Analysis of Procedures for Providing Subsidized Housing Loan (KPR) to Increase the Effectiveness of Loan Provision to Bank X

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Abstract

Research aim: This study aims to analyze Bank X's procedures for granting Subsidized Housing Loans (KPR), identify obstacles faced, and provide recommendations to increase the effectiveness of the credit granting process.

Design/Methode/Approach: The research method used in this study is qualitative descriptive, which explains, describes, and answers questions in more detail and in accordance with the actual situation of the problem to be studied. In this study, we analyze in detail the procedure for granting Subsidized Housing Loans (KPR) at Bank X.

Research Finding: The procedure for granting Subsidized Housing Loans (KPR) at Bank X has gone well even though several obstacles remain. The procedure starts with several stages: submission by users/customers, checking the requirements and completeness of documents by Consumer Loan Sales (CLS), interviews and checking SLIK by Consumer Loan Sales (CLS), verification and assessment, credit agreements, and disbursement.

Theoretical contribution/Originality: This research contributes to the development of management theory by reinforcing that it is important to make Standard Operating Procedures (SOPs) in business.

Practitionel/Policy implication: The results of this study provide practical recommendations to simplify administrative procedures, adopt digital solutions to reduce manual processes, improve staff training to improve service quality so that misinformation does not occur, display procedures and requirements in detail, and provide time deadlines at each stage. This recommendation can help Bank X and similar institutions optimize the procedure for granting subsidized mortgages.

Research limitation: This research is limited to one branch of Bank X, so the findings may not be generalized to other branches or institutions. Further research can be carried out with comparative studies in several branches or banks to validate and expand the findings.

Keywords : Procedure, Subsidized Housing Loan (KPR), Effectiveness

1. Introduction

One of the Bank's main activities is to distribute funds to the community through credit[1]. According to Law of the Republic of Indonesia No. 7 (1992) about Banking article 1 paragraph 12 explains that "Credit is the provision of money or bills that can be equated with it based on an agreement or lending agreement between the bank and another party that obliges the borrower to pay off its debt after a certain period of time with the amount of interest, reward

or distribution of profits". Credit or debt provides an opportunity for individuals or entities or companies to get funds to meet various needs[3]. The existence of credit is certainly inseparable from various risks both for the lender and for the recipient of the credit itself. To minimize these various risks, it is necessary to implement measurable and clear Standard Operating Procedures (SOPs). Standard Operating Procedures (SOPs) not only serve as technical guidelines for banks but also play an important role in maintaining business continuity and the stability of the financial system as a whole.

The Standard Operating Procedure (SOP) guidelines or manuals are one of the most important assets of an organization to control all decisions and activities carried out systematically and effectively[4]. Standard and structured procedures are not only used to minimize credit risk but also to improve customer satisfaction through fast services and processes[5]. In addition, neglect of procedures can also open up loopholes for fraud, both from internal parties and prospective customers[6].

In granting credit, the Bank must conduct a measurable assessment of the customer's ability to repay the loan, including through the analysis of credit history, income, assets, and other factors that affect the customer's solvency. Clear procedures ensure that every credit application is assessed objectively and consistently so that credit risk can be minimized. The credit granting procedure sometimes includes several important stages that must be carried out consistently.

The credit application stage usually starts with the customer submitting all the necessary documents such as personal identity, payslips, financial statements, and other supporting documents. The bank is obliged to ensure that the documents submitted are complete and valid at this stage. This initial inspection is very important to prevent irregularities or fraud in the future. The next stage is credit evaluation where the bank conducts an in-depth analysis to determine the creditworthiness of prospective customers. Usually in this process, an analysis known as the 5Cs is carried out, namely the Character, Capacity, Capital,Collateral，And Condition[7].

Standart Operational Procedures (SOP) play a role in ensuring that credit evaluations are carried out in accordance with the same standards for each customer. The results of the credit evaluation obtained are submitted to the credit committee or manager for approval. The next process after the credit is approved is credit approval where the bank and the customer agree

on the terms and conditions of the credit by making a written agreement. Then the next stage is credit distribution and credit monitoring. Good monitoring can make it easier for banks to detect potential financial problems early, so that prevention can be carried out before the problem gets bigger.

One of the credit products that is most in demand by the public is Housing Loans (KPR). According to data from Google Trends deep Bekti (2023) Housing Loans (KPR) are the most sought-after credit products by the Indonesian people in the period from 2021 to the first quarter (QI) of 2022. Housing Loan (KPR) is a service offered by banks to debtors who want to get special financing for the construction or purchase of a house. In Indonesia, there are two types of mortgages that are known, namely subsidized mortgages and non-subsidized mortgages. The main components of a mortgage include creditors (lenders), debtors (borrowers), mortgage objects (houses), and credit terms[9].

The process of granting Housing Loans does not always run smoothly and smoothly. Some of the operational problems that often arise in the credit granting process are too long processing time, delays in information obtained by customers, complicated bureaucracy to fraud and bad credit. Bank X as one of the banks appointed by the government in distributing Housing Loans (KPR) cannot be separated from various challenges in the process of distributing Housing Loans (KPR). According to Nixon LP Napitupulu, President Director of Bank X, Housing Loans (KPR) are the biggest motor driving the performance of BTN's business engine which contributes Rp 257.92 trillion or 86.96% to the bank's total credit portfolio [10].

Until now, there have been many requests and realizations of Housing Loans (KPR). Therefore, Bank X needs to implement a systematic procedure to increase its effectiveness in the credit granting process. This systematic procedure needs to be implemented in each branch of Bank X, one of which is at Bank X. As a Subsidiary Branch Office, Bank X will begin serving Housing Loan (KPR) applications in July 2024 consisting of subsidized and non-subsidized mortgages. The Subsidized Mortgage Program from the government is what is in great demand by Bank X customers. There has been a lot of data on applications for Subsidized Housing Loans (KPR), but there are still 15 customers who have been realized until the end of 2024. Based on the researcher's observations, there are still several problems or obstacles in the credit granting process at Bank X, including the length of the credit granting process, the

invalidity of the data provided by customers, the lack of information to customers regarding the subsidy quota from the government, the occurrence of errors in the system, and the lack of human resources in the credit granting process. Therefore, Bank X needs to conduct an in-depth analysis in the implementation of the SOP for granting credit.

Research related to the SOP for granting credit is important to be carried out as the results of previous research by Astrid et al. (2024) that obstacles that can occur in the procedure for granting BTN Platinum mortgages include a history of collectibility in the SLIK of prospective debtors, errors in the system, invalid data on the debtor's file, appraisal orders that tend to consume time and delays in the payment of pre-contract fees by prospective debtors. These obstacles can eventually result in the credit granting process being longer than usual or even canceled because prospective debtors cannot meet the existing requirements during the credit granting process.

Furthermore, in the research by Princess Ananda & Sudrajat (2023) It was concluded that the Karawang branch of the State Savings Bank implemented a system for granting Subsidized Housing Loans (KPR) and non-Subsidized Housing Loans (KPR) that were running according to standard operating procedures with a structured program and had clear authority. In granting mortgages, there is a good communication relationship between the bank, the debtor, developer and notary. Then with the E-loan system, the credit granting process is more effective and efficient. The proposal to minimize bad loans if the Karawang branch of BTN implements special requirements for applicants who receive salaries from the workplace are required to deduct direct installments from the salary and provide sanctions by being blacklisted from the Karawang branch of the State Savings Bank.

Based on the background description, this study aims to analyze how the credit granting procedure applied by Bank X, especially in Subsidized Housing Loans (KPR).

1.1 Statement of Problem

Based on the description in the introduction, the credit granting process at Bank X still has several problems that hinder the effectiveness of the credit granting process. One of them is the length of the application process to the granting of credit. The lack of information related to the Subsidized Housing Loan (KPR) quota to customers is also one of the problems in the process of providing Subsidized Housing Loans (KPR) at Bank X.

Therefore, it is necessary to conduct an in-depth analysis related to how the procedures implemented by Bank X in the credit granting process.

1.2 Research Objectives

The purpose of this study is to analyze how the procedures applied by Bank X in the process of granting Subsidized Housing Loans (KPR). In addition, this study also aims to find out the obstacles faced by Bank X in the process of granting Subsidized Housing Loans (KPR). Then the results of this study are used to provide recommendations on how to improve the effectiveness of the credit granting process at Bank X.

2. Method

Research It uses descriptive qualitative research methods. Qualitative research methods are research methods based on the philosophy of positivism, used to research natural objects, where researchers are key instruments, data collection techniques are carried out in triangulation, data analysis is inductive/deductive, qualitative research results emphasize understanding meaning and constructing phenomena rather than generalizations[13]. The descriptive qualitative method has the purpose of explaining, describe, and answering in more detail and in accordance with the actual situation of the problem to be studied[14]. In this study, we analyze in detail how the procedure for granting Subsidized Housing Loans (KPR) at Bank X.

This research was conducted at Bank X which is located on Jl. Soekarno Hatta No.116, Tepus, Sukorejo, Ngasem District, Kediri Regency, East Java. Data sources are obtained from primary data and secondary data, where primary data refers to information obtained from interviews and observations. The sources interviewed were the Sub Branch Head as a leader at Bank Secondary data was obtained from company documentation, books and scientific journals. This research was carried out starting from October 2024.

To validate the interview results, researchers used source triangulation and method triangulation methods. Source triangulation was carried out by comparing and cross-checking information obtained from three sources. Meanwhile, method triangulation was carried out by comparing interview data with data from other methods such as direct observation and documentation studies. The aim of applying triangulation is to increase the credibility of the data, reduce bias, and ensure that the findings obtained truly describe field conditions objectively and comprehensively.

The data obtained was then analyzed and explained in this research. Data analysis techniques begin with data reduction, namely selecting important things, summarizing, looking for themes and patterns, and leaving data that is not needed. The theme search process was carried out by examining in depth interview transcripts, observation results, and documentation to find recurring meanings, consistent statements between sources, and issues relevant to the research focus. These themes were then grouped based on certain categories that emerged naturally from the field data. After being reduced, the data is presented in the form of a descriptive narrative to provide a comprehensive overview of the findings and then conclusions are drawn.

3. Results and Discussion

Findings

To obtain the data, the researcher first conducted interviews with 3 informants who were directly related to the process of granting Subsidized Housing Loans (KPR) at Bank X. Informant 1 is the leader or Sub Branch Head (SBH), Informant 2 is the credit officer or Consumer Loan Sales (CLS), and Informant 3 is the Customer. The results of the interview are as follows:

Informant 1

Researcher: "What is a Subsidized Housing Loan (KPR) and what differentiates it from other loans?"

Informant 1: *"Subsidized mortgages are different from **other mortgages because** the interest is lower. In this subsidized mortgage, interest is given **5%** until it is paid off and this mortgage is indeed **given for MBR, low-income people**."*

Researcher : "Who are the targets of Subsidized Mortgage credit products?"

Informant 1 *: "The target of the Subsidized Mortgage credit product is **low-income people with a maximum income of 8 million rupiah**, which is used by the government to help people have their own housing or houses."*

Researcher : "What are the requirements to apply for a Subsidized Housing Loan (KPR)?"

Informant 1: *"For the requirements themselves are **Indonesian citizens who are 21 years old or married,** the applicant's age **does not exceed 65 years**, the applicant or **spouse does not*

*have a house before and **has never owned a house or received subsidized facilities**, the **basic income salary does not exceed 8 million rupiah**, has an **e-KTP** and **is registered with the dukcapil**, have an **annual NPWP** and **tax return** and **the developer must be registered with the Ministry of PUPR** and **the house specifications are in accordance** with government regulations, so those are the documents needed for a Subsidized Mortgage."*

Researcher : "What is the flow of procedures set by Bank X in the provision of subsidized mortgages?"

Informant 1: *"The process itself is **the first credit application from the user or customer**, I repeat for the flow is that the submission first after the submission will be **checked for completeness by the LS (Loan Sales) officer** after that if there is a shortcoming it will be asked again to be completed after that it will **enter the analysis** after analysis and **enter the breaker or leader** in the office and after that it will be done **credit agreement with a notary**."*

Researcher : "What are the files that need to be prepared by customers in applying for a subsidized mortgage?"

Informant 1: *"What files are prepared by the customer are the same as the requirements in question number 3 earlier, more or less like that."*

Researcher: "Who are the parties involved in the process of obtaining subsidized mortgages?"

Informant 1: *"Who are the parties involved, including the patience **of LS (Loan Sales) bank officers, leaders, analysts, developers**, those who are involved in the process of granting subsidized mortgages and also **the government**, of course."*

Researcher : "What are the obstacles in the process of granting subsidized mortgages?"

Informant 1: *"The obstacle in the process of granting a mortgage is usually **that the salary is not enough**, so he is too little, not enough for the installments, it is a frequent and many obstacles, there are also those related to **the housing, maybe those that have not been completed** or are still **in the process of construction**, so we have to **wait until it is finished first**."*

Researcher : "How is the implementation of the procedure for granting subsidized mortgages at Bank X, has it gone well?"

Informant 1: *"It has gone well, it has **gone well** as it should, so the process is fast and it is also ensured that the house is finished and ready to be inhabited."*

Researcher : "What is the solution if there is a violation or related part that does not follow the established procedures?"

Informant 1: *"Of course, there will also be **an evaluation reprimand** from the leader or superiors to the person concerned to return to follow the SOP in the company so that everything runs well and safely."*

Researcher : "What are the things that make the procedure not go well?"

Informant 1: *"What are the things that make the procedure not go well, including yes, the procedure can not run when there is **a lack of completeness** or when there is **a late construction** But all the procedures that do not go well have the solution that I conveyed in the previous question, more or less like that."*

Informant 2

Researcher: "What is a Subsidized Housing Loan (KPR) and what differentiates it from other loans?"

Informant 2: *"So the Home Ownership Credit or subsidized mortgage is actually, someone who buys a house only we pay for the house in full, meaning that the developer has paid it off, so later he will replace the payment to the bank but through installments. So we pay the house first to the developer in full if it has been paid, he will replace the payment to Bank X only in installments and later there will also be interest for a certain period of time, so the difference is, if the subsidy is flat, the **interest will be flat** until it is paid off **by 5%,** there will be no interest rate increase, while if it is non-subsidized, the interest will be floating, so in a few years there will be an increase in interest rates, continue if the subsidy is The difference is also that the target is different between subsidized and non-subsidized. If for the DP, usually the subsidized house has **a zero down payment**, but later there will indeed be a **fee paid in the process before the contract**, such as bank provision fees and others, there is usually a fee for changing the name, notary and so on, only if the cost related to the notary is the same as changing the name or related to the actual house, it is usually coordinated with the developer, if the one who goes*

to the bank is the fee paid is usually like a provision, administration and so on, if the subsidy is usually around 2-3 million."

Researcher: "Then who are the targets of the Subsidized Mortgage credit product?"

Infoman 2: *"If the target of the subsidized mortgage product is actually for people with **low income to enough** , so for example, if he is single, his income is between **three and seven million**, and if he is married, his income is between **three and eight million** , so indeed we target people whose income is still below **7 or 8 million** If for example above, he will not be able to get subsidized interest, he can be non-subsidized."*

Researcher: "Then what are the requirements to apply for a Subsidized Housing Loan (KPR)?"

Infoman 2 : *"For the requirements, there are actually a lot of files, for example, personal **data** from **KTP, KK, NPWP**, then if for example get married **using a marriage certificate,** then he will have to ask for **a certificate that he does not have his own house** in the village, there must be that letter, then there will be income data, usually there is a **work decree** to continue using **Income for the last three months, account** mutations for the last three months, and the most important thing is that there will also be a subsidy form. **The subsidy form** usually has the content like a lot of statements, usually there are statements of irregular income or income statements under 8 million, and then usually the subsidy form must be stamped from the place of work, usually the place of work."*

Researcher: "If the subsidy form already has a format, or what about it?"

Informant 2: *"If the **subsidy form** already has a format from the bank, so later we usually have given the format to the developer, for example, the customer is listed, usually it has been provided directly with the developer to fill out the subsidy form."*

Researcher: "Oh..., what is the flow of procedures set by Bank X in granting subsidized mortgages?"

Informant: *"So if the flow is the first one, actually if he wants to buy a house, he can come here first or he can go directly to the developer, later if he comes here, it is best directed to the developer because he has to use a house purchase letter, the house purchase letter is issued by the developer. So later, for example, if he goes to the developer and continues to say that he plans to buy a house later with the developer, he will immediately be told what the file is, such as personal data, income data, and then what is like building legality data from the developer, including the penalty problem letter earlier. So, for example, if later all the data has been*

*collected with the developer**, it will be entered into the bank, it will be processed** later at the bank, usually we **will screen** the documents first, the **completeness of the documents** later, if for example we are complete, after that we **check the SLIK** or BI – Checking, later if, for example, the results are smooth, it means **that there is no credit history that is stuck**, now it can be **put into the system**, so we put it into the system, it's like starting personal data, where to work, how much income, then to apply for a mortgage in which house, which developer, then the mortgage plan, what is the ceiling, then a few years, then we will enter it in the system. If it has been included in the system, then usually **from the system there will be a team of analysts**. Later, if it has **been accced by the analyst team**, a Letter of Confirmation of Credit Approval or SP3K **has been issued.** Now when the SP3K has come out, we usually send the SP3K to the person, to the customer. We send, in SP3K the contents are like how much ceiling, what is the period, how much interest, how many installments, and there are also costs that did not come in earlier, so like the cost of the realizations, it's all in the letter, later if for example it is sent to him, if he has agreed, oh okay, now it means that later it is just **a matter of scheduling for the contract** If before the contract but there must be a **house** inspection first. So later before the contract, there is usually a PTN officer who **surveys** the house, we first survey whether the house is finished or not, there is already electricity, then PDAM, roads and so on. Usually, for example, it must be at least **80 or 90 percent**, so if for example there is an audit report, then we can only submit it for a contract, for example, we have agreed **to the contract, we schedule a contract** with a notary, then if the contract is already in place, then we **will disburse the money to the** developer's account, make the term we have paid the customer's house to the developer, after that later after receiving the key, the house has been bought so the next thing is the **customer who pays the** installments."*

Researcher: "For the installments, do you have to open an account?"

Informant 2: *"For the installment, you have to **open an account,** so later usually before lifting it from the bank, you must have opened an account, so we open an account and then we tell the customer for the **initial deposit and the fee deposit** in SP3K which is around 2 million to 3 million, now that's usually the D-1 contract must be deposited first because wait for the contract conditions as an administrative fee, right. So later for that account, it will be automatically opened from here."*

Researcher: "Then what are the files that need to be prepared by customers in applying for a subsidized mortgage?"

Informant 2: *"The files that need to be prepared are personal **data** such as **KK, KTP, NPWP,** if you are married, use the **marriage book** and also **the spouse's ID card** as well, then **the Certificate of Not Owning a House** from the village. Then there is **income data,** there is usually a **work decree** for continuing to use **the last three months' income**, the **last three months' account mutations**, and the most important thing is that there will also be a **subsidy form.** If the customer who applies has a business, he must include **the NIB and income data for the last 3 months**."*

Researcher: "Then who are the parties involved in the process of granting subsidized mortgages?"

Infoman 2 : *"If the parties involved in the process of providing subsidized mortgages are the first ones there are **users or customers**, they are the ones who buy, then there are **developers** who are also sellers of the house, and there are banks **as the distributors of funds**, so we distribute funds to developers and then the customers provide funds to us. Those three are, the same usually there is also **a notary**, it's just that the notary is actually an outside party who is not directly involved, he only helps **take care of the legality**, for example, like changing the name and so on, for example, what does he buy from the developer, it is actually still in the name of the PT, so in the process later, usually after that, For example, it has been contracted and so on, now it is actually still in the name of the PT but and the PT we usually give a few months of time, how many months is the main month under one year, we give the PT time to take care of the certificate, the point is that under one year it must have been reversed in the name of the person concerned. Oh, if in the bank, usually for the processor, the initial processor is a **loan officer or consumer loan sales** like me, consumer loan sales, so we do the **screening and initial assessment**, like I wonder if the salary is enough, and so on, for example, I think it's okay, I put him in what period of time and how many installments don't apply, right? Then later after that it enters the **data verification officer or DVO**, the data verification officer will be tasked with **verifying from the data that was not inputted,** whether it is true that the salary is not so true, whether it is not working here, now he verifies it by looking at documents that are not uploaded, such as personal data, work data, through that it is the same by phone. So, for example, like job verification, he calls his boss, at his customer's boss or verification related*

to whether this is true or not, he doesn't have a house, that's so that later the verification will be to the emergency contact or his family. Now after that, everything has been verified, he will write the results, for example, the salary according to the verification will be different if it will **go directly to approval, approval if here is the Sub Branch Head (SBH),** *if for example in the branch there is a Consumer Landing Unit Head, basically the head is the approval. So later the approval will decide the credit based on data that is not input or data from the verifier earlier, DVO will approve it, for example, how much is the phone which is approved for the installment period and so on, now after SBH will go to me again SP3K will continue the contract after that, the disbursement* **of these funds will be disbursed,** *the one who will do the work is* **the signing officer,** *the signing officer, the actual task is to* **disburse the funds to the developer's account,** *For example, if you already have a contract, I will upload it later, upload the files needed for the contract, such as notary files and so on later if you have the same signing officer in the checks, if it has just been disbursed to the developer's account. It's arrived, oh there is another one after the signing officer, then later the documents like the certificate will be handed over to whom, so later the developer must immediately take care of the certificate and so on, they usually have to take care of it later, they coordinate with* **the Loan Documen**, *so the Loan Documen is the one who takes care of the dosir, the dosir is like a submission document like the content of personal data, Later, it will be stacked into the same Documen Loan and Dokpok, so there are two* **Dosir and Dokpok**, *the main document, if the main document, yes, it is* **a certificate and IMB,** *the main thing is legal-legal, it will also* **be the Loan Documen who coordinates all collected in him."**

Researcher: "If you are a hafizh, is it usually OTS?"

Infoman 2 : "*Well, with mas hafiz, yes, mas hafiz is needed under certain conditions, so for example, there are those who apply for it, sometimes there are those who are employees and the salary is fixed payroll directly to the account, there are also those who are entrepreneurs, so if for example the entrepreneur is later, actually before I don't input, I ask for help from OSS for OTS first, OTS is really a business* **surveyed** *It's really not his business, how long has his business been running, how much income he makes. Well, for example, if there are already* **OTS results,** *then later they will not be input according to my own data, then the data is hafizh OTS,* **it will be used for comparison,** *that's the same as DVO, according to my data, how much is OTS. Later, the DVO is usually what he looks like, verify what the actual income is, what is*

the truth, what is the result of my OTS, so but if the OTS is actually at the KCP, yes, it's OSS, only in the branch there is its own OTS officer."

Researcher: "What are the obstacles in the process of granting subsidized mortgages?"

Infoman 2 : *"The obstacle is usually one of the most often if the initial **file is incomplete**, we have to wait first until it is completed because it slows down the process and the second is that there is a history of KOL 2, KOL 3, KOL 4, KOL 5, anyway, **there is a history of bad collectibility**, so if it is like that, then usually we have to **submit an exception first or the core submission is approved** To the superior, to the branch manager, it's usually so long, it's also because it's just right and approving it doesn't happen right away, so you have to wait, then the third is that the income is actually not a lack of income, usually most of it he **has installments in other places**, so the installments in other places are usually quite big, finally when he wants to submit this, he seems like **the ability to pay installments is cut**, because he paid for the other installments, so later the ACC, the phone is not in accordance with the application, sometimes it is also a problem, so it seems that having installments elsewhere in a large number of installments is also actually a problem, and that's it, sometimes it's DVO, it's a phone call, an emergency contact call with his boss. Well, sometimes this is a problem too. So sometimes there are people on the phone **who don't respond**, or are never picked up, or the number is like an automatic reject. Well, that's usually a problem too. It's like in the end, it can't be verified immediately, the results will **take a long time to come out**. So far, that's the problem."*

Researcher: "What if the subsidy quota from the government is it?"

Informant 2: *"If the subsidy is from the government, it's also because usually the **quota is per year** from the beginning of the year to then the year is very much, it means that there are already a lot of things because the quota can be spent, sometimes like this year **the quota has not run out** until December so automatically those who have submitted the SP3K must have asked when I can get a contract and the developer is definitely asking me when I can get a contract because we need funds also from the disbursement we need funds for cash flow, so that's actually also a problem, only if it's for **a quota, it's indeed from the government** So yes, we can't do anything except from the government to give an additional quota now. Right, the quota is from the Ministry of PUPR, yes, usually it's a notification from the Ministry of PUPR at the beginning of the year, now the quota is **based on the results of last year's evaluation**,*

so they experience how much we spend later, it will be used as a reference for next year's quota, actually, so we have to run out, we want it, for example, if it doesn't run out next year, the quota will be reduced, it's just that for example we run out quickly, yes, it's definitely not the end of the year and it's gone."

Researcher: "How is the implementation of the procedure for granting subsidized mortgages at Bank X, has it gone well?"

Infoman 2 : *"If at the moment the actual thing **is going well** , it's just that for the mortgage application, we **need to interview the customer directly, because that's a bit difficult** because usually the customer submits **directly to the developer** , so they don't meet us, so the developer directly submits the file to us. So we **can't have a direct interview**. That's why we usually have to interview by phone, we can't meet in person. Yes, that's it, even though you should be able to do a direct interview. It's just that now it's okay to call it."*

Researcher: "Then what is the solution if there is a violation or related part that does not follow the established procedures?"

Informant 2: *"Emm if you haven't been there all this time, eeemm. There is no violation"*

Researcher: "What are the things that make the procedure not go well?"

Infoman 2 : *"What makes the procedure not go well, emm there is no actually because the application is through a developer and sometimes the application is through a developer, so it's like from **the bank that you don't meet directly** with the person concerned except for the contract, so if we do for example interviews and so on, we **have to be by phone, so it's less effective**, yes, so sometimes the community sometimes **The developer conveys this as necessary, so sometimes the customer is not clearly informed**, actually , what will happen later."*

Infoman 3

Researcher: "First, what is your knowledge about Subsidized Mortgages at Bank X?"

Infoman 3 : *"This subsidized mortgage is like a **credit to buy a house** , it's a product of Bank X, that's it, **assisted by the government**."*

Researcher: "How does the credit department explain related to subsidized mortgages to customers?"

Infoman 3 : *"The explanation continues to be easy to understand, maybe there are some who are mistaken because yes this is new to me but the explanation is quite good from the BTN employee."*

Researcher: "Then what requirements do you have to meet to get a Subsidized Mortgage at Bank X?

Infoman 3 : *"If the initial requirement is just **an ID card**, then after that you will be told to complete it like **a KK**, all sorts of things, and then eee. What is it called, job data, such as **work letters, salaries**, and so on, that's it."*

Researcher: "ee what is the flow of the Subsidized Mortgage application flow at Bank X that you know?"

Infoman 3 : *"For the flow as far as I am, he initially **asked for an ID card to be checked, the BI-Checking** was over, it was file **collection**, then because I had a business from Bank X, checked to my place of business, surveyed it, so I just had to wait for **SP3K to come out, and I could continue to contract**."*

Researcher: "How long does the process take if you are going through it?"

Informant 3: *"If what I experienced yesterday is about **1 month** from start to finish."*

Researcher: "Then what are the obstacles that you experience in applying for a Subsidized Mortgage at Bank X?"

Infoman 3: *"If the actual obstacle doesn't mean anything, **maybe it's just a matter of time**, because there are several letters that must be fulfilled such as letters from the village and so on, that's it."*

Researcher: "What are the solutions offered by Bank X regarding the obstacles experienced?"

Infoman 3 : *"BTN is just love, yes how to do what to do, then the procedure goes anywhere, so I don't want to do anything like that."*

From the interview above, it was then reduced to find several keywords put forward by the informant in answering questions related to the procedure for granting Subsidized Housing Loans (KPR) at Bank X Soekarno Hatta. To find keywords, the time triangulation method is used. From the results of time triangulation and observation results, a flowchart of the procedure for granting Subsidized Housing Loans (KPR) at Bank X is made as follows:
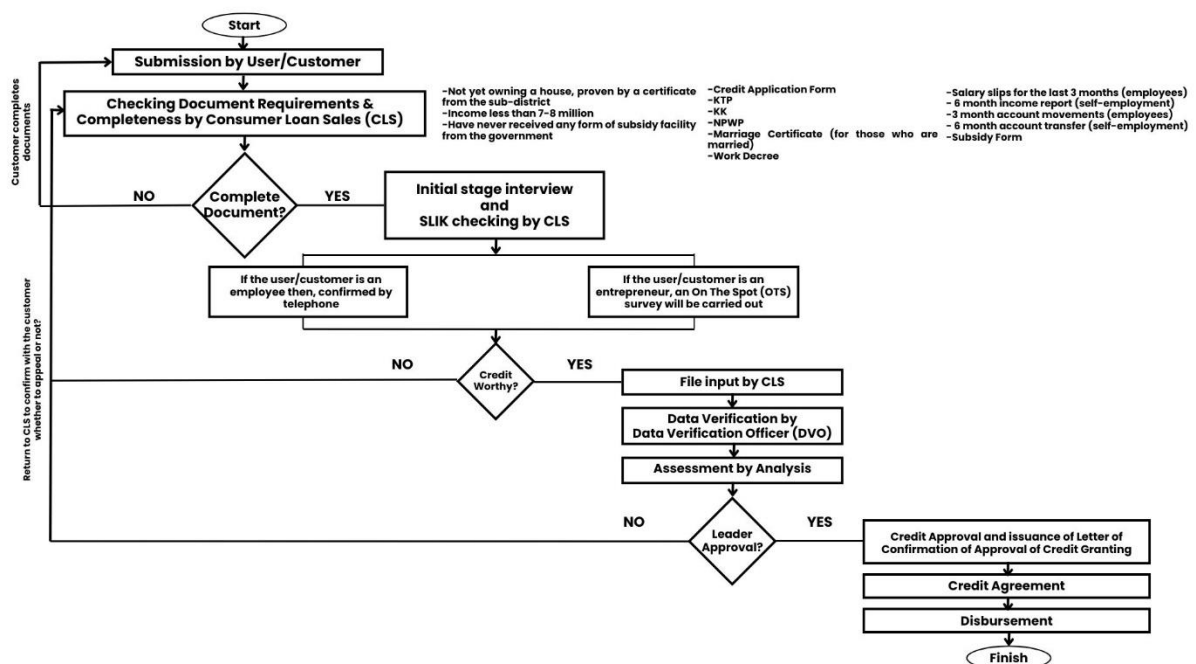

Figure 1. Flowchart of Credit Granting Procedure at Bank X

Discussion

After analyzing the data obtained, the sequence of procedures, obstacles faced and solutions are obtained as follows:

Submission by User/Customer

The initial stage of the credit granting procedure at Bank X is of course in the application by the user or customer who wants to own a house in installments and get low interest. To get a Subsidized Housing Loan (KPR) with a fixed interest of only 5% and without a down payment, users or customers can submit their application through a housing developer or come directly to Bank X to meet Consumer Loan Sales (CLS). Users/customers who submit to the developer of subsidized housing providers in collaboration with Bank X will get an explanation

of the initial requirements needed. After the initial requirements have been met, the developer will issue a house purchase letter. The developer will submit the completed files including the legality data of the house that will be purchased by the user/customer to Bank X.

At this stage, some of the obstacles experienced are that when users or customers apply directly to housing developers, bank officers, namely Consumer Loan Sales (CLS), do not meet directly with the person concerned. This results in less effective communication because it is only done by phone so that some information is not conveyed clearly and hinders the ongoing procedure.

To overcome these obstacles, Bank X offers the option to apply directly to the office. Customers can come directly to Bank X and will then be assisted to get in touch with the developer and get a more detailed explanation from the Consumer Loan Sales(CLS). At the submission stage from this user, the obstacles and solutions offered are in line with the research by Ayudia & Aswansyah, (2023) which states that the credit process at the bank begins when the customer comes to the bank to apply for credit by bringing the requirements, and filling out the form.

Check the Requirements and Completeness of Documents by *Consumer Loan Sales* **(CLS)**

At this stage, the Consumer Loan Service (CLS) will check the requirements and completeness of the file from the user or customer. Based on the results of interviews with informants, it can be known that several requirements are needed in the process of applying for a Subsidized Home Ownership Credit (KPR) at Bank X Soekarno Hatta. To be able to apply for a Subsidized Home Ownership Credit (KPR), customers must have an income of less than 7 million rupiah if they are not married and 8 million rupiah if they are married. In addition, customers must be able to provide proof that the customer has not owned a house before and has never received a subsidy facility.

Customers need to complete several required documents, including the Credit Application Form, Subsidy Form, personal data, employment and income data, and legality data. Personal data includes Identity Card (KTP), Taxpayer Identification Number (NPWP), Family Card (KK), marriage certificate if the customer is married, and a certificate of not owning a house from the village. For work and income data, customers need to collect work decrees, income data for the last 3 months (Salary Slip), and account mutations for the last 3 months. If the customer concerned is an entrepreneur, it is necessary to include the Business Identification

Number (NIB) and income data for the last 6 months. In addition, there is legality data such as a house purchase letter issued by the developer, certificates and imb of the house you want to buy.

An obstacle that often occurs at this stage is the incomplete documents submitted by the customer which is usually caused by the incomplete information received by the customer. If the required documents are incomplete, Consumer Loan Sales (CLS) cannot further process the customer's application and must wait for the required documents to be completed by the customer. This is one of the obstacles to the flow of procedures in the provision of Subsidized Housing Loans (KPR) at Bank X.

Consumer Loan Sales (CLS*)* Usually will provide a brochure containing the requirements to apply for credit so that customers can submit their files completely. If there are still incomplete requirements, then Consumer Loan Sales (CLS) will inform the customer to complete the file so that it can be processed immediately. At this stage, the obstacles and solutions offered are in line with the research by Putri Alfian et al., (2023) which states that there is a procedure for investigating files on credit applications at banks. In the study, it was explained that if according to the bank, the requirements file is incomplete or sufficient, then it is required to complete it immediately and if by a certain time the customer is unable to complete the deficiency, then the credit application should be canceled.

Interview and SLIK Check by *Consumer Loan Sales* (CLS)

This stage is the initial stage in assessing the feasibility of the customer to apply for credit. At this stage Consumer Loan Sales (CLS) will nail the OJK SLIK check from customers who apply for Subsidized Housing Loans (KPR). SLIK (Financial Information Service System) managed by the Financial Services Authority (OJK) can be interpreted as a record related to the history of debtors of banks or other financial institutions. This record contains information about the debtor's credit history that the bank can use to assess whether the debtor is eligible to apply for a loan. In the SLIK, it is stated whether or not the payment of the loan owned by the previous debtor is smooth or not[17].

In checking the OJK's SLIK, it will be known how the credit history of the customer is. If the credit history is smooth, it will be processed at the next stage. However, if the result is a bad credit history, it is necessary to assess more deeply whether the application for a Subsidized Housing Loan (KPR) from the customer can be accepted or rejected. Consumer Loan Sales

(CLS) will assess whether the credit application can still be attempted or must be rejected immediately. Usually, if there is a history of bad loans, Consumer Loan Sales *(CLS)* will reject the application and do not process further. If there is a history of non-current credit, Consumer Loan Sales (CLS) will submit an exception or approval to the Branch Manager to continue the process of applying for a Subsidized Housing Loan (KPR) from the customer. The submission of this exception or approval is also based on the results of interviews with customers. Consumer Loan Service *(CLS)* will assess whether the customer in question is eligible for credit.

Submission of exception or approval to superiors is one of the obstacles that hinders the running of the credit granting procedure. This is based on what Informant 2 said, namely "*usually we have to submit an exception first or the point of submission is approved to the superior, to the branch manager, it usually takes a long time because it is right and approving it is not right away, so we have to wait......*". In addition, SLIK checks are also used to find out how much customer debt on the other party must be paid. The high amount of debt in other banks is also one of the obstacles because it can reduce the customer's ability to pay and potentially not be able to get credit anymore.

The assessment of entrepreneurial customers is also different from that of a working customer or an employee. Customers who work or are an employee will be interviewed in person or usually by phone. However, for customers who are entrepreneurs, a survey is needed to ascertain whether the business and income reported by the customer are true. At Bank X, the one who conducts the survey or On The Spot (OTS) is the Operational and Service Supervisor *(*OSS). After going through this process, if the customer has been declared eligible for credit, Consumer Loan Sales (CLS) will process the application and input the requirements file into the system.

The interview stage is used to obtain the correctness of the data submitted by the customer and to find out the customer's eligibility to get credit. The interview and checking stage of SLIK is in line with the research by Priyantini, (2020) which states that checking the customer's SLIK to find out whether the customer still has debts at other banks or not, if there is a debt, then the amount of installments paid to other is one of the considerations of the initial feasibility analysis, in addition to that from SLIK can see the previous history when applying for credit

whether the customer is current, less current, doubtful or even the customer is classified as stuck.

Verification and Assessment

Files that have been entered into the system by Consumer Loan Sales will enter the Data Verification Officer *(DVO)* for further processing. The Data Verification Officer (DVO) will conduct a follow-up interview with the customer concerned to verify the correctness of the data that has been submitted. In addition, the Data Verification Officer will also contact parties related to the customer such as superiors at the customer's workplace to conduct verification. At this stage, there are often obstacles where when the customer or the party concerned is contacted by the Data Verification Officer (DVO), there is usually someone who does not respond.

The inconsistency of the information provided by customers when interviewed by the Data Verification Officer (DVO) with the data submitted previously is also one of the obstacles. The Data Verification Officer (DVO) will record and input the verification results data system that has been carried out. This data will be used as an analyst as a comparison from the data that has been submitted by Consumer Loan Sale*s* (CLS) at the beginning. The analyst will assess the feasibility of the customer concerned.

This verification and assessment stage is in line with previous research by Putri Ananda & Sudrajat, (2023) where it is explained that there are stages of customer data verification and credit recommendation stages by mortgage analysis. However, the study did not explain in more detail how the verification process was and by whom the verification process was carried out. The obstacles and solutions at this stage are also not explained in the study.

Approval and Issuance of Credit Approval Confirmation Letter (SP3K)

After going through the assessment stage and getting the result that the customer is eligible for credit, the next stage is the approval stage. After being assessed by the analyst will enter the section approval. Approval carried out by the leadership at Bank X or called Sub Branch Head. If the application is accepted, a Letter of Confirmation of Credit Approval (SP3K) will be issued. The Credit Grant Approval Affirmation Letter (SP3K) is a documentary evidence that shows that the credit application is accepted or approved. SP3K contains detailed information regarding approved loans such as maximum credit, credit type, interest rate, monthly installments, and credit guarantees. Then, in SP3K, information on mortgage costs

that must be paid will also be listed, including notary fees, APHT fees, appraisal fees, administrative fees, provision fees, first installments, and insurance premiums[19]. Submissions that are considered unfeasible or unacceptable by the approval department will be returned to Consumer Loan Sales (CLS) to be confirmed to the customer whether to appeal or not. Meanwhile, submissions that have been received and issued SP3K will continue to the next procedure, namely contracts and disbursements.

This stage is in line with previous research by Tambing (2023) which explains the procedures for the System and Procedures for Providing Subsidized Housing Loans (KPR) Through the Role of Consumers Loan Service At PT. Bank Tabungan Negara (Persero) Tbk Panakkukang Branch Office. In the study, it was explained that there are stages of Decision on Subsidized Housing Loan (KPR) applications where the decision making on credit applications is carried out by the head of Clu Head at the Branch Office (KC) and Sub Branch Head on the KCP by measuring various information from the Loan Service. The form of credit approval is by issuing a Letter of Affirmation of Credit Approval (SP3K). However, the study has not explained the obstacles and solutions experienced at that stage.

Credit Agreement

Before scheduling the credit contract, the bank will conduct a survey of the house that the customer will buy. The survey functions to ensure the condition of the house whether it is finished or not along with other equipment such as electricity, water, roads and so on. After obtaining an inspection report that ensures that the house is finished or at least 90%, a credit contract will be scheduled. At this stage, there are often obstacles where sometimes the house purchased by the customer is not yet finished or is still in the process of construction and must wait until at least 90%. This makes the scheduling of credit contracts backward and the flow of procedures becomes suspended.

Overcoming the obstacles that occurred, Bank X usually informed in advance that customer data began to be processed to complete the house at least 90%. Before the credit contract is made, the customer will first make an account which will later be used to pay installments. In addition, customers need to pay pre-realization fees such as notary fees, APHT fees, administrative fees, provision fees, first installments, and insurance premiums. In the credit contract, the customer concerned will sign a joint credit agreement with a notary.

The stage of this credit agreement is also explained in previous research by Princess & Martana (2021) on researching the procedures for Housing Loans (KPR) in different banks. In the study, it was explained that there was a credit contract process or credit binding carried out by the customer and the bank and accompanied by a notary. The study has not explained what things were done before the credit contract and the obstacles and solutions at this stage were also not explained.

Disbursement

Documents that have been signed by the customer in the credit contract will be submitted by CLS to the signing officer for disbursement. After the signing officer checks the file and has been confirmed to be complete and appropriate, the signing officer will disburse it to the developer's account. At this stage, the obstacle faced is the length of the waiting time for disbursement if there are many credit realizations on the same day so that they have to queue. Usually, Consumer Loan Sales (CLS) will confirm to the disbursement party to speed up the process. In addition, there is also an obstacle to the notary's cover note which is not sent, which hinders disbursement. After this process is completed, the customer will hand over the keys. That way customers can occupy the house and make installments to the bank according to the predetermined amount.

This stage was also described in previous research by Sari, Hidayat and Dwiamanto (2016) where the disbursement of Subsidized BTN Housing Loans (KPR) funds is disbursed through the Developer account by the officer Loan Administration (LA) and Transaction Processinging (HCMC). This is slightly different from the findings because the dilution process is carried out by Signing Officer. The study also did not explain the obstacles and solutions faced.

If there are problems or errors in information in the process of granting subsidized housing loans (KPR), the above procedure can have a significant impact on the smoothness of service and customer trust. When the above procedures do not work optimally, the verification and credit worthiness analysis process can be delayed, even risking resulting in inaccurate credit decisions. Apart from that, misinformation or miscommunication can result in customers not understanding the terms, interest or credit tenor, which has the potential to cause dissatisfaction and even disputes.

4. Conclusion

The conclusion of this study shows that the procedure applied by Bank X in the process of granting subsidy Housing Loans (KPR) is appropriate. In addition, the obstacles faced by Bank X in the process of granting Subsidized Housing Loans (KPR) can be handled professionally. So that the recommendations to increase the effectiveness of the credit granting process that can be conveyed from this study are simplifying administrative procedures, adopting digital solutions to reduce manual processes, and increasing staff training to improve service quality so that there is no more misinformation. In addition, Bank X can display detailed procedures and requirements on brochures or information boards in the office so that customers are informed by the way. The existence of a time deadline at each stage can also help the effectiveness of the process of granting Subsidized Housing Loans (KPR).

This research contributes to the development of management theory by reinforcing that it is important to make Standard Operating Procedures (SOPs) in business. This research is limited to one branch of Bank X, so the findings may not be generalized to other branches or institutions. Further research can be carried out with comparative studies in several branches or banks to validate and expand the findings. Subsequent research may use a quantitative approach to evaluate the relationship between credit granting procedures and customer satisfaction. A study that evaluates the synchronization between government policies related to subsidized mortgages and their implementation at the bank operational level can also be carried out in future research.

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