



Resolution of People's Business Credit (KUR) Breach at BRI Bank, South City

Nur Wulan N. Moeda¹, Weny Almoravid Dungga², Nurul Fazri Elfikri³

¹²³ Faculty of Law, State University of Gorontalo, Indonesia.

Correspondence Email: nurwulanmoeda@gmail.com

Abstract: People's Business Credit (KUR) plays a vital role in supporting the growth of micro, small, and medium enterprises (MSMEs) in Indonesia. However, breaches of contract often occur, posing challenges to the financial stability of Bank Rakyat Indonesia (BRI), particularly at the South City Branch. This study aims to explore the resolution process for KUR defaults within this unit using normative and empirical approaches. The normative approach focuses on evaluating the regulations governing default resolution, while the empirical approach involves collecting data directly from cases that occurred at the South City Branch over a specific period. The findings indicate that despite having established procedures for resolving defaults, several implementation challenges remain. Key issues include limited human resources, ineffective communication of information to debtors, and delays in the resolution process. Furthermore, the study reveals that the educational level of debtors significantly influences the success rate of resolving defaults, with more educated debtors tending to fulfill their obligations more effectively. To address these challenges, the study recommends enhancing human resource capacity and improving debtor education programs at BRI South City Branch. Strengthening regulations and fostering collaboration among stakeholders are also essential to ensure the sustainability of the KUR program and to promote the growth of MSMEs in Indonesia.

Keywords : Default; Agreement; People's Business Credit.

@2024 Nur Wulan N. Moeda, Weny Almoravid Dungga, and Nurul Fazri Elfikri

Under the license CC BY-SA 4.0

How to cite (Chicago Style) :

Nur Wulan N. Moeda, Weny Almoravid Dungga, and Nurul Fazri Elfikri. "Resolution of People's Business Credit (KUR) Breach at BRI Bank, South City". *Estudiante Law Journal*, 6 (3), (October 2024): 620-632. <https://doi.org/10.33756/eslaj.v6i3.29266>.

1. Introduction

Banking institutions play a strategic role in the economic development of a country by serving as intermediaries between parties with surplus funds and those in need of financing. This role creates a critical relationship between banks and customers, enabling banks to engage in credit activities and provide various financial services that facilitate economic transactions and support payment mechanisms across all sectors. As stipulated in Law No. 10 of 1998, which amended Law No. 7 of 1992 on Banking, a bank is defined as a business entity that collects funds from the public in the form of deposits and redistributes them in the form of credit or other financial instruments to improve the standard of living. The primary function of banks as financial intermediaries involves transferring funds from savers (surplus units) to borrowers (deficit units), a vital activity for ensuring the smooth operation of the economy.¹

Banking activities encompass collecting funds from the public through savings, term deposits, and checking accounts; distributing these funds as credit or financing; and facilitating trade transactions and foreign currency payments. These activities aim to assist the public in managing their finances while driving economic progress. Credit services, particularly People's Business Credit (KUR), exemplify one of the key facilities provided by conventional banks to meet the financial needs of the community. KUR is a government program designed to support MSMEs (Micro, Small, and Medium Enterprises) that are deemed productive yet not bankable, offering loans without requiring collateral.² The program serves multiple objectives, such as increasing access to financing for productive businesses, enhancing the competitiveness of MSMEs, and stimulating economic growth and employment. National banks, including BRI, Mandiri, BNI, and BTN, among others, are key distributors of KUR. BRI, as the largest distributor, has disbursed IDR 899.1 trillion in KUR loans from 2014 to 2022, significantly contributing to the empowerment of MSMEs.³

Despite its widespread implementation, KUR faces several challenges, particularly related to loan defaults. Many borrowers misunderstand KUR as government aid rather than a formal credit arrangement. Furthermore, some borrowers fail to fulfill their repayment obligations due to poor financial management or business

¹ Regga Gurkami, Rusdin Aalauddin, and Anshar Anshar, "Analisis Hukum Penyelesaian Kredit Usaha Rakyat Mikro Status Macet Di PT Bank Tabungan Negara Kantor Cabang Ternate," *Jurnal Tana Mana* 5, no. 3 (December 29, 2024): 416–29, <https://doi.org/10.33648/jtm.v5i3.669>.

² Muhammad Iqbal Mustapa, Zamroni Abdussamad, and Mellisa Towadi, *Rasiolegis Kewenangan Mengadili Perkara Fiktif Positif Dalam Perundang-Undangan*, 1st ed. (UII Press), accessed December 19, 2024, <https://dpsd.uui.ac.id/uui-press/katalog/rasiolegis-kewenangan-mengadili-perkara-fiktif-positif-dalam-perundang-undangan/>.

³ I. Kadek Adi Payana, I. Nyoman Putu Budiarta, and Ni Made Puspasutari Ujianti, "Upaya Hukum PT Bank Rakyat Indonesia (Persero) Tbk Unit Amlapura Terhadap Debitur Yang Wanprestasi Dalam Usaha Mikro," *Jurnal Preferensi Hukum* 1, no. 1 (July 27, 2020): 27–32, <https://doi.org/10.22225/jph.1.1.2256.27-32>.

performance. At BRI's South City Branch, as of December 2023, 4.18% of KUR loans were classified as problematic, with 102 out of 1,427 borrowers struggling to meet repayment terms. These problematic loans are categorized into several stages of delinquency, ranging from "special attention" (DPK) to full default, with severe cases leading to the blacklisting of borrowers in the financial system under SLIK OJK (the Credit Information System managed by the Financial Services Authority). Such defaults negatively impact both the borrowers, who face limited future access to credit, and the bank, which suffers financial losses and potential reputational damage.⁴

To address these issues, it is crucial for banks to strengthen public education regarding the obligations and terms associated with KUR loans. Implementing more robust risk management strategies, enhancing borrower support, and improving loan monitoring mechanisms are essential to mitigating default risks. Strengthening regulatory frameworks and fostering collaboration among stakeholders can further ensure the sustainability of KUR, enabling it to continue playing a critical role in fostering economic growth, empowering MSMEs, and improving the livelihood of communities across Indonesia.⁵

2. Method

This study employs a normative-empirical research methodology that utilizes secondary data (from library sources) supported by primary data obtained through field research methods, such as observations, interviews, and surveys. Essentially, in legal research, this approach falls within the scope of normative-empirical studies, particularly when conducted by law enforcement institutions to examine and evaluate the effectiveness of a norm in the process of its enactment and implementation within society.⁶ The approaches applied in this research include the Statute Approach, which prioritizes legal materials such as legislation as the primary basis for conducting research; the Case Approach, which involves analyzing cases related to the research problem under investigation; and the Conceptual Approach, which provides an

⁴ Destyan Destyan Abinsa Darussalam, "Penyelesaian Wanpresrasi Dalam Perjanjian Kredit Dengan Jaminan Fidusia Pada Bank Rakyat Indonesia Cabang Surakarta: Penyelesaian Wanpresrasi Dalam Perjanjian Kredit Dengan Jaminan Fidusia Pada Bank Rakyat Indonesia Cabang Surakarta," *PAUGERAN LAW REVIEW* 1, no. 1 (September 12, 2024), <https://ejurnal.unisri.ac.id/index.php/plr/article/view/11000>.

⁵ Shaila Fitri Hasyim Nasution, Sofyan Jafar, and Nurarafah Nurarafah, "Wanprestasi Pada Pelaksanaan Perjanjian Kredit Usaha Mikro Tanpa Agunan (Studi Penelitian di PT. Bank Sumut Cabang Binjai)," *JURNAL ILMIAH MAHASISWA FAKULTAS HUKUM UNIVERSITAS MALIKUSSALEH* 5, no. 2 (April 23, 2022), <https://doi.org/10.29103/jimfh.v5i2.7082>.

⁶ Budi Juliardy et al., *Metode Penelitian Hukum* (CV. Gita Lentera, 2023), <https://books.google.com/books?hl=id&lr=&id=vyXbEAAAQBAJ&oi=fnd&pg=PA107&dq=metode+penelitian+hukum&ots=URuRjG6Xw6&sig=kj0vDpBxujgNgwe1u9TCgINWAh4>.

analytical perspective for solving research problems by examining the underlying legal concepts.⁷

3. Process of Settlement of Default of People's Business Credit (KUR) Agreement at BRI Bank, South City Unit

In the Indonesian language, the term "dispute" is defined as a disagreement or conflict. Conflict refers to opposition or contention between individuals, groups, or organizations regarding a particular issue. Disputes often arise from situations where one party feels aggrieved by another. Formal dispute resolution has evolved into adjudication processes, encompassing litigation through courts and arbitration, as well as informal conflict resolution mechanisms based on mutual agreement, such as negotiation and mediation.

In general, the law recognizes two methods of resolving disputes or conflicts: litigation (court-based resolution) and non-litigation (out-of-court resolution). Litigation involves addressing disputes through judicial channels, including both civil and criminal cases.⁸ Litigation is often considered a last resort by banks when attempting to recover credit through measures such as executing credit collateral, demanding repayment from guarantors, repossessing collateralized assets, voluntary sales of collateral, or filing civil lawsuits for debt settlement when a debtor defaults. This resolution process is carried out through legal institutions, such as District Courts and Commercial Courts.⁹

Non-litigation, on the other hand, refers to dispute resolution outside of the courts. It is the most commonly pursued alternative due to its family-oriented and consensus-driven approach, which benefits both parties. Non-litigation is typically used in civil cases as it pertains to private matters. Non-litigation methods for resolving disputes include: (1) Negotiation, (2) Mediation, and (3) Arbitration.¹⁰

The scope of non-litigation dispute resolution encompasses legal actions or measures that encourage parties to resolve their legal issues amicably. Parties often choose non-litigation options as they are considered the most effective, efficient, and secure methods for resolving disputes. Achieving peace through non-litigation approaches involves considering the explanatory materials of relevant legal provisions, litigation costs, the importance of thorough dispute resolution, the avoidance of lingering

⁷ S. H. Suyanto, *Metode Penelitian Hukum Pengantar Penelitian Normatif, Empiris Dan Gabungan* (Unigres Press, 2023),

https://books.google.com/books?hl=id&lr=&id=Zg2mEAAAQBAJ&oi=fnd&pg=PA16&dq=metode+penelitian+hukum&ots=lfUu5Q8U7W&sig=58q5Jx586SJBsEr1aktjwEDm_W8.

⁸ Iqbal Mustapa, Zamroni Abdussamad, and Mellisa Towadi, "Positive Fictional Authority Legislative Ratio in Government Administration Laws and Job Creation Laws," *Damhil Law Journal* 2, no. 1 (May 28, 2022): 17–35, <https://doi.org/10.56591/dlj.v1i1.1726>.

⁹ Triyana Syahfitri, "Upaya Penyelesaian Non Performing Loan Pada Kredit Usaha Rakyat Di Perbankan Indonesia," *JUDAKUM: JURNAL DEDIKASI HUKUM* 1, no. 1 (July 26, 2022): 1–11.

¹⁰ Simon Vandryanto Munthe, "Penyelesaian Wanprestasi Dalam Perjanjian Kredit Pada Bank Rakyat Indonesia (Bri) Persero Tbk. Unit Pangaribuan," August 11, 2023, <https://repository.uhn.ac.id/handle/123456789/8843>.

resentment, and the ability to address issues with empathy and without causing harm through contentious debate.¹¹

Non-litigation dispute resolution fundamentally relies on peaceful settlements. While the resolution is grounded in legal principles, its structure is tailored to the preferences of the parties involved, aiming to ensure satisfaction with the dispute resolution process. A peaceful resolution is based on agreements deemed most beneficial by the parties. This means that, even when compromises are necessary, such sacrifices are perceived as reasonable and cost-effective compared to litigation-based resolutions.¹²

The author examines the second research question regarding the resolution of People's Business Credit (KUR) default agreements at Bank BRI South City Unit. Based on interviews with Mr. Abdul Manaf, a KUR officer at Bank BRI South City Unit, the bank primarily resolves disputes through family-oriented or non-litigation methods. This preference arises because litigation involves significant costs and lengthy resolution processes. To date, any KUR-related default issues at Bank BRI South City Unit have been resolved internally or amicably, with no cases escalating to the courts. Court actions have only been pursued in other credit products involving collateralized loans.¹³

The initial step in addressing defaulted loans at Bank BRI South City Unit involves personal outreach by KUR officers, who regularly contact and monitor debtors to understand the underlying causes of their financial difficulties. If these efforts yield no results, officers conduct in-person visits to debtors' businesses or residences to provide guidance and deliver Warning Letters (SP), progressing from SP 1 to SP 3. These steps are taken to encourage debtors to fulfill their repayment obligations.¹⁴

If the debtor's circumstances render repayment unfeasible and no goodwill is demonstrated, the debtor is considered negligent as outlined in Article 1238 of the Indonesian Civil Code, which states, "A debtor is considered in default if they have been declared negligent through a formal notice or similar document, or if stipulated by the agreement, by the mere expiration of the agreed time period." Bank BRI South City Unit may offer leniency to debtors by extending the repayment deadline for justifiable reasons, as permitted under Bank Indonesia regulations.

¹¹ Anton Hilman, "Kewajiban Debitur Kredit Usaha Rakyat Atas Tunggalan Pembayaran Angsuran Kredit," *Jurnal Hukum Respublica* 23, no. 02 (May 28, 2024): 12-22, <https://doi.org/10.31849/respublica.v23i02.20178>.

¹² Siska Queentasari and S. H. Septarina Budiwati, "Tinjauan Yuridis Tanggung Jawab Hukum Perjanjian Kredit Usaha Rakyat (KUR) Mikro Tanpa Collateral/Agunan (Studi Kasus Pada PT. Bank Rakyat Indonesia Unit Cabang Wonogiri)" (s1, Universitas Muhammadiyah Surakarta, 2023), <https://doi.org/10/NASKAH%20PUBLIKASI%20SISKA%20QUEENTASARI-EDIT.pdf>.

¹³ Jihan Noor Fakhira and Sri Bakti Yunari, "Analisis Yuridis Penyelesaian Kredit Usaha Rakyat (Kur) Macet Untuk Usaha Mikro Kecil Dan Menengah (Umkm) Pada Pt. Bank Negara Indonesia (Persero) Tbk, Sentra Kredit Kecil Pecenongan," *JURNAL PENELITIAN DAN KARYA ILMIAH LEMBAGA PENELITIAN UNIVERSITAS TRISAKTI*, January 14, 2021, 34-43, <https://doi.org/10.25105/pdk.v6i1.8628>.

¹⁴ Farrel Rinaldi and Rendy Hendrawan, "Analisis Yuridis Penerapan Prinsip Kehati-Hatian Untuk Meminimalisir Kredit Macet Pada Pembiayaan Online," *Indonesian Journal of Law and Justice* 2, no. 2 (2024): 10-10.

Article 1 Paragraph 26, namely:

- a. Decrease in credit interest rates
- b. Extend credit term
- c. Reducing credit interest arrears
- d. Reducing credit principal arrears
- e. Addition of credit facilities or
- f. Converting credit into temporary equity participation

Based on the interview with Mr. Abdul Manaf, a KUR officer at Bank BRI South City Unit, several measures previously undertaken to address credit issues did not yield satisfactory results. Consequently, the next step taken by the bank is credit restructuring, aimed at assisting debtors facing difficulties in fulfilling their obligations.¹⁵ Bank BRI South City Unit employs the 3R restructuring techniques:

- a. Rescheduling this involves altering the credit terms concerning the repayment schedule or loan tenure, including grace periods and installment amounts. Debtors are granted the flexibility to extend their repayment period, thereby reducing the burden of installments. For example, a debtor's initial repayment period of 36 months may be extended to 48 months, resulting in smaller installment amounts due to the longer payment period.
- b. Reconditioning if rescheduling and collection efforts fail to resolve the non-performing loan, Bank BRI South City Unit offers reconditioning to the debtor. Reconditioning entails modifying some or all credit terms, including payment schedules, loan tenure, interest rates, and other conditions. In this case, interest is converted into principal debt, and the debtor is obligated to repay the principal in full. This approach is designed to assist debtors experiencing business challenges.
- c. Restructuring Restructuring involves modifying credit terms to include:
 1. Providing additional funds to the debtor to improve or expand their business.
 2. Converting all or part of the accrued interest into the loan principal.
 3. Converting all or part of the credit into equity participation in the debtor's business, accompanied by rescheduling or reconditioning. This method combines restructuring, rescheduling, and reconditioning to salvage the

¹⁵ Bunyamin Bunyamin, Mujahidin Mujahidin, and Alamsyah Agit, "Pemberian Kredit Usaha Rakyat Kepada Pelaku Umkm: Tinjauan Yuridis," *Hakam : Jurnal Kajian Hukum Islam dan Hukum Ekonomi Islam* 8, no. 1 (July 1, 2024), <https://doi.org/10.33650/jhi.v8i1.8719>.

credit and allow for more flexible adjustments based on the debtor's financial circumstances.¹⁶

These measures are not implemented arbitrarily; they are contingent upon the debtor meeting specific criteria:

- a. Demonstrating goodwill and cooperation.
- b. Maintaining a viable business.
- c. Remaining capable of fulfilling their obligations.
- d. Continuing to pay the running interest.

If the bank's credit recovery efforts fail, the next step involves terminating the loan through a write-off program. Credit write-off is an administrative measure that transfers the credit from an intra-comptable account to an extra-comptable account. This process is confidential and does not constitute debt forgiveness¹⁷. Write-offs are a last resort and are executed based on the decision of an authorized official, such as the Unit Head, and in compliance with applicable regulations. This step is taken when the loan has moved from the "doubtful" category to "default," eventually leading to blacklisting.

According to Mr. Abdul Manaf, when a debtor's loan reaches the blacklist category, all installments and interest are reclassified as principal financing. Juridically, the bank claims the loan as an asset of BRI South City Unit and continues monthly collections from the debtor based on an amount they can afford until the loan is fully repaid. This approach is aimed at reducing the non-performing loan ratio to maintain the bank's financial health.¹⁸

The author analyzes that the bank incurs losses when a debtor defaults, necessitating legal provisions in the execution of People's Business Credit agreements to ensure legal certainty for all parties, particularly the bank. Credit agreements are created following written legal norms to protect the creditor's interests. As outlined in the elements of agreements, there are two forms: (1) Oral Agreements and (2) Written Agreements, which serve as legally enforceable evidence under the law.¹⁹

Bank BRI South City Unit does not use collateral to cover delinquent loans. Instead, it imposes specific sanctions on defaulting debtors:

¹⁶ Danialsyah Danialsyah et al., "Pelaksanaan Perjanjian Kredit Usaha Rakyat Dengan Jaminan Fidusia Pada Pt. Bank Rakyat Indonesia (Persero) Tbk. Kantor Cabang Tanjung Balai," *Jurnal PKM Hablum Minannas* 2, no. 2 (October 1, 2023): 1-10, <https://doi.org/10.47652/jhm.v2i2.439>.

¹⁷ 02118115 KUNTRI SELVILIA LIDYA SARI, "Penyelesaian Wanprestasi Pada Kredit Tanpa Agunan" (diploma, Universitas Narotama, 2022), <http://repository.narotama.ac.id/1573/>.

¹⁸ Anak Agung Gde Putra Arjawa, Komang Edy Dharma Saputra, and Kadek Dedy Suryana, "Analisis Hukum Penyelesaian Kredit Macet Pada Kredit Usaha Rakyat (KUR)," *Jurnal Ilmiah Raad Kertha* 6, no. 1 (February 27, 2023): 71-81, <https://doi.org/10.47532/jirk.v6i1.827>.

¹⁹ Nasution, Jafar, and Nurarafah, "Wanprestasi Pada Pelaksanaan Perjanjian Kredit Usaha Mikro Tanpa Agunan (Studi Penelitian di PT. Bank Sumut Cabang Binjai)."

- a. Red SLIK OJK Status a red SLIK OJK status prevents the debtor from obtaining future loans.
- b. Social Sanctions Social sanctions include publicly posting the names of defaulting debtors at BRI offices and local village offices where the debtor resides. Village heads assist loan officers in persistent collection efforts, pressuring debtors to demonstrate goodwill in repaying their loans.²⁰

The author observes that Bank BRI South City Unit does not always incur outright losses from non-performing loans. Once a loan is written off, any remaining unpaid principal and accrued interest are classified as principal installments, eventually contributing to the bank's revenue. This measure is taken because People's Business Credit (KUR) loans lack collateral. Therefore, the bank implements social sanctions and various steps to minimize losses for both the bank and the debtor. These actions are undertaken when all recovery efforts, including negotiation and guidance, fail to produce the desired outcomes.²¹

The bank continues to strive for maximum recovery of delinquent loans while maintaining a positive relationship with debtors through fair and transparent processes. Debtors are obligated to comply with the legal provisions stipulated in Article 1243 of the Indonesian Civil Code, which states:

"Compensation for costs, losses, and interest due to the non-fulfillment of an obligation shall only be required if the debtor, after being declared negligent in fulfilling their obligation, continues to neglect it, or if what must be given or done can only be provided or performed within the time frame that has lapsed."

Legal provisions are essential for regulating societal interests and must be adhered to to achieve justice.²² They ensure order and security within the state. Legal certainty guarantees that individuals can act in accordance with established legal norms, fostering predictability and consistency in behavior. Without legal certainty, individuals lack clear standards for their actions, resulting in uncertainty and potential conflict.

Legal provisions in dispute resolution, particularly regarding loan defaults, also extend to protecting consumer rights and ensuring responsible lending practices. Banks must adhere to strict guidelines when implementing collection procedures and sanctions. These regulations aim to balance the bank's right to recover funds with the debtor's right to fair treatment. The implementation of social sanctions, while effective, must be carried out within ethical and legal boundaries. Consumer

²⁰ Hariana Fitri Harahap, "Wanprestasi Kredit Usaha Rakyat Oleh Bank Bri Unit Pelayung Kanca Ma. Bulian" (other, Universitas Jambi, 2021), <https://repository.unja.ac.id/>.

²¹ Raihan Rizki Prananda, "Wanprestasi Perjanjian Hutang Piutang Kredit Usaha Rakyat Antara Bank Bengkulu Cabang Utama Dan Nasabah," *Wacana Paramarta: Jurnal Ilmu Hukum* 23, no. 2 (August 31, 2024): 74–81, <https://doi.org/10.32816/paramarta.v23i2.548>.

²² Thoriq Al Kautsar and Rani Apriani, "Wanprestasi Debitur Dalam Perjanjian Kredit Usaha Mikro Kecil Dan Menengah (UMKM)," *Jurnal Pendidikan Dan Konseling (JPDK)* 4, no. 5 (October 26, 2022): 7936–49, <https://doi.org/10.31004/jpdk.v4i5.7968>.

protection laws require banks to maintain confidentiality while pursuing collections, except in cases where limited disclosure is legally permitted. Financial institutions must provide clear documentation of all attempts at resolution and restructuring. Regular audits ensure compliance with these regulatory requirements. Documentation includes all communication records, warning letters, and restructuring agreements. Banks must also maintain detailed records of any social sanctions applied and their outcomes. This comprehensive documentation serves multiple purposes: protecting both parties' rights, enabling regulatory oversight, and providing evidence if legal action becomes necessary. The bank's internal policies must align with national banking regulations and consumer protection laws. These policies undergo regular review and updates to reflect changing regulatory requirements. Staff training ensures consistent application of these policies across all collection efforts.

The role of technology in modern banking has significantly impacted dispute resolution procedures. Digital platforms now enable more efficient monitoring of loan performance and early detection of potential defaults. Automated systems can track payment patterns and flag accounts showing signs of distress. This early warning system allows banks to initiate proactive interventions before defaults occur. Electronic communication channels facilitate more frequent and documented interactions with debtors. Digital record-keeping systems maintain comprehensive histories of all account activities and resolution attempts. Mobile banking applications provide debtors with easier access to their account status and payment options. Technology also enables more efficient processing of restructuring requests and documentation. Banks can now analyze debtor data more effectively to determine appropriate resolution strategies. Digital platforms streamline the application of various restructuring options, from rescheduling to reconditioning. Automated notifications ensure timely communication of warning letters and other formal notices. The integration of technology also helps in maintaining accurate records of all resolution efforts. Banks can now generate detailed reports on resolution outcomes and effectiveness. These technological advancements contribute to more systematic and transparent dispute resolution processes.

Community engagement plays a crucial role in the success of non-litigation dispute resolution approaches. Local leaders, such as village heads, often serve as intermediaries in resolving loan defaults. Their involvement can help maintain social harmony while achieving resolution objectives. Community leaders can provide valuable insights into debtors' circumstances and capabilities. Their influence often encourages debtors to fulfill their obligations more effectively than formal measures. Banks benefit from maintaining positive relationships with community leaders and organizations. These relationships facilitate more effective communication and resolution processes. Community involvement helps preserve the social fabric while addressing financial obligations. Local knowledge can inform more appropriate and sustainable resolution strategies. Cultural sensitivity in resolution approaches often leads to better outcomes for all parties. Banks can leverage community networks to encourage responsible financial behavior. Regular engagement with community

leaders helps banks understand local economic conditions. This understanding enables more effective customization of resolution strategies. The community-based approach often results in higher success rates for loan recovery. Social capital within communities can be effectively utilized in the resolution process.

The economic impact of successful dispute resolution extends beyond individual cases to broader market stability. Effective resolution mechanisms help maintain healthy credit markets and financial systems. Banks' ability to recover loans influences their capacity to extend new credit to businesses. The cumulative effect of resolution outcomes affects overall market confidence and stability. Successful resolutions contribute to maintaining reasonable interest rates for future borrowers. The economic health of local communities often depends on continued access to credit facilities. Effective dispute resolution helps preserve business relationships and economic networks. The reputation of financial institutions in handling disputes affects market participation. Resolution outcomes influence future lending policies and risk assessment procedures. Successful resolutions help maintain employment and business continuity in local economies. The broader economic impact includes effects on supply chains and business ecosystems. Market stability depends on predictable and fair dispute resolution mechanisms. Economic growth requires balanced approaches to handling financial disputes. Banks' resolution strategies influence overall market behavior and expectations. The economic consequences of resolution choices extend to multiple stakeholders.

International best practices in banking dispute resolution continue to evolve and influence local procedures. Global standards for consumer protection inform national banking regulations and practices. Cross-border banking activities require harmonized approaches to dispute resolution. International banking standards emphasize transparency and fairness in resolution procedures. Banks increasingly adopt globally recognized best practices in their resolution strategies. These practices include standardized assessment criteria for restructuring options. International guidelines influence the development of local banking policies and procedures. Global perspectives on consumer protection shape the evolution of resolution approaches. Banks learn from international experiences in handling similar disputes effectively. Best practices emphasize the importance of maintaining financial stability while resolving disputes. International standards guide the development of more effective resolution mechanisms. Global banking networks share experiences and successful resolution strategies. Cross-border cooperation helps improve dispute resolution procedures and outcomes. International standards encourage consistent approaches to similar banking issues. The adoption of global best practices enhances the credibility of local banking systems.

4. Conclusion

This study examines the process of resolving defaults in People's Business Credit (KUR) agreements at Bank Rakyat Indonesia (BRI) South City Unit. Based on normative and empirical analysis, it was found that although BRI South City Unit has implemented default resolution procedures in accordance with applicable

regulations, several challenges remain in its execution. The main obstacles include limited human resources, insufficient effectiveness in debtor counseling, and suboptimal speed in the resolution process. Furthermore, the study found that the education level of debtors significantly influences the success of default resolution. Debtors with higher education levels are more likely to fulfill their obligations compared to those with lower education levels.

To address these challenges, this study recommends that BRI South City Unit enhance human resource capacity through training and skill development. Additionally, optimizing education programs for debtors is necessary to improve their understanding of obligations within KUR agreements. Strengthening the regulatory framework and improving synergy among relevant stakeholders are also recommended to support a more effective and efficient default resolution process. With the implementation of these recommendations, it is expected that the default resolution process for KUR agreements at BRI South City Unit will proceed more smoothly, reduce default rates, and support the sustainability of the KUR program in promoting the growth of micro, small, and medium enterprises (MSMEs) in Indonesia.

Reference

- Arjawa, Anak Agung Gde Putra, Komang Edy Dharma Saputra, and Kadek Dedy Suryana. "Analisis Hukum Penyelesaian Kredit Macet Pada Kredit Usaha Rakyat (KUR)." *Jurnal Ilmiah Raad Kertha* 6, no. 1 (February 27, 2023): 71-81. <https://doi.org/10.47532/jirk.v6i1.827>.
- Bunyamin, Bunyamin, Mujahidin Mujahidin, and Alamsyah Agit. "Pemberian Kredit Usaha Rakyat Kepada Pelaku Umkm: Tinjauan Yuridis." *Hakam : Jurnal Kajian Hukum Islam dan Hukum Ekonomi Islam* 8, no. 1 (July 1, 2024). <https://doi.org/10.33650/jhi.v8i1.8719>.
- Danialsyah, Danialsyah, M. Faisal Rahendra Lubis, Panca Sarjana Putra, Dikko Ammar, and Gema Rahmadani. "Pelaksanaan Perjanjian Kredit Usaha Rakyat Dengan Jaminan Fidusia Pada Pt. Bank Rakyat Indonesia (Persero) Tbk. Kantor Cabang Tanjung Balai." *Jurnal PKM Hablum Minannas* 2, no. 2 (October 1, 2023): 1-10. <https://doi.org/10.47652/jhm.v2i2.439>.
- Darussalam, Destyan Destyan Abinsa. "Penyelesaian Wanpresrasi Dalam Perjanjian Kredit Dengan Jaminan Fidusia Pada Bank Rakyat Indonesia Cabang Surakarta: Penyelesaian Wanpresrasi Dalam Perjanjian Kredit Dengan Jaminan Fidusia Pada Bank Rakyat Indonesia Cabang Surakarta." *PAUGERAN LAW REVIEW* 1, no. 1 (September 12, 2024). <https://ejournal.unisri.ac.id/index.php/plr/article/view/11000>.
- Fakhira, Jihan Noor, and Sri Bakti Yunari. "Analisis Yuridis Penyelesaian Kredit Usaha Rakyat (Kur) Macet Untuk Usaha Mikro Kecil Dan Menengah (Umkm) Pada Pt. Bank Negara Indonesia (Persero) Tbk, Sentra Kredit Kecil Pecenongan." *JURNAL PENELITIAN DAN KARYA ILMIAH LEMBAGA PENELITIAN UNIVERSITAS TRISAKTI*, January 14, 2021, 34-43. <https://doi.org/10.25105/pdk.v6i1.8628>.

- Gurkami, Regga, Rusdin Aalauddin, and Anshar Anshar. "Analisis Hukum Penyelesaian Kredit Usaha Rakyat Mikro Status Macet Di PT Bank Tabungan Negara Kantor Cabang Ternate." *Jurnal Tana Mana* 5, no. 3 (December 29, 2024): 416–29. <https://doi.org/10.33648/jtm.v5i3.669>.
- Harahap, Hariana Fitri. "Wanprestasi Kredit Usaha Rakyat Oleh Bank Bri Unit Pelayung Kanca Ma. Bulian." Other, Universitas Jambi, 2021. <https://repository.unja.ac.id/>.
- Hilman, Anton. "Kewajiban Debitur Kredit Usaha Rakyat Atas Tunggakan Pembayaran Angsuran Kredit." *Jurnal Hukum Respublica* 23, no. 02 (May 28, 2024): 12–22. <https://doi.org/10.31849/respublica.v23i02.20178>.
- Juliardi, Budi, Yoan Barbara Runtunuwu, Mohammad Hendy Musthofa, Andi Darmawansya TL, Arini Asriyani, Raju Moh Hazmi, Muh Akbar Fhad Syahril, Tri Eka Saputra, Zuhdi Arman, and Muhammad A. Rauf. *Metode Penelitian Hukum*. CV. Gita Lentera, 2023. <https://books.google.com/books?hl=id&lr=&id=vyXbEAAAQBAJ&oi=fnd&pg=PA107&dq=metode+penelitian+hukum&ots=URuRjG6Xw6&sig=kj0vDpBxujgNgwe1u9TCgINWAh4>.
- Kautsar, Thoriq Al, and Rani Apriani. "Wanprestasi Debitur Dalam Perjanjian Kredit Usaha Mikro Kecil Dan Menengah (UMKM)." *Jurnal Pendidikan Dan Konseling (JPDK)* 4, no. 5 (October 26, 2022): 7936–49. <https://doi.org/10.31004/jpdk.v4i5.7968>.
- KUNTRI SELVILIA LIDYA SARI, 02118115. "Penyelesaian Wanprestasi Pada Kredit Tanpa Agunan." Diploma, Universitas Narotama, 2022. <http://repository.narotama.ac.id/1573/>.
- Munthe, Simon Vandryanto. "Penyelesaian Wanprestasi Dalam Perjanjian Kredit Pada Bank Rakyat Indonesia (Bri) Persero Tbk. Unit Pangaribuan," August 11, 2023. <https://repository.uhn.ac.id/handle/123456789/8843>.
- Mustapa, Iqbal, Zamroni Abdussamad, and Mellisa Towadi. "Positive Fictional Authority Legislative Ratio in Government Administration Laws and Job Creation Laws." *Damhil Law Journal* 2, no. 1 (May 28, 2022): 17–35. <https://doi.org/10.56591/dlj.v1i1.1726>.
- Mustapa, Muhammad Iqbal, Zamroni Abdussamad, and Mellisa Towadi. *Rasiolegis Kewenangan Mengadili Perkara Fiktif Positif Dalam Perundang-Undangan*. 1st ed. UII Press. Accessed December 19, 2024. <https://dpsd.uii.ac.id/uii-press/katalog/rasiolegis-kewenangan-mengadili-perkara-fiktif-positif-dalam-perundang-undangan/>.
- Nasution, Shaila Fitri Hasyim, Sofyan Jafar, and Nurarafah Nurarafah. "Wanprestasi Pada Pelaksanaan Perjanjian Kredit Usaha Mikro Tanpa Agunan (Studi Penelitian di PT. Bank Sumut Cabang Binjai)." *JURNAL ILMIAH MAHASISWA FAKULTAS HUKUM UNIVERSITAS MALIKUSSALEH* 5, no. 2 (April 23, 2022). <https://doi.org/10.29103/jimfh.v5i2.7082>.
- Payana, I. Kadek Adi, I. Nyoman Putu Budiarta, and Ni Made Puspasutari Ujjanti. "Upaya Hukum PT Bank Rakyat Indonesia (Persero) Tbk Unit Amlapura Terhadap Debitur Yang Wanprestasi Dalam Usaha Mikro." *Jurnal Preferensi Hukum* 1, no. 1 (July 27, 2020): 27–32. <https://doi.org/10.22225/jph.1.1.2256.27-32>.

- Prananda, Raihan Rizki. "Wanprestasi Perjanjian Hutang Piutang Kredit Usaha Rakyat Antara Bank Bengkulu Cabang Utama Dan Nasabah." *Wacana Paramarta: Jurnal Ilmu Hukum* 23, no. 2 (August 31, 2024): 74-81. <https://doi.org/10.32816/paramarta.v23i2.548>.
- Queentasari, Siska, and S. H. Septarina Budiwati. "Tinjauan Yuridis Tanggung Jawab Hukum Perjanjian Kredit Usaha Rakyat (KUR) Mikro Tanpa Collateral/Agunan (Studi Kasus Pada PT. Bank Rakyat Indonesia Unit Cabang Wonogiri)." S1, Universitas Muhammadiyah Surakarta, 2023. <https://doi.org/10/NASKAH%20PUBLIKASI%20SISKA%20QUEENTASAR I-EDIT.pdf>.
- Rinaldi, Farrel, and Rendy Hendrawan. "Analisis Yuridis Penerapan Prinsip Kehati-Hatian Untuk Meminimalisir Kredit Macet Pada Pembiayaan Online." *Indonesian Journal of Law and Justice* 2, no. 2 (2024): 10-10.
- Suyanto, S. H. *Metode Penelitian Hukum Pengantar Penelitian Normatif, Empiris Dan Gabungan*. Unigres Press, 2023. https://books.google.com/books?hl=id&lr=&id=Zg2mEAAAQBAJ&oi=fnd&pg=PA16&dq=metode+penelitian+hukum&ots=lfUu5Q8U7W&sig=58q5Jx586SJBsEr1aktjwEDm_W8.
- Syahfitri, Triyana. "Upaya Penyelesaian Non Performing Loan Pada Kredit Usaha Rakyat Di Perbankan Indonesia." *JUDAKUM: JURNAL DEDIKASI HUKUM* 1, no. 1 (July 26, 2022): 1-11.