Selection of Sharia Rural Financing Bank Financing During Covid-19 Pandemic

Azhar Alam *, Dicky Trio Adi Saputro
Universitas Muhammadiyah Surakarta
*E-mail Korespondensi: aa123@ums.ac.id

Abstract

This research discusses the selection of financing submissions for BPRS Magetan customers in the covid-19 pandemic situation. This study aims to determine the criteria for obtaining financing and how BPRS Magetan policy suppresses high financing applications amid the covid-19 pandemic. This study used a descriptive qualitative method by collecting data through in-depth interviews with 14 respondents from BPRS and financing customers. This research stated that BPRS Magetan emphasized analysis in selecting customer members' financing with the 5C method (character, capacity, condition, capital, collateral) and BI Central Bank Financing Check. BPRS emphasizes selection analysis in customer human resources, customer creativity, and customer innovation to develop its business. BPRS Magetan is expected to provide leeway by giving a more extended time and simplifying the disbursement process during the covid-19 pandemic in the form of collateral relief.

Keywords: Financing Selection; BPRS; Pandemic Cid-19; Sharia Financing.

1. Introduction

On March 2, 2020, cases of coronavirus-19 disease entered Indonesia due to Indonesian citizens coming into direct contact with Japanese nationals causing widespread disease in Indonesia. The case of covid-19 causes vast losses so that it becomes the top priority of the Indonesian government in handling to achieve the welfare of the people in the covid-19 period.1

Corona Virus Disease is mysterious pneumonia that first appeared reported from the Chinese city of Wuhan in December 2019. As of January 30, 2020, 7,736 cases have been reported from China. The virus can be transmitted between humans, and so it spreads between countries such as Taiwan, Thailand, Vietnam, Saudi Arabia, Singapore, South Korea, Philippines, India, Australia, Canada, Francis, and Germany2.

On March 18, 2020, the government issued a Circular Letter (SE) that all activities carried out outside and indoors are temporarily delayed to reduce coronavirus spread, resulting

in the Indonesian economy's weakening. As a result of this outbreak, Indonesia's economy has slumped. From its immediate impact, many companies are experiencing losses due to income inequality and expenses to bankruptcy, which means less income than spending on necessities. To survive, the company laid off employees, and in the end, the unemployment rate in Indonesia increased. The indirect impacts are fluctuations in the rupiah exchange rate and weak growth in funding sources.

Due to Covid-19, Indonesia's economy cannot develop, and some regions are implementing large-scale social restrictions or (PSBB) that result in economic paralysis. Many companies and entrepreneurs went bankrupt due to declining sales, and the company could not meet production needs.

Responding to the economic recession, OJK finally issued a credit-granting rule that regulates that banks must be more selective in providing financing. This rule, especially to customers who are more impacted by the coronavirus pandemic, states that financing is given to debtors affected by COVID-19 such as MSMEs and given leeway to MSMEs after being affected covid-19.

In the banking sector, this phenomenon raises concerns about credit debt payments that significantly impact the performance of financial institutions, and already many creditors are applying for relief in payments. MSMEs are experiencing many obstacles with installment payments, so businesses must think about the production value to purchase raw materials. During this outbreak, which faces the community, especially businesses, the decline in sales value, capital problems, and stagnant materials distribution

Research on the impact of COVID-19 has been widely conducted, such as Riki & Margana indicated the impact of Covid-19 on export imports in Indonesia. Dewi analyzed the impact of Covid-19 on implementing the primary class education sector with online methods to break the chain of the spread of covid-19. Thaha examined the impact of Covid-19 on businesses or MSMEs in Indonesia. Indrarini, in her research,


Otoritas Jasa Keuangan, Peraturan Otoritas Jasa Keuangan Republik Indonesia Tentang Stimulus Perekonomian Nasional Sebagai Kebijakan Countercyclical Countercyclical Dampak Penyebaran Coronavirus Disease 2019 [Regulation of the Financial Services Authority of the Republic of Indonesia, 2020].


stated that BPRS is very important in the community or MSMEs, especially in the provision of capital. If the customer gets financing from BPRS, then it can improve the welfare of the community, and the level of welfare can be measured by the increase of zakat, infaq, sadaqah customers, as well as the increasing fulfillment of daily consumption of customers, the fulfillment of the need for BPRS financing. In the economic downturn caused by the COVID-19 outbreak. Respondent ENDH said that the application for financing to BPRS is increasing, the criteria of customers who apply for financing for MSMEs or micro, small, and medium enterprises to increase capital costs to maintain their business in the most challenging time at this time.

Respondent ENDH revealed that covid-19 caused many MSMEs in Magetan to experience a decline in sales and resulted in MSMEs needing capital to maintain their businesses to not go out of business. One of the exits obtained is by applying for financing. From several financing institutions in Magetan, BPRS Magetan is one option for applying for capital because of its easy financing procedures. Bank Perkreditan Rakyat Syariah (BPRS) Magetan is a regional-owned enterprise engaged in banking on a sharia basis at JL. Yos Sudarso number 52, Sukowinangun, Magetan. Considering the number of BPRS Magetan financing proposals that face the risk of bad credit during the pandemic, the author would like to ask about the screening measures carried out by BPRS Magetan.

The result of Valentina’s research is by rescheduling to minimize bad credit, namely rescheduling to customers who are experiencing decreased income and have difficulty making installment payments. Fauziah concluded from his research that there are three basic principles in providing financing: character, capacity, and collateral. Those principles cannot be forgotten before making a decision.

Hanoatubun’s research shows that the impact of Covid-19 on Indonesia’s economy today causes a lack of jobs and difficulty meeting daily needs (due to lack of income). Thaha (2020) explained in her research that due to Covid-19 sales decline, lack of funds, and restrictions on the distribution of manufactured goods, MSME participants were affected. He explained, responding to the research results on economic weakness due to Covid-19, MSME management methods need to be reorganized by evaluating and improving the business cycle to adopt a macro approach to government policies and micro policies to survive.

Hadiwardoyo revealed that the result of his research is that the government has issued a large-scale social restriction policy (PSBB) to break the chain of Transmission of Covid-19, offices and some industries are prohibited from operating for a long time and cause

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15 Thaha, “Dampak Covid-19 Terhadap UMKM Di Indonesia [The Impact of Covid-19 on MSMEs in Indonesia].”
Contrary to previous findings, researchers focused on screening BPRS financing and financing policies during the Covid-19 outbreak using Islamic principles. In previous researches, there has been no explanation about the analysis of financing proposal selection for MSMEs affected by Covid-19. This research is expected to overview the selection of BPRS Magetan customer financing applications in the covid-19 pandemic.

2. Research Method

This paper used the qualitative method in order to get the data. Then, the interview results are analyzed descriptively. This qualitative research can be interpreted as research conducted based on phenomena that occur in society today. The outbreak of covid-19 causes the economic sector to decline. The author conducts interviews with informants directly at the BPRS Magetan office.

This research is actual, can be interpreted directly by researchers taking data from informants by conducting direct interviews with the public or prospective customers who apply for financing at BPRS Magetan. Qualitative descriptive is data processing by analyzing and presenting data in-depth to research objects.

2.1. Data Collection

Data collection is the collection of information that researchers from the community have traced. This study collected information from the source through interviews. Before interviews are conducted, this study made criteria to avoid irrelevant questions and even repeated questions. This study uses the interview method, a conversation conducted by researchers to get information from research subjects or speakers.

In this qualitative research, the reviewer interviewed 14 customers with specific criteria. All informants are among who has financing applicant as well as having businesses. The informants in this investigation include two sources from the BPRS (Sharia Rural Financing Bank) director and marketing staff of BPRS and 12 resource persons as customers from the Sharia Rural Financing Bank. The selected customers aimed to know the criteria of prospective customers who are entitled to financing amid the Covid-19 outbreak. After several stages of research methods above, researchers got data sources as research subjects to get information in the research can be seen in the following table:

<table>
<thead>
<tr>
<th>Number</th>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hadiwardoyo</td>
<td>“Kerugian Ekonomi Nasional Akibat Pandemi Covid-19 [National Economic Losses Due to the Covid-19 Pandemic].”</td>
<td></td>
</tr>
</tbody>
</table>
Table I lists informants from BPRS as a description of ENDH as President Director of BPRS and MFH as marketing at BPRS Magetan. The names are used as researchers to get truthful information related to this research. However, BPRS Magetan does not understand the researchers’ intention to provide limited information and only limited BPRS Magetan informants' knowledge.

After obtaining information from primary resource persons, researchers obtained 12 lists of resource persons as BPRS customers as follows:

Table II List of Names, Businesses, and Addresses of Customers applying for Rp.5,000,000

<table>
<thead>
<tr>
<th>Number</th>
<th>Name</th>
<th>Business</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SKRS</td>
<td>Grocery stores</td>
<td>Sambirobyong</td>
</tr>
<tr>
<td>2</td>
<td>SWRN</td>
<td>Caping manufacturer</td>
<td>Sambirobyong</td>
</tr>
<tr>
<td>3</td>
<td>SNYM</td>
<td>Bamboo Merchants</td>
<td>Magetan</td>
</tr>
<tr>
<td>4</td>
<td>Dw</td>
<td>Sewing shop</td>
<td>Panekan</td>
</tr>
<tr>
<td>5</td>
<td>Etk</td>
<td>Grocery stores</td>
<td>Sukowinangun</td>
</tr>
<tr>
<td>6</td>
<td>Slv</td>
<td>Gas shop</td>
<td>Panekan</td>
</tr>
<tr>
<td>7</td>
<td>Vv</td>
<td>Warung</td>
<td>Magetan</td>
</tr>
</tbody>
</table>

Table II above shows seven informants of MSME actors in Magetan who claim to be BPRS customers and apply for Financing Rp.5,000,000 in BPRS. Moreover, from the data above, BPRS Magetan conducts transactions using a ball pick-up system because BPRS focuses on MSMEs in all corners of Magetan. The data proves that the list of sources above has a different address.

Table III List of Names, Businesses, and Addresses of Customers applying above Rp.5,000,000

<table>
<thead>
<tr>
<th>Number</th>
<th>Name</th>
<th>Business</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>WHYD</td>
<td>Leather production</td>
<td>Magetan</td>
</tr>
<tr>
<td>2</td>
<td>JHN</td>
<td>Banana Agent</td>
<td>Nguntoronadi</td>
</tr>
<tr>
<td>3</td>
<td>JO</td>
<td>Cattle</td>
<td>Plaosan</td>
</tr>
<tr>
<td>4</td>
<td>SWT</td>
<td>Cattle</td>
<td>Poncol</td>
</tr>
<tr>
<td>5</td>
<td>STF</td>
<td>Chicken trader</td>
<td>Magetan</td>
</tr>
</tbody>
</table>

In table III, there is a list of names for the applying of financing with a value above Rp.5,000,000 by including goods as collateral and requiring customers to come to the office to confirm the collateral goods on behalf of prospective customers, but collateral goods are on behalf of others, BPRS Magetan helps change the name with a notary in cooperation with BPRS Magetan

2.2. Data Analysis

This section explains the proposed models, their primary references, and its modification. The hypotheses, if any, will be explained in this section. Qualitative data analysis is the process of systematically searching and compiling data obtained from
Data analysis in qualitative research is conducted before entering the field, during the field, and after in the field. In this study, the authors analyzed data while in the field. Activities in data analysis are carried out by interviewing directly. Activities in data analysis, among others:

a. Data Reduction

Reducing data summarizes the data, choosing the main things, focusing on the main things after obtaining the data. Thus, the data that has been reduced will give a clearer picture and make it easier for researchers to collect data. In reducing data, researchers choose, focus, and classify data from the interview process that is basic and important and discard unnecessary data or out of the study title. The author does this to make it easier to conclude.

b. Data Presentation

The author performs descriptions, outlines, and relationships between various criteria, charts, or similar forms in the data presented. Simultaneously at the data presentation stage, the author can easily understand what is happening, planning the subsequent work based on the data that has been understood. This paper focuses on research problems that have been formulated in the form of questions. Then, the author can describe the data and information to answer questions that exist in the form of text that is narrative.

c. Inference

This activity is a new finding. The findings can be descriptive or a description of a previously unclear object or still floating so that after research, the author got a more exact conclusion. The conclusion drawn is done to take the interview results' essence to get answers from problem formulations on the research.

3. Results and Analysis

This study found attention to at least 5C (Character, Capital, Capacity, Condition of Economic, and Collateral) or assess aspects of business prospects, performance, and ability to pay. Kasmir (2014) explained in his book that the provisions that must be received a fair assessment by the bank are as follows:

a. Character

As a result of information obtained from the surrounding environment, prospective customers must have a history of good character or behavior and have no history of non-performing loans from the previous bank or the environment.

b. Collateral

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21Sugiyono, Metode Penelitian Dan Pengembangan (Research and Development/R&D) [Research and Development Methods (Research and Development / R & D)] (Bandung: Alfabet, 2015).
22 S Sugiyono, Metode Penelitian Dan Pengembangan (Research and Development/R&D) [Research and Development Methods (Research and Development / R & D)] (Bandung: Alfabet, 2015).
23 Sugiyono, Metode Penelitian Dan Pengembangan (Research and Development/R&D) [Research and Development Methods (Research and Development / R & D)] (Bandung: Alfabet, 2015).
The proposed collateral goods are required on behalf of the person with provisions in the form of material goods and securities whose price has been determined and carved by BPRS Magetan.

c. Capacity

BPRS Magetan, in assessing this aspect carefully in assessing prospective customers' ability in paying installments, this is the value of monthly income must be greater than the value of installment payments.

d. Capital

The assessment of this aspect of BPRS Magetan pays close attention to the businesses listed as private property and does not belong to others and is properly underway.

e. Condition

This BPRS Magetan review of prospective customers' economic condition must be in good condition, meant to meet basic needs every day.

ETK explained in the financing application at BPRS Magetan does not complicate the requirements. Only with KTP alone is someone able to apply for financing. However, the applicable provisions are KTP, and the business must be in Magetan. Suppose the customer applies for financing on available products, and the customer has difficulty meeting the requirements. In that case, it will be assisted by BPRS Magetan and behind the name of the land certificate as collateral because, in the guarantee, BPRS Magetan obliges on its behalf.

Mubarak product is an unsecured loan given by BPRS Magetan to finance businesses. However, Mutabarak financing is limited. BPRS Magetan provides financing on this product with a maximum of 5,000,000 rupiahs for micro-businesses. If more than Rp 5,000,000, not included in mutabarak products but available products using appropriate warranty goods.

3.1 Financing and selection procedures

BPRS Magetan, before providing financing, analyzing customers with the 5C method, namely character, by analyzing customers' personalities. Capacity, reviewing customers have had problems in credit payments. Capital, review the feasibility of businesses managed by customers receiving financing. Collateral, review the guaranteed goods in anticipation if the customer commits a default can retrieve the guaranteed goods. Condition, "both parties maintain communication with each other. This is because the economic conditions in the business carried out are uncertain about facilitating cooperation between the two parties open to each other," said MRF as marketing BPRS Magetan.

In addition to using the 5C method, BPRS Magetan also pays attention to human resources, customers' creativity in running their businesses, and how MSME actors earn income from their businesses during this Covid period. ENDH stated that "Do not let BPRS Magetan provide financing that is not following the ability of customers; it is burdensome for customers. Furthermore, BPRS priority is MSME actors in Magetan".

During this pandemic, BPRS Magetan must have precision in analyzing financing customers. BPRS Magetan needs to consider providing financing mutabarak to local entrepreneurs or small traders in the market. They are suffering from the impact of the
current economic downturn. This situation is because the purchasing power of the community decreases, and the income of traders decreases. In this case, BPRS Magetan also prioritizes traders stuck in debt with loan sharks with no legality institutions. It aims to help customers release usury-dependent transactions. BPRS Magetan eliminates bad debt institutions or individuals who still have a wildness by lending money with an exciting system.

BPRS Magetan, as a persona, has the potential to provide financing as an additional business capital. In providing financing, BPRS Magetan pays attention to some requirements that customers must meet and some procedures carried out by BPRS to avoid bad credit during the covid-19 pandemic with a weakening economy.

Requirements that the customer must meet include 1. Business certificate, a letter explaining that the customer is conducting ongoing business activities. 2. Identity papers, including a copy of ID card, must be domiciled in Magetan, KK, marriage book, and attach a form of financing application filled out by the customer, 3. Have a minimum business one year running, 4. BPRS Magetan prioritizes providing financing to MSMEs entangled in loan sharks, intending to eliminate loan sharks that provide interest-principled loans. After preparing some of the above requirements and submitted to marketing.

BPRS Magetan focuses on MSMEs during the covid-19 period and under the vision of BPRS, which is to become a financial institution that produces the best banking service products for customers with the orientation of MSME development and towards prosperity for the community. Amid the covid-19 pandemic, financing applications for MSMEs increase where many MSMEs want to survive their businesses by seeking additional business capital.

MSME business entities that apply for funding from BPRS during the Covid-19 pandemic are sharia financing business partners based on mudharabah agreements. BPRS Magetan provides full customer service and remains vigilant to customers when receiving applications. ENDH states: "In sharia financing or mutabarak business partners with mudharabah agreements, customers are not required to have guarantees, but the financing provided by customers has limitations. The limit is no more than five million rupees and is not subject to administrative deductions or stamp duty. Even if the customer pays on time, he will get his savings."

There are differences in financing application procedures before and after the Covid-19 outbreak can be seen in the following table

**Table III. Differences in financing procedures before and after covid-19**

<table>
<thead>
<tr>
<th>Before covid</th>
<th>After covid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Using the 5C method</td>
<td>Using the 5C method</td>
</tr>
<tr>
<td>BI check</td>
<td>BI check</td>
</tr>
<tr>
<td>Survey</td>
<td>Survey</td>
</tr>
<tr>
<td>Analysis</td>
<td>Analysis</td>
</tr>
<tr>
<td>Disbursement</td>
<td>Disbursement</td>
</tr>
<tr>
<td>Reviewing Human Resources</td>
<td>Reviewing Human Resources</td>
</tr>
<tr>
<td>Reviewing Customer Creativity</td>
<td>Reviewing Customer Creativity</td>
</tr>
<tr>
<td>Review customer innovation</td>
<td>Review customer innovation</td>
</tr>
</tbody>
</table>
There are differences in procedures before covid-19 and during the covid-19 outbreak that BPRS Magetan in survey or analysis of customers in table III. In addition to using the 5C method, BI check, survey, and analysis, there is also an emphasis. They were first reviewing human resources to manage finances and customer creativity in channeling financing funds for business development, such as creating new products that can be marketed to meet basic needs. Second, reviewing innovative aspects of customers whether they have ideas in developing their business. After the disbursement, BPRS Magetan continues to monitor its business activities, whether it has increased both in trade goods and other staples. From the assessment, BPRS Magetan also guarantees that customers can pay monthly installments to BPRS Magetan. If there is no improvement in either merchandise or income, BPRS Magetan evaluates and guides customers.

3.2 Analysis of BPRS Magetan Policy

The number of costing applications at BPRS Magetan during the covid-19 pandemic is increasing. To reduce the number of BPRS Magetan financing applications, they need to selectively select customers, especially analyzing customers' ability to pay installments after disbursement. They use the 5C method, BI check, survey, and analysis of BPRS Magetan and review human resources, namely assessing these customers' creativity. In assessing customer creativity, BPRS Magetan surveys product development and the level of sales of customer's merchandise, such as JO customers. He owns a dairy business that proposes financing to increase capital as accommodation for milk supply to nestle milk companies.

Customers' problem in applying for financing at BPRS Magetan is that all customers' human resources are not the same. There are some customers whose human resources are low due to age factors such as SKRS and SWRN. With that, BPRS Magetan continues to guide and assist customers in preparing the requirements and guiding their business progress.

For customers applying for financing before the covid-19 outbreak and realized, BPRS Magetan provides leeway and offers such as OJK regulations, namely restructuring or re-payment by adjusting customers' ability is a form of BPRS Magetan concern to customers by helping each other.

To reduce the number of financing applications, BPRS Magetan conducted screening related to the previous financing in the survey and paid attention to human resources, creativity, and innovative customers. Screening conducted by BPRS Magetan aims to minimize bad loans and reduce the high number of financing applications. Due to the covid-19 outbreak, the number of financing applications increases, and the level of community productivity decreases.

Suppose some customers do not meet the obligations agreed at the beginning. In that case, BPRS Magetan provides a warning letter that the installment payment is delayed. If there is no customer response, BPRS Magetan mediated between the two parties and provided moral sanctions by recording the customer's name in the Bank Indonesia red list due to bad credit problems. This action is through legal channels, filing a lawsuit in a religious court and continuing in court. This legal conduct is the last option if the customer does not respond after the warning letter three times and after mediation. In the trial, the BPRS Magetan also chooses to re-mediate with the customer who experienced terrible credit. This activity involves the prosecutor asking for good faith from the customer in his payment or submit the goods for auction.
As a previous financing application, BPRS Magetan asked for a yellow letter as collateral. It is not valid because it does not guarantee that the yellow letter explains that businesses have rented shophouses stalls for businesses issued by the market office. Unless there is proof of ownership of the bill can be as collateral on available financing products.

This research got data from the informant as acknowledged by SKRS (grocery traders) that after obtaining financing from BPRS Magetan during covid-19, he can add merchandise to meet buyer demand. Besides, SKRS can meet daily needs and JHN (banana agent) recognition after obtaining financing from BPRS Magetan. He directly gets additional capital used to buy bananas from farmers. JHN also aims at how banana farmers earn in a sluggish economy due to covid-19, and employees continue to work at JHN's premises.

In that case, ENDH (Director of BPRS Magetan) also revealed that MSME actors, professional developments, although not so significant development after obtaining financing from BPRS Magetan. With the survey slowly, BPRS Magetan motivates businesses to stay afloat and provide guidance, especially in managing finances in this challenging time.

Installment payments on Mutabarak loans can be taken by marketing after the payment is due. This procedure makes it easier for customers to make installment payments. Besides, the digitization of BPRS Magetan also has a commercial bank network so that installment payments can be made by transfer through ATM or M-Banking.

3.3 Analysis of selection and criteria of financing recipients during covid-19

With the high number of financing applications, BPRS Magetan emphasizes analysis, namely reviewing customer HR, customer creativity, and innovation in advancing customer business. BPRS Magetan is expected to determine customers' criteria entitled to receive financing, namely paying attention to daily to monthly income and calculating the percentage of business income to measure customers' ability to pay monthly installments (Mutammimul Ula, 2016).

Viewed from the legal side, BPRS has followed THE OJK policy number 11/POJK.03/2020 in Chapter III Article 6 provisions applying to credit or financing with financing terms given to debtors affected by coronavirus disease 2019 as a provision, namely MSMEs. Restructuring policies are also given to business debtors, micro, small, and medium enterprises with objections to payment (11/POJK.03, 2020).

In the financing procedure, BPRS Magetan has implemented under the fatwa DSN number 07 / DSN-MUI / VI / 2000 in Mutabarak products with the agreement mudharabah BPRS Magetan oblige to meet the requirements of a photocopy of KTP and do not assume debt receivables. BPRS Magetan has also determined the value at the beginning. As well as fostering and supervising customers as entrepreneurs in Magetan, if the obligations are not met at the beginning of the agreement, BPRS Magetan conducts deliberation or mediation through a legal fatwa (Fatwa DSN/07, 2000). However, with KTP requirements, they do not guarantee the middle of this outbreak, which is worried about embezzlement of funds that should support the customer's business but used less productive activities not to pay installments.

In Mutabarak products, BPRS Magetan should also ask for goods as collateral or guarantees to minimize the occurrence of problematic financing. So that if the customer's business decreases and the customer cannot perform the obligation to pay the installment of the goods as collateral or collateral can be confiscated by BPRS Julianti,
(2016). BPRS Magetan can note this problem about the risks that may occur if the customer cannot pay installments of collateral goods can be auctioned so that BPRS Magetan does not find any losses.

In convincing BPRS Magetan customers to perform the 5C method for customer selection returning financing, BPRS Magetan needs to conduct a BI check. This activity intends to know the previous credit history, whether problematic or not, if the customer's name is included in the red list in BI check not to make a financing application. In addition to using this method, BPRS Magetan also emphasized surveys for reviewing customer creativity, innovative customers, and human resources to support business development and customers' ability to pay installments during this outbreak to avoid unwanted things non-performing loans.

Analysis of guarantees and habits of BPRS Magetan

To avoid unusual things, and there is no risk of problematic credit BPRS Magetan has the right to request goods as collateral. Suppose the goods can be disbursed if the customer is proven to have misappropriated the agreement agreed at the beginning (Fatwa DSN/07, 2000). There is no compensation in the mudharabah agreement because it is a mandate, but negligence and error with deliberate BPRS Magetan can sue the customer.

As collateral goods or guarantees, BPRS Magetan's request must have economic value and be juridical. Collateral goods are also divided into two kinds, namely moving goods and immobile goods. For example, immobile goods are land certificates, kiosk certificates, or stalls (Julianti, 2016). Stall certificates now can not guarantee in BPRS Magetan because the kiosk certificate issued by the market office is a sign of the right to use the stall. Mobile security goods in the form of motor vehicles by guaranteeing BPKB as a sign of ownership and all that is guaranteed to be stored by BPRS Magetan.

Collateral in the mudharabah agreement is not a guarantee of capital return but a guarantee for customers who use BPRS Magetan capital to develop the business and foster a sense of responsibility for managing customer capital and installment payments. The security goods can be cashed if the customer defaults on the original agreement or agreement (Fauziah, 2016).

In addition to using this method, BPRS Magetan should also pay attention and calculate daily income weekly up to 1 month. BPRS Magetan also calculates the burden that customers must bear, such as electricity dependents and water dependents. These calculations can determine the amount of financing provided by the customer to not burden the customer in paying installments and reduce the risk of bad credit.

Related to the absence of rules that prioritize mudharabah financing related to the value of collateral or collateral, BPRS Magetan is expected to classify the amount of financing as risk management that affects the growth of BPRS.

In the event of bad credit, an analysis of the cause is required. BPRS Magetan should identify the cause of bad credit is due to business decreases or entirely due to the customer's negligence in managing his business. Then, BPRS Magetan also classifies the solution according to the cause.

Furthermore, researchers are expected to research institutions that are experiencing the impact of the Covid-19 phenomenon because of the economic aspects but still many
sectors affected by the Covid-19 outbreak, such as the education sector or industrial sector.

4. Conclusion

The number of applications for financing is increasing at BPRS Magetan during the covid-19 pandemic. To reduce the number of BPRS Magetan financing applications and cope with the risk, BPRS Magetan selectively analyzes financing customers, especially in paying installments after disbursement. Besides the 5C method and BI check, BPRS Magetan also reviews human resources, assessing these customers' creativity. With the high number of financing applications, BPRS Magetan emphasizes analysis that is reviewing customer HR, customer creativity, and innovation in advancing customer business. BPRS Magetan is expected to determine the criteria of customers who are entitled to receive financing, namely paying attention to daily to monthly income, calculating the percentage of business income to measure the ability of customers in paying monthly installments.

Reference


Fatwa Dewan Syari’ah Nasional Tentang Pembiayaan Mudharabah (Qiradh) [Fatwa of the National Shari’ah Council on Mudharabah (Qiradh) Financing], 1 (2000).


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