

CERTIFICATION AND GUARANTEE OF LAND RIGHTS OVER ABANDONED LAND MANAGEMENT RIGHTS IN CREDIT APPLICATIONS

ARI WIBOWO ^{1*}, BUDI SANTOSO² and YUNANTO³

¹ Student of Doctoral Program in Law, Faculty of Law, Diponegoro University, Semarang, Jl. Prof. Soedarto, SH., Tembalang, Semarang, Indonesia. *Corresponding Author Email: ariwibowo@students.undip.ac.id

^{2,3} Lecturer of Doctoral Program in Law, Faculty of Law, Diponegoro University, Semarang, Jl. Prof. Soedarto, SH., Tembalang, Semarang, Indonesia.

Abstract

This study aims to analyze the certification and guarantee of land rights over abandoned land management rights in credit applications. The research method used is normative juridical. The results show that the implementation of guaranteeing land rights over abandoned land management rights is reviewed from the statutory regulations related to management rights as follows: 1) The certification mechanism can be seen from the determination of land indicated as abandoned land to be designated as abandoned land through; a) an inventory of land rights or the basis for control over land that is indicated as neglected, b) identification and examination of indicated abandoned land, 3) warning to rights holders, c) determination of abandoned land. 2) The guarantee mechanism is carried out through two stages of activity, namely the stage of granting mortgage rights by debtors to creditors by making a Deed of Granting Mortgage Rights (APHT) by the Land Deed Making Official (PPAT) and the stage of registering mortgage rights at the Land Office, as well as the principle of security rights; Droit de Suite Principles, Droit de Preference Principles, Principles of Specialty, Principles of Publicity.

Keywords: Certification, Guarantee, Land, Rights, Credit

A. INTRODUCTION

Credit is the main business activity that must be carried out by banks because the largest income from bank business comes from credit income, namely in the form of interest and loan provision. In terms of national and international economic development, it will be known how big the role associated with credit activities is at this time. Various financial institutions, especially conventional banks, have helped meet the needs of funds for economic activities by providing money loans, among others, in the form of bank credit.¹

Bank as a form of financial institution that aims at "*financial intermediary*" with the main business of collecting and distributing public funds and providing other services in payment traffic. The bank as a business entity gets a large profit from its business. As a financial institution, banks have the main obligation to maintain the stability of the value of money, encourage economic activity, and expand employment opportunities. Bank Indonesia aims to support the implementation of national development in the context of improvement, equity, and national stability towards improving the welfare of the people, so it is clear that the function of banking in Indonesia in addition to collecting and distributing public funds has a role to carry out national development.^{2,3}

The main element of crediting is trust. Trust is the creditor's belief that the credit recipient (debtor) can fulfill everything that has been agreed in the future. To obtain confidence and trust must arrive at a confidence in the extent to which the concept of credit scoring can be fulfilled properly. According to Presidential Regulation Number 9 of 2009 concerning Financing Institutions (hereinafter referred to as Perpres Lembaga Pemfinancing) is a financing activity for the procurement of goods based on consumer needs with payment in installments.⁴

Financing Institution is a business entity that carries out financing activities in the form of providing funds or capital goods. A Finance Company is a business entity specifically established to conduct Leasing, Factoring, Consumer Financing, and/or Credit Card business. While ^{5,6} *Consumer Finance* is a financing activity for the procurement of goods based on consumer needs with payment in installments. Consumer needs include motor vehicle financing, household appliance financing, electronic goods financing and housing financing.^{7,8}

Banks as financing institutions are obliged to pay attention to prospective debtors by assessing their character, ability, capital, guarantees and conditions. One form of credit security with a guarantee agreement. Guarantee as a legal institution gives birth to legal principles as stipulated in civil law which has an important position in the economic world.⁹

The implementation of lending by the Bank begins with a credit agreement between the creditor and the debtor. The credit agreement is a principal agreement (principal) that is real, as a principle agreement, the guarantee agreement is the assessor. Then the existence and expiration of the guarantee agreement depends on the principal agreement. Credit provided by the Bank carries risks, so the Bank must pay attention to sound credit principles. To reduce this risk, a credit guarantee is needed to provide confidence in the debtor's ability and ability to pay off its debt as agreed. For this reason, in providing credit facilities, banks assess customers using the 5C principle based on prudential principles, namely: *character, capacity, capital, conditions of economy, and collateral*.¹⁰

In general, guarantees are divided into two types, namely material guarantees and individual guarantees, material guarantees are guarantees that have a direct relationship with certain objects while individual guarantees are guarantees that only have a direct relationship with the collateral provider, not to certain objects. Regarding the types of material guarantees, first of all what is known by the Civil Code is liens and mortgages and secondly that introduced by jurisprudence is fiduciary.¹¹

One of the guarantees for movable goods is a lien as stipulated in the Civil Code. Goods mortgaged according to its rules must be handed over to creditors until the debtor's debt is paid off. This obligation is what causes problems in practice, if the collateralized goods in the form of tools used to seek income are handed over by creditors, then as a result the debtor meets two obstacles, namely not getting income and the debt becomes unrepayable.¹²

In principle, not all guarantees can be guaranteed to banking institutions or non-bank financial institutions, but objects that can be guaranteed are objects that meet certain conditions.

The conditions of a good collateral are: ¹³

1. Can easily assist the acquisition of credit by those who need it;
2. Does not weaken the potential (strength) of the credit seeker to conduct or continue his business;
3. Provide certainty to the creditor, in the sense that the collateral is available at any time for execution, if necessary it can be easily cashed to pay off the debt of the recipient (taker) of credit.

So far, the above lending and borrowing activities have used dependent rights or security rights as regulated in Law Number 4 of 1996 concerning Dependent Rights which is an implementation of Article 51 of Law Number 5 of 1960 concerning Basic Agrarian Law, and at the same time as a substitute for mortgage institutions on land and *credietverhand*. In addition, other security rights that are widely used today are Liens, Mortgages other than land, and Fiduciary Guarantees.

B. DISCUSSION

1. Certification in Guaranteeing Land Rights Over Abandoned Land Management Rights is reviewed from the Laws and Regulations related to Management Rights

The mechanism for determining a land indicated as wasteland to be designated as Abandoned Land will be carried out through 4 stages (Article 3 of Perka BPN No.4 / 2010 Jo Perka BPN No.9 / 2011), which includes 4 stages:

Phase 1: Inventory of Land Rights or Basis of Tenure over Land Indicated as Abandoned

At this stage the Head of the BPN Regional Office will conduct a Land Inventory of land indicated as Abandoned Land, where the inventory is carried out based on information about the existence of abandoned land that can be obtained from several sources, namely: ¹⁴

- a. Results of field monitoring by the Regional Office or Land Office;
- b. reports of other agencies/agencies;
- c. written reports from the community, and
- d. Written report from the rights holder.

The inventory of land indicated as abandoned land is carried out through 3 stages of activities, which include: (Article 6 Perka BPN No.4 / 2010 Jo Perka BPN No.9 / 2011):

1. Data collection on land indicated as abandoned, where at this stage the BPN Regional Office will collect textual data on land indicated as abandoned, including the name and address of the right holder, the date of granting rights, the location and area of the land, land use, the area of land indicated as abandoned and the expiration of the land certificate. In addition, spatial data will also be collected, namely in the form of maps equipped with coordinates of the position of land parcels indicated by abandoned land;

2. Grouping data on land indicated as abandoned, at this stage the Head of the Regional Land Office will group the data indicated as abandoned land obtained based on the district / city area and the type of rights / basis of control;
3. Administering data on the results of the inventory of land indicated as abandoned, after the data is grouped, the data on the inventory of land indicated as abandoned will be orderly administration for the purposes of reporting, analysis materials and determining further actions.

Phase 2: Identification and Research of Abandoned Indicated Lands

After obtaining land data that is indicated as wasteland, it will be followed up with identification and research on administrative aspects and field research. At this stage, the Head of the BPN Regional Office will analyze the results of the inventory mentioned above to compile and set targets for identification and research on land indicated as abandoned. To set the relevant target, the Head of the Regional Office will prepare data and information on land indicated as abandoned (Article 8 paragraph 1 Perka BPN No.4 / 2010 Jo Perka BPN No.9 / 2011).

The data and information preparation activities will include several activities, namely: ¹⁵

1. Verification of physical data and juridical data including the type of rights and land layout;
2. Check the land book and/or warrants and other documents to determine the existence of encumbrances, including data, plans, and stages of land use and utilization at the time of applying for rights;
3. Request information from the right holder and other related parties, if the right holder/attorney/representative does not provide data and information or is not in place or cannot be contacted, then identification and research will still be carried out in other ways to obtain data;
4. Carry out physical examinations in the form of boundary location, use and utilization of land using existing technology;
5. Carry out plotting of the location of land use and utilization on the land map based on the results of physical examination;
6. Make an analysis of the causes of wasteland, among others, regarding problems that cause abandoned land, conformity with the rights given, and conformity with spatial planning;
7. Prepare reports on the results of identification and research; The process of implementing the above data and information preparation activities will be notified in writing to the rights holder concerned in accordance with his address and domicile.

After the data from the identification and research above is considered sufficient as material for decision making on control efforts, the Head of the Regional Office will form Committee

C consisting of elements of the Regional Office, Land Office, Regional Government, and agencies related to the allocation of the land concerned. Pantia C is basically a party who will directly communicate with the right holder to research whether the land can be designated as wasteland.¹⁶

The duties of Committee C include several matters related to identification and research on wastelands, namely as follows: ¹⁷

1. Verify physical data and juridical data;
2. Check the land book and/or warrants and other documents to determine the existence of encumbrances, including data, plans, and stages of land use and utilization
3. Request information from the right holder and other related parties, and the Right Holder and other parties must provide information or submit the necessary data;
4. Carry Out physical examinations using existing technology;
5. Carry Out plotting of the location of land use and utilization on land maps;
6. Make an analysis of the causes of the occurrence of wastelands;
7. Prepare reports on the results of identification and research;
8. Carry out committee sessions to discuss and provide advice for consideration to the Head of the Regional Office in the context of actions to regulate wasteland; and
9. Make and sign the Minutes of the identification and research.

Furthermore, on the results of the research and identification, Committee C will submit the final report and Minutes of its implementation to the Head of the local BPN Regional Office when applying for rights;¹⁸

Stage 3: Warning Rights Holders

If based on the results of the identification and research above, it is found or proven that there is abandoned land, the Head of the Regional Office will notify the holder of the right to the land and at the same time give a warning to him.

The Warning will consist of 3 Warning Stages, which include:

1) First Warning

Once abandoned land is found based on the results of identification and research, the Head of the Regional Office will immediately send the first warning to the rights holder. The contents of the first warning contain that within a period of 1 (one) month from the date of issuance of the warning letter, the right holder must cultivate, use and utilize his land according to the circumstances or nature and purpose of granting his rights or the basis of his control, and will be given a second warning if he does not implement the contents of this first warning. ^{19,20}

In the first warning letter, it is also determined the things that the right holder must do, while the actions of the concret based on Article 15 paragraph 2 of Perka BPN No.4 / 2010 are as follows:

1. Cultivate, use, and utilize the land according to the circumstances or nature and purpose of granting its rights;
2. In the event that the land used is not in accordance with the nature and purpose of granting its rights, the right holder must submit an application for change of land rights to the Head in accordance with applicable regulations;
3. Apply for the right to the basis of tenure over the land to cultivate, use, or utilize the land in accordance with the permit/decision/letter of the authorized official.

In addition, based on Annex 6 of Perka BPN No.4 / 2010, rights holders are also obliged to submit periodic reports every 2 (two) weeks to the Head of the local Land Regional Office.

2) Second Warning

If within the period of 1 (one) month specified in the First Warning Letter expires but the right holder has not cultivated/used/utilized the land and/or done other concrete things as specified in the First Warning letter, the Head of the Regional Land Office will send a Second Warning Letter after the expiration of the First Warning letter period.²¹

Based on Appendix 7 of Perka BPN No.4 / 2010, the content of this second warning is basically the same as the content of the first warning letter, namely basically the right holder must cultivate, use and utilize his land according to the circumstances or nature and purpose of granting his rights or the basis of his control within 1 (one) month from the issuance of the warning letter and other matters and will be given a third warning if he does not heed this warning. In addition, rights holders are also obliged to submit periodic reports every 2 (two) weeks to the Head of the local Land Regional Office.

3) Third Warning

If the right holder does not also carry out the second warning within 1 (one) month, after paying attention to the progress of the second warning, the Head of the Regional Office will give a third written warning which is the last warning to the right holder after the second warning letter period expires.²²

Based on Annex 3 of Perka BPN No.4 / 2010 and Article 15 of Perka BPN No.4 / 2010 the contents of this third warning will contain, among others:

1. Obligation to utilize land, so that within a period of 1 (one) month have cultivated, used and utilized the land in accordance with the circumstances or nature and purpose of granting rights or the basis of control;
2. Sanctions, if they do not heed and do not carry out this Warning III (last), sanctions will be imposed where the land is designated as abandoned land, which at the same time

contains the abolition of rights, the termination of legal relations, and the affirmation of the land to be land directly controlled by the state;

3. Obligation to report progress, the right holder must submit periodic reports every 2 (two) weeks to the Head of the Regional Office regarding the progress of the land utilization. With respect to each warning, the Head of the Regional Office will carry out field monitoring and evaluation of the rights holder's report at the end of each warning period, which will be the basis for consideration for further action.²³

2. Guarantee of Land Rights over Abandoned Land Management Rights in terms of Laws and Regulations related to Management Rights

The mechanism for guaranteeing land rights over abandoned land management rights is reviewed from laws and regulations related to management rights carried out through the imposition of dependent rights carried out through two stages of activity, namely the stage of granting dependent rights by debtors to creditors with the making of the Deed of Granting Dependent Rights (APHT) by the Land Deed Making Officer (PPAT) and the stage of registration of dependent rights at the Land Office.

The process of imposing dependent rights can be described as follows:

Guarantee of Land Rights over Abandoned Land Management Rights through the Deed of Granting Dependent Rights

The stage of granting dependent rights is carried out before the Land Deed Making Officer (PPAT), which is preceded by a debt receivable agreement guaranteed by an authentic deed made by PPAT, at this stage there are two, namely the deed of debt receivable agreement as the principal agreement and the imposition of guarantees (rights of dependents) on land rights as this agreement accessoir.

The stage of granting dependent rights by debtors to creditors is the making of a Deed of Granting Dependent Rights (APHT) by the Land Deed Making Officer (PPAT) which is preceded by a promise to provide dependent rights as collateral for repayment of a debt, which is stated in the debt-receivable agreement. Furthermore, debtors and creditors go to the Land Deed Making Officer (PPAT) to make a Deed of Granting Rights (APHT). In this case, the parties, namely the grantor of the dependent rights (debtors or other parties as owners of the object of the rights of dependents) and the holders of the rights of dependents (creditors) must appear before the Land Deed Making Officer (PPAT), if the grantor of dependent rights cannot be present, a Power of Attorney to Impose Dependent Rights (SKMHT) will be made

As an assessor of the credit agreement, a Deed of Granting Rights of Dependents (APHT) is made, made before the Land Deed Making Officer (PPAT), the object that is bound as collateral is the guarantor of debt repayment. After the date of signing the APHT is valid for only 7 (seven) days, after which the dependent rights are registered at the local land office.

If the placement of the dependent rights uses a power of attorney, it must meet the following conditions:

1. Does not contain the power to perform legal acts other than imposing the Right of Dependent;
2. Does not contain the power of substitution;
3. Clearly state the object of the Right of Dependent, the amount of debt and the name and identity of the creditor, the name and identity of the debtor if the debtor is not the grantor of the Right of Dependent.

The Power of Attorney to Impose Dependent Rights (SKMHT) is irrevocable or cannot be terminated for any reason except because the power has been exercised or because it has expired. SKMHT regarding land rights that have been registered must be followed by making APHT no later than 1 (one) month after it is granted. SKMHT regarding land rights that have not been registered must be followed by the preparation of APHT no later than 3 (three) months after it is granted, if this is not fulfilled it can result in a power of attorney null and void.

After that, the parties must fulfill all formal conditions of imposition of liability. Furthermore, the Land Deed Making Officer (PPAT) checks the certificate of title to the land that is used as the object of liability at the Land Office to ensure the validity of the data. Then a binding Power of Attorney to Impose Dependent Rights (SKMHT) is carried out by the Land Deed Making Officer (PPAT) and reads or explains the contents of the Power of Attorney to Impose Dependent Rights (SKMHT) in front of the parties, namely debtors and creditors witnessed by two witnesses from Notary / PPAT staff then signed by the power of attorney (debtor), power of attorney (creditor), the Land Deed Making Officer (PPAT) concerned and two witnesses from the Notary / PPAT. The Power of Attorney to Impose Dependent Rights (SKMHT) is made in two duplicates, namely the Power of Attorney to Impose Dependent Rights (SKMHT) the first sheet for the Notary / PPAT office minuta and the Power of Attorney to Impose Dependent Rights (SKMHT) the second sheet for registration of Dependent Rights After the stage of making the Power of Attorney to Impose Dependent Rights (SKMHT) is complete, the next stage is the preparation of the Deed of Granting Dependent Rights (APHT). The Deed of Granting Rights of Dependents (APHT) is a standard form issued by the National Land Agency (BPN) and used by the Land Deed Making Officer (PPAT) which has been regulated in the Regulation of the Minister of Agrarian State/ Head of the National Land Agency Number 3 of 1996 7 concerning the Form of Power of Attorney to Impose Rights of Dependents, Deed of Granting Rights of Dependents, Land Book of Rights of Dependents, and Certificates of Rights of Dependents.

In a Deed of Granting Rights of Dependents (APHT) must be stated things that are mandatory for the validity of a Deed of Granting Rights of Dependents (APHT), including: the name and identity of the holder and grantor of rights of dependents, the domicile of the holder and grantor of rights of dependents, a clear designation of debts or debts guaranteed, the value of dependents and a clear description of the object of the rights of dependents. In addition, the Deed of Granting Dependent Rights (APHT) can include facultative promises (choices that

may or may not need to be included) as stipulated in Article 11 paragraph (2) of Law Number 4 of 1996 concerning Land Liability Rights and Objects Related to Land at the Land Office.

In the Deed of Granting Rights of Dependents (APHT) must include the following:

- a. Name and identity of the holder and grantor of the Dependent Right;
- b. The domicile of the parties referred to in letter a, and if among them there is a domicile outside Indonesia, for him must also be listed a preferred domicile in Indonesia, and in the event that the preferred domicile is not listed, the office of the Land Deed Making Officer where APHT is made is considered as the chosen domicile.
- c. Clear designation of debts or secured debts as referred to in Articles 3 and 10 paragraph (1);
- d. The value of dependents;
- e. A clear description of the object of the Right of Dependents (Article 11 paragraph 1 of Law Number 4 of 1996 concerning Rights of Dependents).

In the Deed of Granting Rights of Dependents (APHT) can be included promises, including:

- a. Promises that limit the authority of the grantor of the Right of Liability to rent the object of the Right of Liability and/or determine or change the term of the lease and/or receive rent in advance, except with the prior written consent of the holder of the Right of Dependent;
- b. A promise that limits the authority of the grantor of the Right of Liability to change the form or arrangement of the object of the Right of Dependent, except with the prior written consent of the holder of the Right of Dependent;
- c. A promise that authorizes the holder of the Right to Cover to manage the object of the Right of Liability based on the determination of the Chairman of the District Court whose jurisdiction includes the location of the object of the Right of Liability if the debtor is seriously in default;
- d. A promise that authorizes the holder of the Right to Cover to save the object of the Right of Dependent, if necessary for the execution or to prevent the removal or cancellation of the right that is the object of the Right to Cover due to non-fulfillment or violation of legal provisions;
- e. A promise that the holder of the first Dependent Rights has the right to sell on his own power the object of the Dependent Rights if the debtor defaults;
- f. The promise given by the holder of the Right to Cover is that the object of the Right to Cover will not be cleansed from the Right to Dependent;
- g. Promise that the grantor of the Right of Liability will not waive his rights to the object of the Right of Liability without the prior written consent of the holder of the Right of Dependent;

- h. Promise that the holder of the Right to Cover will get all or part of the compensation received by the grantor of the Right to Cover for the repayment of his receivables if the object of the Right to Cover is released by the grantor of the Right to Cover or deprived of his rights for the public interest;
- i. Promise that the holder of the Right of Liability will get all or part of the insurance money received by the grantor of the Right of Liability for the repayment of his receivables, if the object of the Right of Liability is insured;
- j. Promise that the grantor of the Dependent Rights will vacate the object of the Dependent Rights at the time of execution of the Dependent Rights; k. The promise referred to in Article 14 paragraph (4) (Article 11 paragraph 2 of Law Number 4 of 1996 concerning Rights of Dependents);

According to the explanation of Article 11 paragraph (2), the promises referred to in paragraph (2) are facultative in nature and have no effect on the validity of the deed. Parties are free to decide whether or not to mention such promises in the APHT. With these promises contained in APHT which is then registered with the Land Office, these promises also have binding force against third parties.

Although it is facultative in nature and has no influence on the validity of the deed and since the promises are mostly given to protect the interests of creditors, whether or not the promise is included depends largely on the active role of creditors at the time of signing the APHT before the Land Deed Making Officer. The promises referred to in Article 11 paragraph (2) of Law Number 4 of 1996 concerning the Rights of Dependents are not limitative. Outside of the promises already mentioned, the parties may include other promises. This is in accordance with the principle of consensuality of the law of treaties, with restrictions must not conflict with law, public order and decency.

After making the Deed of Granting Rights of Dependents (APHT), then the Deed of Granting Rights of Dependents (APHT) is signed by the parties, namely the first party (creditors representing the grantor of dependent rights) and the second party (creditors representing banks), Land Deed Making Officials (PPAT), and at least two witnesses from the Land Deed Making Officer (PPAT). The Deed of Granting Rights of Dependents (APHT) is made in 4 duplicates, namely the Deed of Granting Rights of Dependents (APHT) the first sheet which is paraphrased as much as one is kept by the Land Deed Making Officer (PPAT) as a minuta office, then the Deed of Granting Rights of Dependents (APHT) the second sheet as many as two which are used for registration of rights of dependents at the National Land Agency (BPN) in making certificates of rights of dependents consisting of the Deed of Granting Rights of Dependents (APHT) the second sheet which is paraphrased and the Deed of Granting Rights of Dependents (APHT) of the second sheet which is only given ttd, and the Deed of Granting Rights of Dependents (APHT) of one copy given to the Bank as a creditor.

Guarantee of Land Rights over Abandoned Land Management Rights through Registration of Dependent Rights at the Land Office

The registration stage is carried out at the local district/municipality land office. Registration is intended to meet publicity requirements with the aim of letting the public know that a piece of land has been used as an object of guarantee for the right of dependents. Registration of objects based on the provisions of Article 17 of Law Number 4 of 1996 concerning Rights of Dependents is carried out at the City or Regency Registration Office at the local National Land Office.

This certificate of entitlement contains irahs with the words "FOR THE SAKE OF JUSTICE BASED ON THE ONE AND ONLY GOD". With these irahs, the certificate of title has the same executory power as a court decision that acquires permanent legal force in lieu of grosse acte Hypotheek as far as land rights are concerned. Unless otherwise agreed, a land title certificate that has been affixed with a note of encumbrance. The granting of a certificate of indemnity to the creditor of the holder of the dependent right provides legal certainty and strong legal protection for the creditor of the holder of the dependent right.

C. CONCLUSION

The implementation of lending by the Bank begins with a credit agreement between the creditor and the debtor. The credit agreement is a principal agreement (principal) that is real, as a principle agreement, the guarantee agreement is the assessor. Then the existence and expiration of the guarantee agreement depends on the principal agreement. Credit provided by the Bank carries risks, so the Bank must pay attention to sound credit principles. To reduce this risk, a credit guarantee is needed to provide confidence in the debtor's ability and ability to pay off its debt as agreed.

The implementation of Penjaminan Land Rights over Abandoned Land Management Rights is reviewed from the Laws and Regulations related to Management Rights as follows:

- a. The certification mechanism can be seen from the determination of land indicated as wasteland to be designated as wasteland through; 1) Inventory of land rights or basis of tenure over land indicated as abandoned, 2) identification and research of land indicated as abandoned, 3) warning to rights holders, 4) determination of abandoned land.
- b. The guarantee mechanism is carried out through two stages of activity, namely the stage of granting dependent rights by debtors to creditors with the making of the Deed of Granting Dependent Rights (APHT) by the Land Deed Making Officer (PPAT) and the stage of registration of dependent rights at the Land Office, as well as the principle of dependent rights; *Droit de Suite Principle, Droit de Preference Principle, Specialization Principle, Publicity Principle.*

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