



Loan to a bank under a credit agreement with a certificate of title as collateral

Ismayani

Faculty of Law, Universitas Pembinaan Masyarakat Indonesia, Indonesia. E-mail: ismayani.2@upmi.ac.id

ARTICLE INFO

Keywords:

Loans;
Agreement;
Certificate of Ownership;
Credit Insurance;
Bad Debt.

Article history:

Received Jan 30, 2025;
Revised Feb 11, 2025;
Accepted Feb 27, 2025;
Online Apr 30, 2025.

ABSTRACT

This research aims to analyse the problems arising in the granting of credit by PT Bank Sumut related to the inclusion of standard clauses in credit agreements that are detrimental to the debtor, in this case Rudi Hartono Silitonga. The case studied involves the provision of a credit facility with the type of KRK-SPK credit worth Rp. 4,500,000,000,- for financing the construction project of Bridge II Sta 0+815-Sta 0+835 (Sigalang-galang II Bridge) in Siantar Martoba District, Pematangsiantar City, which is guaranteed by a Certificate of Ownership (SHM) in the name of Irwan Nasution. The problems that arise are related to violations of the legal provisions governing the inclusion of standard clauses in credit agreements, which are allegedly not transparent and not in accordance with applicable consumer protection provisions. This research uses a normative legal approach to analyse the relevant laws and regulations as well as the credit agreement made unilaterally by the bank. The results showed that the standard clause in the credit agreement used by PT Bank Sumut had the potential to harm the debtor because there was no information disclosure regarding the transfer of obligations and conditions governing the transfer of insurance responsibility. In addition, arrangements regarding the transfer of credit risk are not adequately informed to the debtor, which leads to alleged violations of consumer rights. This research suggests the need for greater transparency in the preparation of clauses in credit agreements and the importance of better fulfilment of legal obligations by lenders to avoid harm to consumers.

This is an open access article under the [CC BY-NC](https://creativecommons.org/licenses/by-nc/4.0/) licence



Correspondence Author:

Ismayani,
Faculty of Law,
Universitas Pembinaan Masyarakat Indonesia,
Jalan Teladan No.15, Teladan Bar, Kec. Medan Kota, Medan City,
North Sumatra 20214, Indonesia
Email: ismayani.2@upmi.ac.id

1. Introduction

Lending, especially housing loans (KPR), is one of the most important instruments in the banking sector that enables people to own their dream home in instalments. The process involves quite a structured process, starting with the selection of a house that suits personal preferences, the desired neighbourhood, and the specified price. The customer, in this case, must ensure that his or her savings are sufficient to pay the monthly instalments calculated based on the interest rate set by the bank, which is adjusted to the customer's monthly income.

The developer plays a role in facilitating the process of buying a house on credit, while the customer usually visits the bank to understand the procedures and payment system. After choosing a house, the customer then fills out a mortgage application form, which will then be assessed by the bank based on various documents submitted, including verification of the customer's financial capability (Tanjaya et al., 2023).

However, in practice, many customers face obstacles in fulfilling their instalment payment obligations on time, which can potentially lead to disputes. The inability to pay instalments not only causes financial losses for the bank, but can also pave the way for more complex legal issues. This often happens if there is a mismatch between the obligations agreed in the credit agreement and the actual implementation, whether from the bank, the customer, or the developer. For example, if the developer fails to fulfil its obligations, such as not breaking the land certificate that is the object of collateral, the dispute that arises can be even more complicated (Mulyati, 2021). Article 1365 to Article 1367 of the Civil Code (KUHPerdata) states that default, or failure to fulfil obligations, can lead to cancellation of the agreement and the obligation to provide compensation.

The problem that often arises in housing credit agreements, especially mortgages, is the discrepancy between the agreed agreement and its implementation. The inability of customers to fulfil the obligation to pay monthly instalments on time has the potential to lead to disputes between customers, banks and developers. These disputes are often related to default or breach of agreement by one of the parties. Other problems are discrepancies in the assessment of customer capabilities, inadequate lending procedures, and unclear collateral and security management issues. This research aims to identify the factors that cause disputes in housing loan agreements and their impact on customers and banks, as well as provide solutions to reduce the risk of disputes and ensure legal protection for both parties.

The formulation of this research includes three main questions: what are the legal problems that often occur in housing loan agreements, especially those involving discrepancies between customers, banks and developers? What is the impact of disputes in housing loan agreements on both parties, namely banks and customers? And, what solutions can be applied to reduce the risk of disputes in housing loan agreements?

This research uses a normative juridical analysis approach by examining existing regulations related to housing credit agreements, especially those relating to defaults, mortgage rights, and dispute resolution. In addition, a case study method is also used to analyse several housing credit dispute cases that occurred in court to dig deeper into the application of legal practices in credit agreements. A quantitative approach will also be used to measure the success or failure rate of housing loan agreements implemented by several banks, taking into account factors such as interest rates, assessment of customer capabilities, and clear payment arrangements.

Gaps in previous research, such as those found by (Marta, 2020) and (Nurjanah & Andryan, 2020), indicate a lack of clearer regulations regarding the handling of credit disputes, especially in housing loans. One of the main gaps is the lack of effective legal protection for customers who experience instalment payment difficulties due to unforeseen external factors. In addition, although there are regulations regarding the assessment of customers' capability, many banks do not apply strict enough procedures in assessing creditworthiness. The expectation of this research is to provide a deeper insight into the potential legal risks that can arise in housing loan agreements as well as the solutions that can be applied to reduce the risk of disputes. This

research is expected to contribute to the formulation of better policies in the banking sector, as well as strengthen legal protection for consumers in housing credit agreements. The results of this study are also expected to provide practical recommendations for banks and developers to improve lending procedures to reduce the risk of disputes and improve service quality for customers. This research aims to introduce a new approach to managing housing credit risk and strengthen existing legal arrangements and procedures to prevent legal disputes that are detrimental to both parties.

2. Methods

Research methods are systematic steps used to answer questions in a particular field of knowledge. The main purpose of this research is to find answers, facts, and phenomena using appropriate and effective techniques. One type of research used in this writing is normative legal research, which focuses on the study of legal norms. This research can be pure or applied, and includes normative aspects such as justice, legal certainty, expediency, legal efficiency, legal authority, and legal norms and doctrines (Zuchri, 2021).

In this research, the method applied is empirical legal research, which emphasises the collection and analysis of data related to legal practices or phenomena that occur in society. This research uses a legal conceptual approach to develop an understanding of relevant legal concepts in housing loan agreements, as well as a statutory approach to analyse regulations governing the provision of housing loans and disputes that may arise.

The legal materials used in this research consist of primary legal materials, namely laws and regulations related to housing credit and dispute resolution; secondary legal materials, in the form of literature, journals, articles, and documents that discuss relevant legal theories; and non-legal legal materials, which include data or information related to housing credit practices obtained from interviews, observations, or case studies.

The procedure for conducting this research begins with data collection through literature studies, observation of housing loan practices, and interviews with legal experts and related parties, such as customers, banks, and developers. The data that has been collected is then analysed using deductive analysis techniques, namely techniques that start with general statements or principles that apply, then draw more specific conclusions based on legal phenomena that occur.

In terms of measurement and evaluation, this research will measure the effectiveness of existing regulations in handling housing loan disputes and evaluate the effect of regulatory implementation on dispute resolution. This evaluation is carried out by comparing data from case studies and field findings, and providing recommendations for improvements in the application of more effective regulations and legal procedures. Thus, through this research method, it is expected to gain a deeper understanding of the legal issues arising in housing loan agreements and the solutions that can be applied to reduce the risk of disputes and improve legal protection for customers and banks.

3. Analysis and Results

a. Arrangement of Loan to Bank in Credit Agreement

To run a business, from establishment to operation, a certain amount of funds is required. These funds can be obtained from own capital or borrowed capital. Various financial institutions that can be used as a place to borrow capital include the banking world and non-bank financial institutions, such as leasing and pawnshops or insurance. Credit is a loan or debt given by a credit provider to a credit recipient. That is, credit is something that is paid in instalments, whether it is in a buying and selling situation or lending and borrowing (Andrianto, 2020).

Article 1754 of the Civil Code states that borrowing and lending is an agreement by which one party gives the other party a certain amount of goods that are consumed due to use, with the condition that the latter party will return the same amount of the same kind and condition. The definition of credit according to Banking Law Number 10 of 1998 is the provision of money or bills that can be equated with it, based on an agreement or loan and borrowing agreement between a bank and another party that requires the borrower to repay the debt after a certain period of time with interest (Salim & Rasyid, 2022).

In Islamic financial institutions credit is known as financing, what is meant by Financing is the provision of money or bills that can be equated with it, based on an agreement or loan and borrowing agreement between banks and / or other financial institutions and other parties that require the borrower to repay the debt after a certain period of time with the amount of reward or profit sharing . (Hidayat & Pratiwi, 2021).

From the definition of credit above, it can be concluded that credit is a loan of money (goods or services) to another party with repayment in instalments after a certain period of time with a predetermined amount of reward (interest). Meanwhile, the definition of bad credit is credit that is not current and has matured and cannot be resolved by the customer concerned. According to Dahlan Slamet, bad credit or non-performing credit is credit that has difficulty repaying due to factors or elements of intent or due to conditions beyond the debtor's ability (Hidayat & Pratiwi, 2021).

From this understanding, it can be concluded that bad debts are uncollectible receivables or loans that have substandard criteria, which are caused by experiencing repayment difficulties due to certain factors. The term used for credit takers is called debtors and credit providers are called creditors or in other words, debtors are recipients of funds while creditors are providers of funds. As a financial institution and community empowerment, of course, it can never be separated from credit problems (Yani & Erma, 2024).

The elements of credit in providing credit facilities, as described by Ismail (2010), include several main components. First, the creditor is the party that provides credit, which can be an individual or business entity, such as a bank that provides loans to debtors. The debtor is the party in need of funds, or the party receiving the loan. Trust is also important, as it represents confidence that the credit, whether in the form of money, goods or services, will be repaid at an agreed time in the future. An agreement formalises this trust, outlining the rights and obligations of both parties through a signed contract. In addition, every credit transaction has a specific term, which refers to the agreed payment period that can vary from short-term to long-term. Risk is another important factor, as it covers potential losses due to the borrower's inability to pay or unforeseen events such as natural disasters. The longer the term of the loan, the higher the uncollectible risk borne by the lender. Finally, service payments, such as loan interest or service fees, are a source of profit for the financial institution extending credit. Interest may be declining or fixed, while Islamic financial institutions use a profit-sharing mechanism, which is different from conventional interest calculations.

In an agreement, the parties have their respective rights and obligations that must be fulfilled. An agreement is an event where two people or two parties promise each other to carry out something or it can be said to be an agreement made by two or more parties, each agreeing to obey what is stated in the agreement. Based on this event, a legal relationship arises between the parties to the agreement. The legal relationship that constitutes the agreement is the basis for one party to demand an achievement from the other party who is obliged to fulfil the demands of the other party or vice versa. The formulation and understanding of credit agreements have not been explicitly stated in legislation (Ismayani, 2023).

However, in Article 1 point 11 of Law No. 10 of 1998, credit is defined as the provision of money or bills that can be equated with it, based on an agreement or borrowing agreement between a bank and another party that requires the borrower to repay the debt after a certain period of time with interest. Based on this understanding, a credit agreement can be interpreted

as a lending and borrowing agreement between a bank as a creditor and another party as a debtor which requires the debtor to pay off the debt after a certain period of time with interest. (Sriwati, 2021).

However, credit agreements often cause problems if not properly regulated, such as in the case of bad debts. One example is the case of bad debts that occur in several large banks in Indonesia, where customers fail to pay their instalment obligations due to financial incapacity, which ultimately leads to asset seizure. The settlement of these cases is generally done by resolving disputes through legal channels, be it through civil lawsuits or settlements through existing dispute resolution institutions, such as the Ombudsman or Alternative Dispute Resolution Institutions (LAPS).

In other cases, such as what happened in one Islamic bank, customers who experienced payment difficulties were not immediately confiscated, but were given time to restructure the credit by changing the term and interest rate. Legal protection for debtors who face problems in repayment is also regulated in several regulations, such as Law No. 21 of 2011 concerning the Financial Services Authority which provides guidance on handling bad debts in a more fair and humane manner.

Thus, although credit agreements and legal provisions regarding this matter already exist, problems often occur in implementation, especially related to bad debts. Dispute resolution and credit restructuring solutions that are more transparent and based on the principles of justice, as well as better legal protection for debtors and creditors, are needed to minimise the potential for future disputes.

3.2. Implementation of Loans with Collateral of Property Rights Certificates

Credit agreement made unilaterally by PT Bank Sumut domiciled in Medan through Cq. Bank Sumut KC Medan Iskandar Muda located at Jalan Iskandar Muda, Babura, Kec. Medan Baru, Medan City, North Sumatra 20153, with the Consumer/Debtor named Rudi Hartono Silitonga as Director of PT Tisa Lestari. Deed of Granting Mortgage Rights (APHT) and Power of Attorney to Enforce Mortgage Rights (SKMHT) as a condition of registration for the issuance of a Mortgage Rights Certificate (SHT) against Certificate of Ownership (SHM) No. 183 in the name of Irwan Nasution, covering an area of 3206 M2 (three thousand two hundred and six square metres) along with I (one) unit of permanent residential building 1 ½ (one and a half) floors and everything above it located on Jalan Arteri, Sirantau Village, Datuk Bandar District, Tanjung Balai City. That the Credit Insurance Policy on the basis of Payment of the Cost of Insurance of the Credit Insurance Agreement, with an insured value of Rp. 34,006,000, - (thirty-four million six thousand rupiah). That the Credit Insurance Agreement between PT Askrindo with PT Bank Sumut about Credit Insurance against the insured PT Tisa Lestari.

Article 5 paragraph 2 which reads: The President shall enact government regulations to implement the law as appropriate. Article 28 letter d paragraph (1) which reads: Every person has the right to recognition, guarantees, protection and certainty of a just law and equal treatment before the law. Article 28 letter g paragraph (1) which reads: Every person has the right to protection of self, family, honour, dignity, and property under his/her control, as well as the right to security and protection from threats of fear to do or not do something that is a human right (Rachman & Badriyah, 2024).

Article 33 paragraph 1 which reads: (1) The economy shall be organised as a joint venture based on the principle of kinship. Article 1365 which reads: 'Every unlawful act, which causes loss to another, obliges the person through whose fault the loss is caused, to compensate the loss'. Article 1366 which reads: 'Every person is liable not only for losses caused by his negligence and lack of care, states that the business actor has the right to refuse refunds paid for goods and/or services purchased by consumers, states the granting of power from consumers to business actors either directly or indirectly to take all unilateral actions related to goods

purchased by consumers in instalments'. Regulates the proof of the loss of usefulness of goods or utilisation of services purchased by consumers (Marsitningsih et al., 2022).

Regulates the granting of power of attorney from the Consumer to the Financial Services Business Actor, either directly or indirectly, to take all unilateral actions on the goods guaranteed by the Consumer, unless such unilateral actions are carried out based on statutory regulations. Regulate the obligation of proof by the Consumer, if the Financial Services Business Actor states that the loss on the use of products and/or services purchased by the Consumer is not the responsibility of the Financial Services Business Actor. Gives the Financial Services Business Actor the right to reduce the usefulness of the product and/or service or reduce the Consumer's property which is the object of the product and service agreement. Stating that Consumers are subject to new, additional, further regulations and/or changes made unilaterally by Financial Services Business Actors during the period when Consumers use the products and/or services purchased and/or stating that Consumers authorise Financial Services Business Actors to encumber mortgage rights, liens, or security rights against products and/or services purchased by Consumers in instalments (Cahyaningrum et al., 2023).

The mandate of the Law is to act to file a lawsuit as a party who has suffered a real loss. Rudi Hartono Silitonga only demands the rights granted by Law Number 8 of 1999 concerning Consumer Protection to protect consumers who experience suffering / loss caused by Financial Services Business Actors (PUJK) in this case PT.Bank Sumut KC Iskandar Muda, in general regarding the inclusion of Standard Clauses in Credit Agreements so that these actions should be strongly suspected of violating Article 18 of Law No.8 of 1999 concerning Consumer Protection and Article 21, Article 22 of the Financial Services Authority Regulation No.01 / POJK.07 / 2013 concerning Consumer Protection in the Financial Services Sector (Sonjaya & Winanti, 2023).

The loss in question is for the inclusion of Standard Clauses / Standard Agreements that allegedly violate Law Number 8 of 1999 concerning Consumer Protection article 18 concerning Standard Clauses and Article 21, Article 22 of the Financial Services Authority Regulation No.01 / POJK.07 / 2013 concerning Consumer Protection in the Financial Services Sector (Sonjaya & Winanti, 2023). Article 21, Article 22 of the Financial Services Authority Regulation No.01/POJK.07/2013 on Consumer Protection in the Financial Services Sector is about the Transfer of Credit Coverage (responsibility) to Other Parties but was not transparently notified to PT Bank Sumut in the Credit Agreement which was not given a copy to Rudi Hartono Silitonga, so that PT Bank Sumut and PT Askrindo easily did not realise their obligations to Rudi Hartono Silitonga.

Aggrieved by the violation of the inclusion of Standard Clauses made by PT Bank Sumut against Rudi Hartono Silitonga related to accounts payable at PT Bank Sumut KC Iskandar Muda which obtained a Credit Facility with KRK-SPK Credit Type with a credit ceiling of Rp. Rp. 4,500,000,000, (four billion five hundred million rupiah) for Financing the Bridge Construction Project II Sta 0+815-Sta 0+835 (Sigalang-galang II Bridge) location Siantar Martoba District, Pematangsiantar City Fiscal Year 2018, with SHM Collateral No. 183 in the name of Irwan Nasution.

In addition to the violation of the Standard Clause, it turns out that PT Bank Sumut never provided a copy of the credit agreement in the sense that there are elements hidden by PT Bank Sumut as a clear example is the Transfer of Responsibility / Credit Coverage by PT Bank Sumut is not carried out properly from the principles and objectives of the Risk Insurance Guarantee Agency which in this case is PT Askrindo as a Credit Risk Insurance Guarantee Agency in the event of Credit Failure by the Debtor in this case is Rudi Hartono Silitonga. PT Bank Sumut did not provide a copy of the Credit Agreement as an archive and a copy of the Credit Insurance Agreement to Rudi Hartono Silitonga since the Credit Agreement was signed by both parties as proof of engagement, (contrary to the provisions contained in article 20 paragraph 1 letter (f), article 21, and explanation of article 21 of Bank Indonesia Regulation Number: 11/25/PBI/2009

concerning the implementation of Risk Management for Commercial Banks. In the provisions of article 21 of Bank Indonesia Regulation number: 11/25/PBI/2009, it is stated that the Bank is obliged to carry out information transparency regarding the Bank's products or activities to customers as referred to in article 20 paragraph (2) letter (f), either in writing or orally.

Against the credit facility above, by PT Bank Sumut to avoid the possibility of default risk, PT Bank Sumut transferred the KRK-SPK credit coverage to PT Askrindo which is engaged in Risk Coverage, for which Rudi Hartono Silitonga is obliged and required to pay the Credit Insurance Coverage Premium (Service Fee) to PT Bank Sumut in the amount of Rp.34.006.000,- (thirty-four million six thousand rupiah) which is paid directly from the account of PT Tisa Lestari (I.c Rudi Hartono Silitonga) which goes to the account of Turut.006,000,- (thirty four million six thousand rupiah) which payment is directly autodebited from the account of PT.Tisa Lestari (I.c Rudi Hartono Silitonga) which goes to the account of PT. Bank Sumut (PT. Askrindo) as Guarantor, dated 5 July 2018 based on Credit Insurance Policy Number: 70.01.18.00270.4.13.01.0 dated 13 September 2018.

The delay in payment made by Rudi Hartono Silitonga to PT Bank Sumut is due to the termination of the contract made by the Employer of the PUPR Office of Pematang Siantar City Government to Rudi Hartono Silitonga, due to adverse circumstances in the work carried out by Rudi Hartono Silitonga so that he is late in making payments and / or unable to fulfil his obligations to PT. Bank Sumut so that in carrying out the work there are obstacles The bridge work project was carried out until it reached 80% (eighty percent) progress Rudi Hartono Silitonga submitted payment to the Pematang Siantar City Government of 60% (sixty percent), and by PT Bank Sumut a credit ceiling cut / reduction was made.

Outodebet from Rudi Hartono Silitonga's account amounting to Rp 2,304,000,000, (two billion three hundred four million rupiah) and the remaining obligations and / or the amount of Principal Debt to PT Bank Sumut amounting to Rp 2,196,000,000, - (two billion one hundred ninety six million rupiah) to PT Bank Sumut which is the obligation of Rudi Hartono Silitonga. In the middle of the implementation of the project and/or work, there was a problem of difficult work location conditions due to high rainfall and road filling work on the same work section as the bridge work, causing difficulty in accessing materials to the work location which resulted in the implementation of the work being long so that the Employer, namely the PUPR Office of the Pematang Siantar City Government, terminated employment (PHK). From there Rudi Hartono Silitonga had difficulty paying credit instalments to PT Bank Sumut..

Because the termination of the contract between Rudi Hartono Silitonga and the Employer of the PUPR Office of the Pematang Siantar City Government defaulted and failed to perform the performance to PT. Bank Sumut not because of Rudi Hartono Silitonga's own will, but because of force majeure (*overmacht*), the work and/or project of Bridge Construction II Sta 0+815-Sta 0+835 (Sigalang-galang II Bridge) location Siantar Martoba District, Pematangsiantar City Fiscal Year 2018 was not completed properly in accordance with the Agreement Letter, so that the Employer of the PUPR Office of Pematang Siantar City Government terminated the Agreement to Rudi Hartono Silitonga. Credit insurance that has cash value from the point of view of the law of material security, can be used as an object of collateral for the debtor's debt to the creditor. Because the cash value of the insurance policy is actually the right of the insurance customer due to the agreement and premium payment, the obligation to pay Rudi Hartono Silitonga's debt to PT Bank Sumut with details of Principal Debt of Rp. 2,196,000,000, - (two billion one hundred ninety-six million rupiah) (*Vide*: Civil Code; Jo Kitab Undang-Undang No. 7 of 1992 concerning Banking Trade, as amended by Law No. 10 of 1998 concerning Banking Jo Law No. 4 of 1996 concerning Land Mortgage and Objects Related to Land Jo Law No. 9 of 2006 concerning Warehouse Receipt System Law No. 9 of as last amended by 2011).

Against the credit facility occurred Problems or Bad Credit because of the above, then PT. Bank Sumut made efforts to auction the Collateral Object Rudi Hartono Silitonga, thus making Rudi Hartono Silitonga to be surprised and wondered, why the Collateral Object Rudi Hartono

Silitonga auctioned, while against the Credit Facility that occurred has been charged Risk of Default Insurance to PT. Bank Sumut and Rudi Hartono Silitonga has also fulfilled the obligation to pay the Insurance Fee (Premium).

Land rights certificates in order to have strong evidentiary power must meet one of the criteria that in its issuance is carried out by the Agency authorized to issue land rights certificates. The official authorised to issue land title certificates is the Head of Office of the Ministry of Agrarian Affairs and Spatial Planning/National Land Agency (Kaunang, 2025).

The authority of the Ministry of Agrarian Affairs and Spatial Planning/National Land Agency in issuing certificates is regulated in Regulation of the Head of the National Land Agency of the Republic of Indonesia Number 2 of 2013 concerning Delegation of Authority to Grant Land Rights and Land Registration Activities. This is precisely regulated in Part III Article 12 and Article 13 and Chapter IV on the authority of land registration activities Article 14 and Article 18. The authority obtained by the Ministry of Agrarian Affairs and Spatial Planning / National Land Agency in issuing certificates of ownership of land is an authority sourced attributively, namely the granting of government authority by lawmakers to government organs (Kaunang, 2025).

The publication system adopted in land registration in Indonesia is a negative publication system with a positive trend. This system was chosen because the character of Indonesian land law is communal in the sense that land can be owned individually but its allocation must still function socially in the sense that a person must really cultivate his land in accordance with its designation and his exploitation must not harm others. the government through Article 32 of PP No. 24 of 1997 concerning Land Registration began to enforce that land certificates that have been issued for 5 years are strong evidence. (Inggriani Faisal Santiago, 2020).

The granting and ownership of land with these rights would be meaningless if their use was limited to land as the surface of the earth. For any purpose, the use of the body of the earth beneath it as well as the water and airspace above it must be required. Therefore, Article 4 paragraph (1) of the UUPA states that land rights not only authorise the use of certain parts of the earth's surface, called 'land', but also the body of the earth beneath it as well as the water and space above it. . (Lubis, 2021).

Similar cases of bad debts can be found in disputes between customers and banks in several banking institutions in Indonesia. For example, in the 2015 Bank Mandiri Bad Debt Case, where the customer failed to pay the loan instalments due to failure in the implementation of the project, as well as the lack of transparency regarding the provisions of credit insurance and the transfer of insurance responsibility. After the mediation process, the bank agreed to allow time for payment by utilising funds from credit insurance to cover losses, so that collateral seizure was not carried out. A similar case also occurred in one of the major banks in Jakarta, where the debtor experienced problems related to the transfer of insurance responsibility that was not clearly informed. The bank recognised the shortfall and resolved the issue by returning a portion of the insurance premium and using the insurance funds to pay the outstanding liabilities. In addition, in the case of a non-transparent transfer of credit responsibility at Bank Negara Indonesia (BNI), the contractor who experienced payment delays due to changes in work conditions resolved the issue through negotiation and credit restructuring, with the use of insurance to cover part of the risk. In other cases, such as at Bank Rakyat Indonesia (BRI), the collateral auction process was conducted without proper notice despite the existence of credit insurance as collateral, and the dispute was resolved through alternative dispute resolution with the cancellation of the collateral auction. Appropriate solutions to such problems involve transparency of information related to the transfer of insurance liability and encumbrance, credit negotiation and restructuring, and dispute resolution through mediation or alternative dispute resolution institutions (LAPS). In addition, the utilisation of credit insurance to settle debtors' payment obligations is an important solution in cases of default. With a fair,

transparent, and legal settlement, it can reduce the losses suffered by consumers and create a more harmonious relationship between debtors and creditors.

4. Conclusion

This study aims to analyse the problems arising in the granting of credit by PT Bank Sumut, especially related to the guarantee of property rights certificates and arrangements in credit agreements made unilaterally by the bank. Based on the research findings, it was found that the credit granted by PT Bank Sumut to Rudi Hartono Silitonga as Director of PT Tisa Lestari related to the credit facility provided, using a certificate of ownership (SHM) as collateral. Although in principle credit is a grant of trust by the bank, problems arise due to the lack of clarity in the provisions related to credit insurance and the transfer of responsibility that is not transparently informed to the debtor. In addition, the seizure of collateral was carried out without providing adequate opportunity for settlement using the insurance funds that had been paid.

The main contribution of this research is to provide a deeper understanding of the process of granting credit by banks involving the collateral of certificates of ownership and mortgages, as well as to identify the problems that often arise due to the lack of transparency in credit agreement arrangements, especially related to credit insurance and transfer of liability. The implication of these findings is the importance of transparency of information in credit agreements between banks and debtors, as well as the need for disclosure of insurance responsibilities that can help prevent legal disputes and reduce the potential for bad debts. In addition, this study provides recommendations for banks and other financial institutions to be more careful in drafting standardised clauses that could risk harming consumers, as well as ensuring that dispute resolution can be carried out in a fair and lawful manner.

This study has several limitations, including the lack of empirical data related to the many similar cases in Indonesia that can enrich the analysis. In addition, this study is also limited to one specific case involving PT Bank Sumut and Rudi Hartono Silitonga, so the results of this study cannot be generalised to all cases of credit granting in other banks. Further research could include a broader case study to identify patterns of problems that are more common in secured lending.

Further research could focus on comparative analysis between different banks in addressing issues related to information transparency in credit agreements and insurance liability transfer. In addition, further research could also delve deeper into stricter consumer protection regulations in the banking sector, especially regarding debtors' rights in relation to the use of credit insurance and collateral management. Research on more effective dispute resolution alternatives, such as mediation or dispute resolution organisations (LAPS), could also contribute significantly to reducing potential conflicts in credit transactions in the banking sector.

Reference

- Afhami, S. (2020). Value-based Standardised Bank Credit Agreement. *Journal of International Law Reconstruction*, 1(1), 55–73.
- Aditia Marta. (2020). Legal Protection Against Owners of Property Rights Certificates that are Used as Credit Collateral. *Journal of Legal Science*, 6(2), 1-10. DOI: <https://doi.org/10.32493/jih.v6i2.1297>
- Alensia, M. P., & Lunandi, Y. Y. (2023). Granting credit based on collateral in the form of inherited objects on behalf of heirs in relation to the principle of legal certainty. *Riwayat: Journal of History Education and Humanities*, 6(2), 614-620. <https://doi.org/10.24815/jr.v6i2.30887>
- Andryan, Azzahrafiya, and Siti Nurjanah. (2024). Juridical Analysis of Changes in Land Certificate Agreements Unilaterally by Creditors (Study of Decision No. 235/Pdt.G/2020/Pn Sgr). *Journal of Legal Science*, 6(4), 12421-12429. DOI: <https://doi.org/10.32493/jih.v6i4.2214>
- Andryan, Azzahrafiya, and Siti Nurjanah. (2024). Juridical Analysis of Changes in Land Certificate Agreements Unilaterally by Creditors (Study of Decision No. 235/Pdt.G/2020/Pn Sgr). *Journal of Legal Science*, 6(4), 12421-12429. DOI: <https://doi.org/10.32493/jih.v6i4.2214>

- Atikah, I. (2021). The urgency of a home ownership credit agreement as an effort to realise bank trust as a creditor. *Journal of Law and Justice*, 10(1), 31-63. <https://doi.org/10.25216/jhp.10.1.2021.31-63>
- Aziz, A., Franciska, W., & Marniati, F. S. (2023). Legal Certainty of Mortgage Collateral on Certificate of Right to Use on Individual Property Rights Related to Refusal of Financing by Banks. *Sentri: Journal of Scientific Research*, 2(12), 5062-5071. Retrieved from <https://ejournal.nusantaraglobal.or.id/index.php/sentri/article/view/1891>
- Andrianto. (2020). *Credit Management Theories and Concepts for Commercial Banks (Pe. Print)*. CV. Qiara Media Publisher - Pasuruan, East Java.
- Berlianty, T., Akyuwen, R. J., & Tas'an, D. P. (2023). Restructuring Banking Credit for Micro, Small and Medium Enterprises Due to the Covid-19 Pandemic. *Batulis Civil Law Review*, 4 (1), 67. <https://doi.org/10.47268/ballrev.v4i1.1497>
- Cahyaningrum, D., Hariyono, H. N. M., Budianto, E. W. H., & Dewi, N. D. T. (2023). Collateral in Sharia and Conventional Financial Institutions: VOSviewer Literature and Bibliometric Research.
- Citra, H., Wahyuni, S., & Adbaida, A. (2024). Legal Certainty Regarding Repurchase Guarantees in Banking Agreements. *Scientific Journal of Ecotrans & Erudition*, 4 (1), 184-190. <https://doi.org/10.69989/swks7b89>
- Hidayat, R., & Pratiwi, A. M. (2021). Lending, Interest Income and Return On Equity at PT Bank SUMUT. *Ihtifaz Annual Conference: Islamic ...*, 10, 226-234. <http://www.seminar.uad.ac.id/index.php/ihfifaz/article/view/6056%0Ahttp://www.seminar.uad.ac.id/index.php/ihfifaz/article/viewFile/6056/1316>
- Herryani, M. R. T. (2023). Guarantee of land rights that are transferred as objects of sale and purchase. *Journal of Legal Reconstruction*, 7(1). <https://doi.org/10.26532/ijlr.v7i1.31207>
- Hulu, K. I. (2021). The evidentiary power of land title certificates as evidence of ownership rights. *Journal of Arrow of Justice*, 1(1), 27-31.
- Ismayani, I. (2023). Reconstruction of Fiduciary Guarantee Execution Arrangements Due to Debtor Default Based on the Value of Justice (Doctoral dissertation, Sultan Agung Islamic University).
- Ismayani, I., & Hayati, W. (2024). Review of Consumer Protection Law Against Default of Business Actors Engaged in Services. *Journal of Social Science and Research*, 7(2), 431-440. <https://doi.org/10.54314/jssr.v7i2.1854>
- Ismayani, I., & Muhlizar, M. (2024). Execution of Fiduciary Guarantee Due to Debtor Default on Credit Agreement. *Pena Justisia: Media for Communication and Legal Studies*, 23(1), 466-478. <https://doi.org/10.31941/pj.v23i1.3671>
- Ismayani; Mashdurohatun, Anis; Wahyuningsih, Sri Endah. (2023). Reconstruction of Fiduciary Guarantee Execution Arrangement Due to Debtor Default Based on Justice Value. *JL Pol'y & Globalisation*, 129, 16. DOI: 10.7176/JLPG/129-03
- Inggriani Faisal Santiago, S. (2020). The Concept of Land Registration System in Indonesia in Realising Legal Certainty. *Awang Long Law Review*, 3 (1), 62-66. [https://ejournal.stih-awanglong.ac.id/index.php/awl/article/view/107%0Afile:///C:/Users/HP/Downloads/LR/Inggriani 2022.pdf](https://ejournal.stih-awanglong.ac.id/index.php/awl/article/view/107%0Afile:///C:/Users/HP/Downloads/LR/Inggriani%202022.pdf)
- Judijonto, L., Bandung, M., West, J., Airlangga, U., & East, J. (2024). *Credit Risk Management Strategies for Financial Stability in the Banking Sector*. 1(5), 384-401.
- Jatmiko Winarno. (2024). Implementation of Credit Agreement with Land Collateral at PT Bank Rakyat Indonesia (Persero), Tbk Karanganyar Branch Office. *Terang*, 1(2), 215-224. DOI: <https://doi.org/10.32493/terang.v1i2.221>
- Kaunang, P. D. (2025). *Juridical Review of Electronic Cancellation of Land Rights Certificates Based on Regulation of the Minister of Agrarian and Spatial Planning/Head of the National Land Agency of the Republic of Indonesia Number 21 of 2020*. 2(1).
- Lubis, R. (2021). Legal Protection of Customary Rights. *Nurani*, 21(1), 81-92.
- Mahendra, R. I., Yasa, I. W., & Adonara, F. F. (2023). Notarial binding of a land sale and purchase agreement in which the object of the certificate is encumbered by a mortgage. *International Journal of Social Science and Education Research Studies*, 3(1), 50-56. <https://doi.org/10.55677/ijssers/V03I1Y2023-07>
- Marsitingsih, M., Inayah, W. N., & Putra, A. M. S. (2022). Analysis of the Constitutional Court Decision Number 28 / PUU-XI / 2013 Against Law Number 17/2012 concerning Cooperatives. *Journal of Legal Dynamics*, 22 (2), 394. <https://doi.org/10.20884/1.jdh.2022.22.2.3391>
- Mulyati, E. (2021). Bank Cooperation Agreement with Agents in the Implementation of Branchless Banking in the Context of Realising Inclusive Finance. *Fiat Justisia: Journal of Legal Science*, 15 (4), 301-326. <https://doi.org/10.25041/fiatjustisia.v15no4.2269>

-
- Rachman, R. O., & Badriyah, S. M. (2024). Juridical Review of the Procedure for Cancellation of Certificates of Ownership Encumbered by Mortgage Rights. *Sang Pencerah: Scientific Journal of Muhammadiyah Buton University*, 10(3), 618-629. <https://doi.org/10.35326/pencerah.v10i3.5379>
- Sonjaya, V. N. B., & Winanti, A. (2023). Implementation of Parate Execution of Mortgage Objects without Court Fiat to Resolve Problem Loans. *Journal of USM Law Review*, 6(3), 1307-1320. DOI: 10.26623/julr.v6i3.7901
- Salim, A., & Rasyid, A. (2022). *Legal Effects of Granting Credit Guarantee by Banks to Third Parties*. 1(2), 443-455.
- Sriwati. (2021). Legal Protection for Creditors Based on Cross Default and Cross Collateral Clauses in Credit Agreements. *Confrontation: Journal of Cultural, Economic and Social Change*, 8 (1), 12-22. <https://doi.org/10.33258/konfrontasi2.v8i1.137>
- Tanjaya, W., Isnainul, O. K., Pakpahan, E. F., & Maggie, M. (2023). Juridical Review of Unlawful Acts in Credit Agreements with Land Title Guarantees that have not been separated from the Parent Land Certificate (Study of Decision Number 388 Pk/Pdt/2020). *JPPi (Journal of Indonesian Education Research)*, 9 (2), 1048. <https://doi.org/10.29210/020231937>
- Wibowo, F. M. (2023). Legal Analysis of the Enforcement of Two Mortgage Rights on One Land Certificate as an Object of Credit Guarantee. *Social Science & Humanities Proceedings Series*, 14, 342-347. <https://doi.org/10.30595/pssh.v14i.1062>
- Yani, I., & Erma, Z. (2024). Forms of Crimes and Offences Occurring in the Field of Capital Markets in Investment. *Marwah Hukum*, 2(2), 10-23.
- Zuchri. (2021). Qualitative Research Methods. In *CV. syakir* (Vol. 1, Issue 1). http://scioteca.caf.com/bitstream/handle/123456789/1091/RED2017-Eng-8ene.pdf?sequence=12&isAllowed=y%0Ahttp://dx.doi.org/10.1016/j.regsciurbeco.2008.06.005%0Ahttps://www.researchgate.net/publication/305320484_Centralised_Formulation_System_For_A_Sustainable_Strategy