Competitors.
- d) Marketing strategy.

3. Analysis of Technical Aspects

Analysis of technical aspects is an analysis carried out by banks with the aim of knowing the physical and business environment of prospective debtors and the production process. By analyzing the technical aspects of the bank can conclude whether the company can carry out its production activities efficiently. Later it will be known whether the production process is based on orders or mass production. Sensitivity based on sales of these products will affect the company's cash in flow, because the timing of receipt of sales proceeds will vary. Technical aspect analysis can be done by analyzing:

- a) Factory location.
- b) Factory layout.
- c) Production process.
- d) Availability of raw materials.

4. Management Aspect Analysis

The management aspect is one of the most important aspects before a bank gives a recommendation for revoking a customer's credit. Several factors that need to be assessed on management aspects include:

- a) Organizational Structure and Job description.
- b) Systems and Procedures.
- c) Arrangement of human resources and business experience.

5. Analysis of Financial Aspects

Analysis of the financial aspects required by the bank to determine the financial capability of the prospective borrower's company in fulfilling its obligations, both short term and long term obligations. The Bank sees that winning the prospective debtor's business can be estimated with several kinds of financial instruments. Some of the financial instruments required in this analysis include:

- a) Liquidity,

- b) Leverage,
- c) Activity,
- d) Profitability, and
- e) Analysis of sources and uses of funds.

People's Business Credit (KUR)

The People's Business Credit Program (KUR) is one of the government's programs to improve access to financing for Micro, Small and Medium Enterprises (MSMEs) which are channeled through financial institutions with a guarantee scheme. The KUR program is intended to strengthen business capital capabilities in the context of implementing policies to accelerate the development of the real sector and empower MSMEs.

In order to realize this, the government issued Presidential Instruction Number 6 of 2007 concerning Policy for the Acceleration of Real Sector Development and MSME Empowerment. The KUR program was officially launched on November 5, 2007. Funds for disbursing KUR come from banking funds or financial institutions which are KUR distributors. The funds provided are in the form of funds for working capital needs and investments which are channeled to individual/individual MSME actors, business entities and/or business groups who have productive and viable businesses but do not yet have additional or adequate funds but are not yet bankable.

Procedure for Provision of People's Business Credit (KUR)

Based on the results of the author's interview at the BRI Unit Karangantu office, Serang Branch which was conducted on April 5, 2022 with the Head of the Unit, the writer can argue that the procedure for granting KUR is carried out in stages as follows:

Figure 4.3 Procedures for Provision of People's Business Loans at Bank BRI Karangantu Unit Branch Serang - Banten

Source: BRI Bank Karangantu Unit, (2022)

A. Credit Application Stage

Prospective debtors submit an application for a people's business loan (KUR) in writing to the BRI Unit Karangantu Serang. Prospective KUR debtors come to the BRI Unit Karangantu office, then assisted by Customer Service, prospective KUR debtors fill out the registration form or the KUR application form provided by the bank, then it is signed by the applicant. (results of interview with Gigih Citradi Prabawa as Head of the BRI Unit Karangantu Serang Branch on 05 April 2022 at 10.00 WIB).

Prospective people's business credit debtors must meet the requirements that have been set in terms of submitting applications for people's business loans. People's business credit was introduced as easy-to-obtain credit, so the conditions set were very simple. The requirements

that need to be included are proof of identity in the form of a photocopy of an Identity Card (KTP), a photocopy of a Family Card (KK), and a Business Certificate.

According to Gunarto Suhadi (2003: 96) Banks need to pay attention to the principles in assessing a credit applicant, namely as follows:

- 1) Banks only provide credit if the credit application is submitted in writing. This applies both to new credit, term extension, additional credit, and requests for changes to credit terms.
- 2) The credit application must contain complete information and meet the requirements in accordance with the stipulated provisions,
- 3) Banks must ensure the correctness of the information data submitted in credit applications.

B. Credit Analysis Stage

Examination Phase Based on Bank Indonesia Directions as contained in the Decree of the Board of Directors of Bank Indonesia No. 27/162/KEP/DIR dated March 31, 1995, every credit application that meets the requirements must be analyzed in writing with the following principles:

- 1) The form, format and depth of credit analysis is determined by the bank according to the amount and type of credit,
- 2) Credit analysis must describe the relationship concept of the total credit application. This means that credit approval cannot be made based solely on consideration of an application for one transaction or one credit account from the applicant, but must be based on an assessment of all credit from the credit applicant that has been given and or will be given jointly by the bank.
- 3) Credit analysis must be made in a complete, accurate and objective manner which at least includes:
 - a) Describe all information relating to the business and applicant data including the results of research on the bad credit list,
 - b) Assessment of the eligibility of the number of credit applicants with the business activities to be financed, with the aim of avoiding the possibility of mark-up practices that could be detrimental to the bank,
 - c) Presents an objective assessment and is not influenced by parties interested in credit applications.
- 4) Credit analysis must at least include an assessment of the 5C principles and an assessment of the source of credit repayment which is focused on the business results of the applicant and provides a juridical aspect of credit with the aim of protecting the bank against risks that may arise,
- 5) In assessing the credit syndication, the bank acting as the parent bank must also be assessed.

Regardless of the direction above, it still opens opportunities for banks to adjust their credit policies in accordance with the conditions and needs of the banks themselves. The BRI Karangantu Unit, Serang Branch, in conducting credit analysis, also has its own policy, which of

course is still guided by the Direction of Bank Indonesia. The financial statements of prospective debtors are one of the absolute basic data in terms of analysis.

At the inspection stage, after the conditions are completed, the BRI Unit Karangantu, in this case the Mantri (account officer) will check and notify directly to the field about whether or not the prospective people's business credit debtor provides a loan by asking questions related to the application. These KUR include:

- a) Match photocopies of proof of identity/other identities with the originals.
- b) Inquire about matters related to the business of prospective people's business credit debtors. For example: about capital, about loans to other parties, etc. The aim is to analyze whether the prospective debtor is able to repay the loan or not.
- c) Inquire about the benefits of the business of the prospective people's business credit debtor with the aim of knowing the ability to repay the loan. (Results of an interview with Febriana Purwandari as Mantri/Account Officer of the BRI Karangantu Unit Serang Branch on April 5 2022 at 11.00 WIB).

C. Stages of Granting Credit Decisions

At this stage, the prospective debtor will obtain a credit decision containing approval for the granting of people's business credit according to the application submitted. The decision to approve a credit application is in the form of granting part or all of the credit application from the prospective debtor. The BRI Karangantu Unit will signal to the prospective debtor to confirm again a few days according to the day determined by the bank after submitting the credit application. Usually the decision is given 3-5 days after the registration of the people's business credit application. (interview on 05 April 2022 at 11.30 WIB, with Hendy Hermawan as Mantri (account officer) BRI Karangantu Unit).

At the BRI Unit Karangantu Serang, before giving a credit decision, the Head of the BRI Unit Karangantu must review and ensure that the documents related to or that support the granting of a credit decision are still valid, complete, valid and legally enforceable.

According to Rachmat Firdaus (2003:51) Every official involved in the credit approval policy must be able to ensure the following:

- 1) Every loan given is in accordance with sound credit principles and other banking regulations,
- 2) Lending is appropriate and based on honest, honest, careful and thorough credit analysis (using the 5C principle) and is independent,
- 3) There is a belief that the credit will be able to be repaid by the debtor.

The policy of the BRI Karangantu Serang Unit that this people's business loan can be given is debtors who have micro, small, medium enterprises (MSMEs). The Karangantu BRI Unit does not necessarily include cooperatives, because until now the Karangantu BRI Unit in Serang has not implemented a Linkage Program where credit to MSMEs can be channeled through cooperatives.

D. Credit Disbursement Stage/Credit Agreement.

Every process of disbursement of credit (disbursement) must be guaranteed to be safe, directed, and productive and carried out if the requirements specified in the credit agreement have been met by the credit applicant (Rachmat Firdaus, et al. 2003: 52). After all the requirements are met and providing credit through a credit agreement, the debtor can take loan funds that have been submitted to the teller section of the BRI Karangantu Unit, Serang.

The stages of the credit/disbursement contract include several stages, namely the preparation stage for disbursement, signing of the credit disbursement agreement, fiat payment and payment of credit disbursement (Results of interview with Hendy Hermawan as paramedic at the BRI Karangantu Unit, Serang Branch on 05 April 2022 at 11.45 WIB).

The explanation of the steps at the credit contract stage are as follows:

1) Preparation of Disbursement

After the Letter of Request for Loans (SKPP) is terminated, Customer Services records it in the register and immediately prepares for disbursement as follows:

- a) Notifying the prospective debtor that his KUR application has received approval or a decision and certainty of the disbursement date,
- b) shooting of Debt Acknowledgment Letter,
- c) Fill out the KUR disbursement receipt.

2) Signing of the KUR Disbursement Agreement

The file or completeness of the disbursement here is the Acknowledgment of Debt, before shooting the people's business credit disbursement file, the Customer Service must ensure that the documents related to the disbursement of people's business credit have been signed by the debtor as proof of the debtor's approval. After that, Customer Service asks the debtor to read and understand the acknowledgment of debt (SPH) and the execution of the SPH is then submitted to the unit head for inspection. To maintain security and carry out the precautionary principle, the Customer Service completes the KTP signature with the debtor's signature at the time of registration, then submits all files to the Head of Unit to be paid.

3) Fiat Pay

The head of the unit examines the file regarding the correctness and completeness of filling in the people's business credit file to match the requirements stated in the credit decision, after being sure the head of the unit affixes a signature as fiat pay approval. When finished, the receipt is handed over to the teller and the file is handed over to customer service.

4) KUR Disbursement Payment without Collateral

Payment of disbursement of people's business credit to debtors is made by tellers based on receipts received from the head of the unit by first studying the validity of the receipts.

If there is a delay in the disbursement of people's business credit funds, it is caused by the large number of applicants who want to become prospective people's business credit debtors, considering that the number of staff handling people's business loans is not proportional to the number of people's business credit applicants.

The process of approving or rejecting the provision of people's business loans to BRI banks

The process of approving or rejecting the provision of People's Business Credit (KUR) to BRI banks can be seen in Figure 4.3 above. Based on the results of the author's interview at the BRI Unit Karangantu office, Serang Branch, which was conducted on April 5, 2022 with the Unit Head and Mantri, the author can argue that the process of approval and rejection of KUR grants is as follows:

Approval Process for the Provision of People's Business Credit at Bank BRI

The approval process for granting People's Business Credit (KUR) to BRI banks can be carried out after the Mantri/Account Officer conducts a survey. The approval process or accessor for People's Business Credit (KUR) loans can be carried out with the following debtor criteria:

- a) Complete debtor data (photocopy of KTP, KK, certificate of marriage/not yet),
- b) Business Certificate,

The following is an example of a business certificate: Figure 4.4 a business certificate

Source: BRI Bank Karangantu Unit, (2022)

- c) Pass Document Check by OJK,

The following is an example of checking or scanning documents by OJK. Figure 4.5 Scanning documents passed by OJK

Source: BRI Bank Karangantu Unit, (2022)

- d) Realization/Credit Agreement,
- e) Disbursement.

Process of Rejecting People's Business Credit at Bank BRI

The process of rejecting the provision of People's Business Credit (KUR) to BRI banks occurred after the Mantri/Account Officer conducted a survey. The process of disbursing a People's Business Credit (KUR) loan occurs due to several debtor criteria as follows:

- a) Debtor data is incomplete or fake,
- b) Does not have a Business to be used as a reference for collateral,
- c) Does not pass the document check by OJK,

Figure 4.6 Scanning Documents Not Passed by OJK

Source: BRI Bank Karangantu Unit, (2022)

- d) Debtor Data is rejected.

CHAPTER V CLOSING

Conclusion

Based on the results of research conducted at PT. Bank Rakyat Indonesia, Tbk Karangantu Unit Office Branch Serang - Banten, the authors draw the following conclusions:

1. Procedures for Providing People's Business Credit (KUR) at PT. Bank Rakyat Indonesia, Tbk Karangantu Unit Office Serang - Banten Branch is in accordance with procedures, namely

credit applications, requirements and document checking, disposition, data input and data analysis, surveys, credit realization, decisions, credit contracts and disbursement.

2. PT. Bank Rakyat Indonesia, Tbk Karangantu Unit Office Serang - Banten Branch has criteria for the approval or rejection process when granting People's Business Credit (KUR), especially in the administrative completeness process where the solution is to explain the prospective debtor to complete the incomplete requirements so that credit submitted can be disbursed either in the Decree (SK) which is used as collateral or other supporting requirements.

Suggestions

Based on the results of the discussion that has been described, the authors provide suggestions, namely:

1. For the Company

To PT. Bank Rakyat Indonesia, Tbk maintains or improves the process of providing People's Business Credit (KUR) to PT. Bank Rakyat Indonesia, Tbk Karangantu Unit Office, Serang - Banten Branch, which complies with established procedures so that the process of granting People's Business Credit (KUR) can be satisfactory, both for the bank and for the customer.

2. For Further Researchers

Further researchers can develop this research by examining other credit granting procedures at PT. Bank Rakyat Indonesia (Persero) Tbk. Future researchers can also increase the size of the population and sample so that more comprehensive data will be obtained. In addition, pudding uses other methods, so it can get unusual information.

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