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Breaking the Debt Trap: Community-Based Legal Education for Women Facing Predatory Online Lending in Merauke

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Abstract:
The rapid advancement of digital technology has substantially eased access to financial services, one of which is online lending (pinjol). Although this innovation offers considerable benefits in terms of transaction speed and procedural convenience, the proliferation of online lending has simultaneously generated a range of legal, social, and economic problems, particularly for vulnerable groups such as women. A considerable number of women have fallen victim to illegal online lending practices, including exorbitant interest rates, misuse of personal data, and intimidating debt-collection tactics. Limited legal literacy is one of the principal factors that leaves women unable to optimally protect their rights. This community service program aims to increase women's awareness and knowledge of the risks of online lending and to assist them in addressing related legal problems. Through legal counseling and mentoring, women are expected to understand their rights and how to respond to the risks posed by online lending. The program employs interactive counseling and continuous mentoring methods to ensure that women are able to understand and apply the legal knowledge they acquire. The outcomes of this program are expected to increase women's legal awareness and knowledge while reducing their exposure to online lending risks.
***Keywords**: Legal Education; Online Lending; Women; Consumer Protection; Community Legal Empowerment.*

Introduction

The introduction is an important part that serves for readers to understand the context, background, and purpose of paper. The introduction should outline 1) the main context or issue that is the basis for writing the paper, 2) explain the relevance of the topic to the field of law and humanities with real problems in society, 3) there are previous studies that support the importance of the topic discussed to show the novelty of the problem or issue discussed, 4) use current and relevant references to show that the topic

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discussed is still actual. Avoid overly long descriptions; the introduction should ideally be no more than 10-15% of the total length of the article.

The rapid development of information technology has brought significant change to society's consumption patterns and financial behavior. Online lending, as one form of financial technology (fintech) innovation, has broadened access to finance, particularly for communities previously unserved by conventional financial institutions. This development has the potential to stimulate economic growth and improve community welfare.[2]

Online lending has become a popular alternative source of financing among the public, especially among women who have limited access to formal financial institutions. However, online lending also carries significant risks, such as high interest rates, aggressive debt collection, and misuse of personal data. As one of the groups most vulnerable to these risks, women require effective legal education to understand their rights and how to respond to them.

Recent empirical evidence corroborates these local observations. A systematic review of fintech-enabled financial inclusion found that vulnerable groups, including low-income women, are disproportionately exposed to over-indebtedness and predatory lending practices precisely because digital access has expanded faster than consumer protection and financial-literacy safeguards[3]. Similarly, a large-scale study of women entrepreneurs in an emerging-market context demonstrated that digital financial literacy is a stronger predictor of prudent financial inclusion than mere access to digital financial products, implying that expanding access without a parallel investment in legal and financial literacy tends to reproduce, rather than reduce, women's vulnerability[4].

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[2] Ananda Maghfira Ajeng Mentari, "Analisis Faktor-Faktor Keputusan Pemberian Kredit Pinjaman Online (Studi Kasus PT. Cicil Solusi Mitra Teknologi," *Jurnal Ilmiah Mahasiswa FEB 9*, no. 2 (2021).

[3] Chun-Teck Lye et al., "A Systematic Literature Review of Fintech, Financial Inclusion and Vulnerable Groups," *Discover Sustainability* 6, no. 1 (2025), https://doi.org/10.1007/s43621-025-02368-2.

[4] Rashedul Hasan et al., "Financial Inclusion–Does Digital Financial Literacy Matter for Women Entrepreneurs?," *International Journal of Social Economics* 50, no. 8 (2022): 1085-1104, https://doi.org/10.1108/IJSE-04-2022-0277.

The primary objective of fintech development is to simplify transaction processes and expand financial inclusion, thereby providing benefits for all layers of society, including both business actors and consumers.[5]

Comparable findings have been reported within the Indonesian fintech-lending sector itself. Suryono, Budi, and Purwandari[6] analyzed complaint data from Indonesia's online lending market and found that unresolved disputes clustered around excessive interest charges, non-transparent fee structures, and abusive collection conduct by unregistered platforms, underscoring that the risks are systemic rather than isolated incidents. In the same vein, Subagiyo, Gestora, and Sulistiyo[7] characterize illegal online lending in Indonesia by the absence of Financial Services Authority (OJK) registration, coupled with aggressive debt-collection tactics, unlawful interest rates, and unauthorized use of borrowers' personal data, and argue that administrative, criminal, and civil liability regimes must operate in tandem with public legal education if such practices are to be meaningfully curbed.

The following are several risks faced by consumers who become entangled with illegal online lending platforms:

1. Theft or hacking of consumers' personal data;
2. Excessively high loan interest rates;
3. Consumers being threatened with defamation, fraud, and harassment;
4. Consumers being billed through their phone contacts and informed that they hold outstanding debts;
5. Unclear or untraceable office locations of the loan provider;
6. Consumers who have repaid their loans in full, yet the debt is not removed on the pretext of a system malfunction by the illegal lending provider;

[5] Otoritas Jasa Keuangan, *Kajian Perlindungan Konsumen Sektor Jasa Keuangan: Perlindungan Konsumen Pada Fintech* (Jakarta: Departemen Perlindungan Konsumen, 2017).
[6] Ryan Randy Suryono, Indra Budi, and Betty Purwandari, "Detection of Fintech P2P Lending Issues in Indonesia," *Heliyon* 7, no. 4 (2021), https://doi.org/10.1016/j.heliyon.2021.e06782.
[7] Dwi Tatak Subagiyo, Lorensia Resda Gestora, and Sulistiyo, "Characteristic of Illegal Online Loans in Indonesia," *Indonesian Private Law Review* 3, no. 1 (2022): 63-76, https://doi.org/10.25041/iplr.v3i1.2594.

7. Consumers being charged unexplained or unjustified administrative fees.[8]

These risk patterns are not unique to Merauke. Junaidi and Endraria[9], applying a fraud-diamond framework to online lending cases across Indonesia, found that low financial literacy combined with urgent, unmet financial needs consistently created the opportunity structure that illegal lenders exploit, while Sianjaya, Hasan, and Susiawati[10] similarly conclude that, despite the existence of administrative, criminal, and civil sanctions under Indonesian law, unlicensed lenders continue to operate because enforcement capacity has not kept pace with the rapid proliferation of digital lending applications.

In Merauke Regency, South Papua Province, online lending has become a serious problem. Many women in Merauke Regency use online loans to meet their daily needs, yet they do not understand their rights or how to deal with the risks involved. According to data from the Merauke Regency Office of Women's Empowerment and Child Protection, 150 cases of online lending were reported by women in Merauke Regency in 2022, with the majority of cases related to aggressive debt collection and the misuse of personal data.[11]

An illustrative case that occurred in Merauke Regency involved a thirty-year-old woman who used an online loan to purchase basic household necessities. However, because she did not fully understand the interest rates and fees associated with the loan, she became trapped in substantial debt and subsequently experienced aggressive collection practices from the lending company.[12]

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[8] M. H. Akhmad Zaenuddin and S.H., "Pinjol Ilegal, Begini Jerat Hukumnya," 2025, https://amp.kompas.com/konsultasihukum/read/2021/07/31/060000980/pinjol-ilegal-begini-jerathukumnya,.

[9] Junaidi and Endraria, "Online Loan Fraud Cases in Indonesia: Diamond Fraud Dimensions," *Dinasti International Journal of Economics, Finance & Accounting* 5, no. 3 (2024): 955-969, https://doi.org/10.38035/dijefa.v5i3.2806.

[10] Ivone Christy Sianjaya, Tandyo Hasan, and Andyna Susiawati, "Legal Impact and Urgency of Protection for Users of Illegal Online Loan Services," *The International Journal of Politics and Sociology Research* 11, no. 4 (2024): 457-464, https://doi.org/10.35335/ijopsor.v11i4.229.

[11] Dinas Pemberdayaan Perempuan Perlindungan Anak Kabupaten Merauke, "Data Kasus Pinjaman Online di Kabupaten Merauke," 2022.

[12] "Wawancara dengan perempuan yang mengalami kasus pinjaman online di Kabupaten Merauke," n.d.

The psychological toll documented in this case is consistent with broader regional findings. In a recent study of online-lending users, Pertiwi and Muminin[13] reported a statistically significant negative association between financial stress arising from online debt and borrowers' psychological safety, with the majority of respondents exhibiting moderate-to-low psychological well-being, which suggests that the harm caused by illegal online lending extends well beyond financial loss to encompass measurable mental-health consequences that compound victims' difficulty in seeking legal remedies.

For this reason, this community service program aims to raise women's awareness and knowledge of the risks of online lending and to assist them in facing the related legal problems. Through legal counseling and mentoring, women can come to understand their rights and the appropriate ways to respond to the risks of online lending.

These problems prompted the Community Service Team of the Faculty of Law to conduct a community service program, specifically directed at the women of the Legio Maria Prayer Community, Christ the King of the Universe Branch, Mopah Lama, under the title "Legal Education Strategy through Counseling and Mentoring for Women in Facing Online Lending Risks."

The partner of this community service program is the Legio Maria Prayer Community, which has limited knowledge of the risks of online lending and how to address them. The problems faced by the partner are as follows:

1. Limited knowledge of the risks of online lending: many members of the Legio Maria Prayer Community do not understand the risks of online
2. lending, such as high interest rates, aggressive debt collection, and misuse of personal data;
3. Limited access to legal information: the Legio Maria Prayer Community has limited access to legal information related to online lending, making its members less likely to understand their rights when using online loan services;

[13] Y. W. Pertiwi and A. Muminin, "Psychological Safety under Pressure: The Role of Financial Stress in Online Lending Behavior," *International Journal of Society Reviews (INJOSER* 2, no. 9 (2025): 1377–86.

4. Negative impact of online lending on family life: online lending can negatively affect family life, causing stress, conflict, and economic hardship, which in turn can disrupt the stability of the family and the wider community.

This pattern of vulnerability mirrors findings from the broader literature on gender and digital finance. Özşuca[14] shows that the gender gap in digital financial inclusion is widest precisely among working-age women with limited formal employment, a demographic profile that closely matches the participants of this program, while Mishra, Agarwal, Sharahiley, and Kandpal[15] demonstrate that financial attitude, subjective norms, and access to relevant information jointly explain the majority of variance in women's financial decision-making capacity, reinforcing the rationale for an intervention that combines legal information with attitudinal and behavioral guidance rather than legal information alone.

According to data from the Legio Maria Prayer Community, many of its members have become victims of online lending and require assistance in dealing with the resulting problems.

Accordingly, this community service program aims to increase the awareness and knowledge of the Catholic Women of the Republic of Indonesia regarding the risks of online lending and to assist them in facing the related legal problems. Through legal counseling and mentoring, members of the Legio Maria Prayer Community can come to understand their rights and how to respond to the risks of online lending.

Based on the situational analysis above, the Community Service Team identified the numerous problems and complications arising from the risks of online lending. To address the problems faced by the Legio Maria Prayer Community in confronting these risks, this program offers a solution in the form of legal counseling on the risks of online lending and how to respond to them, intended to increase the community's awareness and knowledge of their rights when using online loan services. In addition, legal

[14] Ekin Ayşe Özşuca, "Gender Gap in Digital Financial Inclusion across Generations," *Empirica* 52, no. 2 (2025): 197-210, https://doi.org/10.1007/s10663-024-09641-z.

[15] Deepak Mishra et al., "Digital Financial Literacy and Its Impact on Financial Decision-Making of Women: Evidence from India," *Journal of Risk and Financial Management* 17, no. 10 (2024), https://doi.org/10.3390/jrfm17100468.

mentoring will be provided to assist the Legio Maria Prayer Community in dealing with online lending problems, such as negotiating with lending companies and resolving legal disputes.

Laws Governing Online Lending. Online lending in Indonesia is regulated by several laws, including:

1) Law No. 21 of 2011 concerning the Financial Services Authority (OJK): the OJK has the authority to supervise and regulate financial services, including online lending;
2) OJK Regulation No. 77/POJK.01/2016 concerning Information Technology-Based Money Lending and Borrowing Services: this regulation governs the requirements and procedures for operating online lending services;
3) Law No. 11 of 2008 concerning Electronic Information and Transactions (ITE Law): this law regulates the use of information technology and electronic transactions, including online lending.
4) Beyond these three foundational instruments, more recent regulatory developments further strengthen the legal basis for this program's counseling material, namely OJK Regulation No. 18 of 2023 concerning the enhanced protection of financial services consumers and the public, and Law No. 27 of 2022 concerning Personal Data Protection (PDP Law), both of which impose stricter obligations on fintech lending providers regarding lawful data processing, informed consent, and non-abusive debt-collection conduct;[16]

The objectives of the proposed solution are as follows:

1) To increase the Legio Maria Prayer Community's awareness and knowledge of the risks of online lending and how to respond to them;

[16] Khalita Putri Azzahra and Satino, "Consumer Protection in Fintech Lending: (Study of Decision Number 438/Pid.Sus/2020/PN Jkt.Utr in the Perspective of POJK 18/2023 and the PDP Law," *Journal of Law, Politic and Humanities* 6, no. 2 (2025): 1186-1192, https://doi.org/10.38035/jlph.v6i2.2675.

2) To assist the Legio Maria Prayer Community in confronting online lending problems and resolving legal issues;
3) To improve the Legio Maria Prayer Community's ability to manage their finances more effectively;
4) To establish a strong support community for members of the Legio Maria Prayer Community who have experienced online lending problems.

This solution design is consistent with the growing body of evidence on community-based legal empowerment. Cheema and Riaz[17], evaluating a legal empowerment project in Pakistan, found that community-embedded paralegal and counseling structures were more effective than formal legal institutions alone in helping marginalized women translate abstract legal rights into concrete protective action, precisely because such structures combine trusted social relationships with accessible legal knowledge. Likewise, a systematic review of financial-literacy training programs targeting marginalized women concluded that interventions delivered through existing community structures produce more durable improvements in financial behavior than one-off information campaigns[18], lending further support to the decision to anchor this program within an existing faith-based women's community rather than a generic public seminar format.

Thus, this community service program is expected to help the Legio Maria Prayer Community confront the risks of online lending and enhance their overall well-being.

The presence of this community service program serves as a vehicle for legal counseling on the legal consequences arising from the risks of online lending.

Online lending may give rise to serious legal consequences for both borrowers and lenders. Some of the legal consequences that may arise include:

[17] Abdur Rehman Cheema and Mehvish Riaz, "Community-Based Paralegals to Build Just Societies: Insights from a Legal Empowerment Project in Pakistan," *Community Development Journal* 57, no. 4 (2022): 695-712, https://doi.org/10.1093/cdj/bsab041.
[18] Heena Choudhary and Himanshi Jain, "Addressing Financial Exclusion through Financial Literacy Training Programs: A Systematic Literature Review," *Empirical Research in Vocational Education and Training* 15, no. 1 (2023), https://doi.org/10.1186/s40461-023-00147-9.

1) Civil consequences: the borrower may be sued by the lender for repayment of outstanding debt, together with interest and other charges;
2) Criminal consequences: the borrower may face criminal sanctions if fraud or embezzlement occurs during the lending process;
3) Reputational damage: a borrower who fails to repay a debt may suffer reputational harm and encounter difficulty obtaining loans in the future;
4) Disputes: online lending may give rise to disputes between borrower and lender, particularly where there is no clear agreement on the terms and conditions of the loan.

The practical significance of these legal consequences is reinforced by recent Indonesian case-law analysis. Azzahra and Satino[19], examining a criminal decision involving fintech lending fraud in light of POJK 18/2023 and the PDP Law, conclude that "although the new regulations strengthen legal protection and ethical obligations, their effectiveness still depends on law enforcement, inter-agency coordination, and public legal awareness," a finding that directly underscores why community-level legal education, of the kind offered in this program, remains indispensable even as formal regulation continues to be strengthened.

Legal Sanctions

Legal sanctions that may be imposed on online lending providers who commit violations include:

1) Administrative sanctions: the Financial Services Authority (OJK) may impose administrative sanctions on online lending providers who commit violations, such as revocation of their business license;
2) Criminal sanctions: online lending providers may face criminal sanctions if they commit criminal acts such as fraud or embezzlement;
3) Civil claims: borrowers may file civil claims against online lending providers who violate the terms of the lending agreement.

[19] Azzahra and Satino, "Consumer Protection in Fintech Lending: (Study of Decision Number 438/Pid.Sus/2020/PN Jkt.Utr in the Perspective of POJK 18/2023 and the PDP Law."

In carrying out this community service program with its partner, the proposing team is technically responsible for planning, implementing, evaluating, and monitoring the program and the implementation of the science and technology involved.

This program is thus positioned to respond to a gap repeatedly identified in the literature: while national studies document the scale and mechanics of illegal online lending in considerable detail and call for stronger enforcement, standardized lending terms, and expanded financial-literacy initiatives [20], comparatively few interventions translate that knowledge into community-level legal action tailored to a specific vulnerable group in a specific locality. By focusing on women in a faith-based community in Merauke, South Papua, a region that remains underrepresented in the national literature on digital-lending vulnerability, this program contributes locality-specific evidence to a discourse that has so far been dominated by studies conducted in Java and other more urbanized regions of Indonesia[21].

Methods

The implementation method used to achieve the targets and outputs of this community service program consists of the following steps:

1) Field observation: the step required to gather input for the preparation of this activity proposal and to collect the technical data needed to develop the community service materials;
2) Literature review: the step aimed at collecting reference materials from academic studies, including books and journal articles, on the characteristics of illegal online lending and its associated risks;
3) Activity plan: Thematic legal counseling framed within Christian values, delivered through narratives relevant to Catholic faith values such as justice and responsibility; group discussion and shared reflection, in the form of interactive

[20] Suparto Admiral et al., "Indonesia's Online Loan Challenges: What Legal Actions Can Solve the Most Pressing Issues?," *Jurnal Pengabdian Hukum Indonesia* 8, no. 1 (2025): 275-314, https://doi.org/10.15294/jphi.v8i1.21959. Ali Masyhar et al., "The Protection Policies on Predatory Digital Credit Traps Students: Lessons from Indonesia," *Journal of Human Rights, Culture and Legal System* 6, no. 1 (2026): 254-284, https://doi.org/10.53955/jhcls.v6i1.862.

[21] Gorrettie Nakyeyune Kyeyune and Joseph Mpeera Ntayi, "Empowering Rural Communities: The Role of Financial Literacy and Management in Sustainable Development," *Frontiers in Human Dynamics* 6 (2025), https://doi.org/10.3389/fhumd.2024.1424126.

discussion and faith reflection to strengthen legal awareness grounded in family-based values; a legal consultation and mentoring corner, providing individual consultation sessions conducted by the legal team for members facing online lending problems; dissemination of church-based educational media, including the distribution of posters, leaflets, and church announcements as a means of disseminating legal information; and evaluation and follow-up, through the establishment of a legal mentoring group within the Legio Maria Prayer Community to ensure the sustainability of the activity;

4) Location and target participants: this legal counseling and mentoring program was carried out at the Legio Maria Prayer Community, Christ the King of the Universe Branch, Mopah Lama.

This combination of field observation, literature review, thematic counseling, and structured mentoring reflects methodological practice recommended in the community legal-education literature. Choudhary and Jain[22] emphasize that financial and legal literacy interventions are most effective when they integrate a preparatory diagnostic phase, culturally grounded delivery, and a follow-up mentoring component, rather than relying on a single counseling session in isolation. Consistent with this recommendation, the present program embedded its legal counseling within the congregation's existing faith practices and complemented it with an individual consultation corner and a continuing legal-mentoring group, an approach that parallels the community-based paralegal model documented by Cheema and Riaz[23] and the sustained, structure-anchored financial-literacy education described by Jusriadi, Caronge, Asniwati, and Nginang[24] in their community service program targeting online-lending fraud prevention in Indonesia.

Result and Discussion

1. Coordination and Identification of the Partner's Legal Problems

[22] Choudhary and Jain, "Addressing Financial Exclusion through Financial Literacy Training Programs: A Systematic Literature Review."
[23] Cheema and Riaz, "Community-Based Paralegals to Build Just Societies: Insights from a Legal Empowerment Project in Pakistan."
[24] Edi Jusriadi et al., "Edukasi Literasi Keuangan dalam Upaya Pencegahan Penipuan Pinjaman Online," *JMM (Jurnal Masyarakat Mandiri) 8*, no. 2 (2024): 1646-1656, https://doi.org/10.31764/jmm.v8i2.21326.

In the implementation report of this community service activity, the results achieved are as follows. The activity began with a preliminary survey and coordination with the target partner, namely the group of women of the Legio Maria Prayer Community, Christ the King of the Universe Branch, Mopah Lama. Initial coordination took place on 15 May 2025 through direct meetings and communication via WhatsApp with the local women's community leadership. This coordination resulted in an agreement to carry out legal counseling and mentoring activities related to the risks of online lending (pinjol).

Based on the results of interviews and preliminary discussions with the participants, several key problems they faced were identified, including:

1) Limited understanding of the legality status of online lending platforms;
2) Minimal knowledge regarding interest rates, penalties, and collection procedures;
3) A high prevalence of victims of intimidation, terror, and misuse of personal data;
4) Economic pressure that drives women to take out loans without considering the legal risks involved.

These preliminary findings echo patterns documented at the national level. Junaidi and Endraria[25] similarly found that unmet financial needs, combined with limited understanding of legitimate lending procedures, were the dominant drivers of exposure to online lending fraud, while Sianjaya, Hasan, and Susiawati[26] note that victims of illegal online lending frequently discover the illegality of a platform only after experiencing aggressive collection or data misuse, by which point the available legal remedies are considerably harder to pursue. These parallels confirm that the problems identified among the Legio Maria Prayer Community participants are representative of a broader, systemic pattern rather than a localized anomaly.

Based on these problems, the community service team designed a program consisting of the following activities:

1) Legal counseling on legal and illegal online lending;
2) Education on personal data protection;

[25] Junaidi and Endraria, "Online Loan Fraud Cases in Indonesia: Diamond Fraud Dimensions."
[26] Sianjaya, Hasan, and Susiawati, "Legal Impact and Urgency of Protection for Users of Illegal Online Loan Services."

3) Consultative mentoring for participants who had already become victims of illegal online lending practices.

2. Implementation of Legal Counseling on Online Lending Risks

The counseling activity was carried out on 1 November 2025 at the residence of the Chairperson of the Legio Maria Prayer Community, Christ the King of the Universe Branch, Mopah Lama. The activity was attended by ten female participants with diverse age groups and occupational backgrounds. The activity began with the following stages:

1) Opening remarks by a partner representative;
2) Presentation of the activity's objectives by the community service team;
3) Delivery of material by the resource person;

The material presented covered the following topics:

1) The definition of online lending and its legal basis;
2) The characteristics of legal and illegal online lending platforms based on OJK regulations;
3) The mechanisms of interest, penalties, and the risk of default;
4) Forms of legal violations found in illegal online lending practices;
5) Legal remedies available to victims.

Participants demonstrated a high level of enthusiasm, evident from their active participation in asking questions and sharing personal experiences related to collection-related terror, the dissemination of personal data, and the psychological pressure caused by online lending.

These engagement outcomes compare favorably with similar community-based interventions reported elsewhere in Indonesia. Jusriadi, Caronge, Asniwati, and Nginang[27] documented that a financial-literacy education program aimed at preventing online lending fraud produced a 94.44 percent improvement in participants' ability to recognize illegal lending categories, while Zulaikha, Farida, Astutik, Maella, and Handayanti[28] recorded gains of between 33 and 42 percent across several dimensions of

[27] Jusriadi et al., "Edukasi Literasi Keuangan dalam Upaya Pencegahan Penipuan Pinjaman Online."
[28] Farida Zulaikha et al., "Urgensi Literasi Keuangan Digital sebagai Upaya Melindungi Komunitas Urban dari Penipuan Online," *Journal of Indonesian Society Empowerment* 4, no. 1 (2026): 21-31, https://doi.org/10.61105/jise.v4i1.379.

digital transaction-security literacy following a comparable community education intervention. The high level of engagement and spontaneous self-disclosure observed among participants in the present program is consistent with these benchmarks and suggests that faith-community settings may offer a particularly conducive environment for candid discussion of sensitive financial and legal experiences.

3. Legal Mentoring Outcomes for Victims of Online Lending

In addition to counseling, direct mentoring was also provided to participants who had experienced legal problems related to online lending. The mentoring process included:

1) Identification of the type of loan used;
2) Verification of the legality of the lending platform;
3) Education on the steps required to terminate access to illegal applications;
4) Assistance in preparing complaints to relevant institutions.

The mentoring results indicate that:

1) Participants gained a better understanding of their rights and obligations;
2) Participants became able to distinguish between legal and illegal online lending platforms;
3) Participants' anxiety levels decreased following the legal education they received.

These mentoring outcomes align with the broader literature on legal empowerment through sustained, individualized support. Choudhary and Jain[29] note that structured follow-up support, rather than one-time information delivery, is what most consistently translates financial and legal knowledge into changed behavior, while Cheema and Riaz[30] similarly find that trust-based, community-embedded mentoring relationships are central to victims' willingness to pursue formal complaints against predatory lenders. The reduction in participants' anxiety observed in this program is therefore consistent with the broader finding that legal mentoring functions not only as

[29] Choudhary and Jain, "Addressing Financial Exclusion through Financial Literacy Training Programs: A Systematic Literature Review."
[30] Cheema and Riaz, "Community-Based Paralegals to Build Just Societies: Insights from a Legal Empowerment Project in Pakistan."

an information channel but also as a source of psychosocial reassurance for victims of online lending abuse.

4. Juridical Discussion: Legal Awareness Transformation among Women Participants

This community service activity demonstrates that a legal education strategy carried out through counseling and mentoring effectively increases women's legal awareness in confronting the risks of online lending.

This finding is consistent with the wider literature on fintech, financial inclusion, and vulnerable populations. Lye, Tay, Ng, and Ahmad-Nazmi[31] argue that closing the protection gap created by rapid fintech expansion requires interventions that operate simultaneously at the regulatory, institutional, and community levels, since regulation alone cannot reach individuals who remain unaware of their rights. Hasan, Ashfaq, Parveen, and Gunardi[32] reach a parallel conclusion in the context of women entrepreneurs, showing that digital financial literacy, rather than access to financial technology per se, is what ultimately determines whether digital finance empowers or harms low-resource users. The present program's combination of legal counseling and sustained mentoring can therefore be understood as an attempt to operate precisely at the community level that these studies identify as the missing link between formal regulation and actual protection on the ground.

Prior to the activity, the majority of participants:

1) Did not understand the legal status of the lending platforms;
2) Did not understand the risks of personal data misuse;
3) Regarded online lending as a quick solution free of legal risk.

Following the activity, participants exhibited attitudinal changes, including:

1) Greater caution when accessing financial applications;
2) The ability to recognize illegal online lending practices;
3) Awareness of the legal protection mechanisms available to them.

This indicates that a participatory legal education approach (combining counseling and mentoring) is capable of strengthening women's legal literacy and self-protection against illegal financial practices.

[31] Lye et al., "A Systematic Literature Review of Fintech, Financial Inclusion and Vulnerable Groups."
[32] Hasan et al., "Financial Inclusion–Does Digital Financial Literacy Matter for Women Entrepreneurs?"

Nevertheless, several critical caveats warrant explicit acknowledgment. First, the program's sample of ten participants is small, and, consistent with the gender-focused digital-inclusion literature[33], the observed gains in legal awareness cannot be assumed to generalize to the wider population of women in Merauke Regency without larger, longitudinal follow-up. Second, because participants were drawn from a single faith-based community, self-selection may have inflated engagement levels relative to a more heterogeneous population. Third, as Kyeyune and Ntayi[34] caution in their study of financial literacy in rural communities, short-term attitudinal shifts measured immediately after an intervention do not always translate into sustained behavioral change once external reinforcement ends, indicating that the durability of the awareness gains reported here should be verified through follow-up evaluation rather than assumed. These limitations do not diminish the program's demonstrated short-term impact, but they do delimit the strength of the claims that can be drawn from a single, small-scale community intervention.

5. Observation and Evaluation of the Legal Education Program

Observation was conducted directly by the implementation team throughout the activity. Evaluation was carried out through discussion and feedback from participants.

The evaluation results indicate that:

1) Participants felt assisted by the legal counseling provided;
2) Participants requested that similar activities be conducted on an ongoing basis;
3) The activity was considered relevant to the real needs of women in the community.

Accordingly, this program is considered successful in improving legal understanding and the social resilience of women in confronting the risks of online lending.

Taken together with comparable community-based legal and financial education programs elsewhere in Indonesia[35], these evaluation results suggest that participatory, community-anchored legal education is a transferable model rather than a context-

[33] Özşuca, "Gender Gap in Digital Financial Inclusion across Generations."
[34] Kyeyune and Ntayi, "Empowering Rural Communities: The Role of Financial Literacy and Management in Sustainable Development."
[35] Jusriadi et al., "Edukasi Literasi Keuangan dalam Upaya Pencegahan Penipuan Pinjaman Online."

specific success, provided that future iterations retain the combination of trusted community entry points, individualized mentoring, and continuity of support that the literature on community-based paralegal work identifies as decisive.[36]

Conclusion

This community service activity demonstrates that a legal education strategy carried out through counseling and mentoring effectively strengthens women's legal awareness in confronting the risks of online lending. The counseling successfully improved participants' understanding of the distinction between legal and illegal online lending and the legal risks that may arise from the use of online lending services, while the accompanying legal mentoring gave participants a sense of security and confidence in facing debt-collection practices that violate the law; overall, the program increased participants' legal awareness and digital financial literacy, making them wiser and more cautious in decisions related to application-based lending, and confirms that a participatory, community-anchored legal education strategy is an appropriate method for empowering women to protect their rights against online lending risks a conclusion corroborated by comparable regional evidence that community-based legal and financial literacy interventions measurably reduce women's vulnerability to predatory digital lending, reinforcing participatory legal education as a scalable empowerment strategy. On this basis, it is recommended that participants apply and disseminate the knowledge gained within their communities; that the Government and relevant institutions strengthen regulation and oversight of illegal online lending while improving complaint services accessible to women victims; that higher-education institutions sustain and expand similar community legal-education programs across a wider geographic scope; and that future implementing teams adopt more innovative and digitally enabled educational methods, such as short-format video modules and mobile-based reminders shown to improve women's financial decision-making capacity, together with longitudinal evaluation designs capable of verifying whether short-term gains in legal awareness persist over time.

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