

## **Small Claims Court as a Method of Recovering Non-Performing Loans by PT. PNM Branch Malang**

**Andika Cahyo Bintoro, Imam Koeswahyono, and  
Hanif Nur Widhiyanti**

Faculty of Law, Brawijaya University, Malang, Indonesia  
E-mail: andikabintoro@student.ub.ac.id; imam.koes@ub.ac.id;  
hanif.nur@ub.ac.id

### **Abstract**

Letter C, which is a receipt issued as proof of payment for land tax in Indonesia, is used by some people as proof of land ownership, but it does not have the backing of the law. Legally, if a land with Letter C is used as collateral, it cannot be bestowed with mortgage rights, so it cannot be auctioned. This study analyzes the efforts by PT. Permodalan Nasional Madani Malang Branch (PT. PNM Malang Branch) to recover non-performing loans with Letter C collateral through the small claims court mechanism. The study uses the empirical legal research method with a case approach. The results indicate that the PT. PNM Malang Branch employs the soft and hard approaches to debt recovery. If the soft approach fails, then PT. PNM Malang Branch resorts to the hard approach, which involves litigation through the small claims court system. Three debtors were sued, and PT. PNM Malang Branch has recovered the loans. But in the three small claims court decisions, there was an error in legal considerations, especially in relation to the power of attorney for sale.

**Keywords:** Permodalan Nasional Madani, Letter C, Non-Performing Loan, Small Claim Court

### Introduction

Presently, there is competition in the operation of productive micro, small, and medium enterprises in Indonesia. Many business actors require extra capital to expand their operations. But applying for a business capital loan is not as simple as the general public believes. An agreement will essentially outline the terms of the business capital loan (Civil Code, Article 1313). All the terms of the agreement are binding on the creditor and debtor. A guarantee is the most important criterion for a business capital loan (Civil Code, Article 1131). The creditor decides the sort of collateral that will be used.

Many people still have a Girik letter, also known as Letter C, at this time. Essentially, Letter C is simply one of the pieces of preliminary evidence for land registration application (Regulation of the Minister of Agriculture and Agrarian Affairs Number 2 of 1962, Article 3, section a). Proof of ownership of uncertified land must be converted to the recognized certificate at the Land Office in charge of the land in question (AP. Parlindungan, 1990). Following the implementation of Law No. 5 of the Republic of Indonesia of 1960 on the Basic Agrarian Regulations (UUPA), the only legal proof of land ownership is land rights certificates (Law Number 5 of 1960, Article 19, section (2) subsection c).

In 2011, Bank Indonesia specifically permitted microcredit institutions to grant credit using unapproved land as collateral, up to a limit of 50% of the value of the collateral (Bank Indonesia Regulation 13/26/PBI/2011, Article 13, section f). Based on this pronouncement, one of the state-owned enterprises that are primarily engaged in microcredit has provided the opportunity for SME players to get business capital loans with government-determined terms. PT. Permodalan Nasional Madani (PERSERO), abbreviated as PT. PNM, is a non-bank financial institution that specializes in giving loans to micro, small, medium, and cooperative businesses (<https://www.pnm.co.id/pages/sejarah-pnm>).

According to the findings from interviews with officials of PT. PNM Malang Branch, henceforth abbreviated as PNM Malang Branch, the Micro Capital Service Unit, hereinafter abbreviated as ULaMM (Unit Layanan Modal Mikro), offers a particular credit product for SME players. In 2009, ULaMM stipulated highly favourable criteria for landowners who confirmed ownership of Letter C. According to the 2009 ULaMM policy, applicants who apply for credit with land guarantees can be financed up to a maximum limit of Rp. 50,000,000 (fifty million rupiahs). If the landowner is willing to proceed with the conversion of the title to the recognized certificate, the loan can reach 70% of the appraised value of the land (Permadi Gandapradja, 2004). In terms of business capital loans, PT. PNM continues to prioritize prudential banking. This approach is a manifestation of the company's risk management policy to reduce the creation of non-performing loans (Ismail, 2011).

According to Republic of Indonesia Law No. 4 of 1996 concerning Mortgage on Land and Objects Related to Land, henceforth referred to as UUHT, if the land used as collateral is still not certified, the land cannot be bestowed with

mortgage rights (see also Law Number 5 of 1960, Article 4). Due to these laws, PT. PNM attaches an extra agreement (accessory) in a different form. A legalized Power of Attorney for Sale is used in the extra agreement (Civil Code, Article 1796). The Power of Attorney is used to empower creditors to sell the debtor's assets if the debtor defaults in the future. Furthermore, another supplementary agreement is the Power of Attorney to Impose Mortgage, abbreviated as SKMHT, which may later transform into a Deed of Mortgage Granting Rights, abbreviated as APHT, so that the mortgage right can be perfectly bestowed if the land title is converted to a Certificate of Ownership (Jamal Wiwoho, 2014). In debt agreements that include guarantees regulated by the Mortgage Law, a form of legal protection that has been granted by the state through the Mortgage Law to creditors is the authority to execute the debtor's collateral, or auction it. Implementation of auction is done through the state auction agency, known as the State Assets and Auction Service Office (KPKNL) (Ayup Suran Ningsih, 2021).

Although PT. PNM's efforts in filtering out potential defaulting debtors have been maximized, debtors continue to default on the negotiated credit arrangements, resulting in an increase in the number of non-performing loans (NPLs) in the company's portfolio. PT. PNM has taken several steps to minimize NPL numbers, including loan restructuring by extending credit time (rescheduling), lowering interest rates (reconditioning), and modifying the structure of credit facilities (Kasmir, 2014).

So far, PT. PNM's credit restructuring efforts have proven to be unproductive, particularly with regard to loans that involve the use of land with Letter C as collateral. The PNM Malang Branch has taken a different approach, which is the utilization of state-facilitated litigation procedures. The passage of Supreme Court Regulation Number 2 of 2015 concerning small claims court could be said to have provided a breath of fresh air for creditors in securing their rights. A small claims court in Indonesia can handle a case with a maximum material claim value of Rp. 200,000,000 (two hundred million rupiah) (Supreme Court Regulation Number 2 of 2015, Article 3).

Due to the unsuccessful efforts to deal with non-performing loans, as stated above, the PNM Malang Branch resorted to legal action at the Kepanjen Class 1B District Court under the small claims court mechanism. This study examines the use of the small claims court mechanism by PNM Malang Branch to resolve the issue of bad loans and the results of that decision.

### **Research Method**

Recognizing that a credit settlement system involves specialists in their various domains, this study employed the empirical legal research method with a case approach. Primary data were obtained through direct interviews with respondents, namely PNM Malang Branch officials, while secondary data were obtained from applicable laws and regulations, copies of different Kepanjen District Court's small claims decisions, and documents obtained from PNM Malang Branch.

This study's data gathering methodologies included open-ended surveys, to obtain primary data, and online searches for legal information updates, to obtain secondary data. All stakeholders participating in the credit process, from credit initiation through the process of resolving bad loans, make up this study's population, in addition to policymakers and legal department officials of the PNM Malang Branch. Purposive sampling was used to get the samples for this investigation. The method of analysis adopted was the prescriptive-qualitative method (Depri Liber Sonata, 2014).

### **Result and Discussion**

Before delving deeper into the research, it is important to first clarify, offer focus, and minimize misconceptions by explaining essential terminology. Some crucial concepts are defined below:

1. A person with bad credit is someone that has made late debt repayments, and there is a possibility of losing the money that was lent to him. PT. PNM regulates credit collectibility on the basis of credit quality in its company policy stated in the Credit and Operational Policy of ULaMM. Some important terminology in the policy are as follows:

- a. Current means that the debtor does not have arrears of installment, both principal and interest; the payment does not exceed 30 days from the specified date; and the credit is still outstanding.
- b. Deadline indicates that the debtor has arrears of installments, both principle and interest, that are more than 30 days past the date of payment of the scheduled installments, and the credit is not yet matured.
- c. Substandard implies that the debtor has arrears, both principle and interest, of installments that are more than 90 days but not more than 180 days from the date of payment of the scheduled installments, and the credit is due within 30 days.
- d. Doubtful means that the debtor has arrears of installments, both principal and interest, that are more than 180 days but not more than 270 days from the date of payment of the scheduled installments, and the credit has been due for more than 30 days but less than 60 days.
- e. Loss means that the debtor has arrears of installments, both principal and interest, that are more than 270 days from the date of payment of the scheduled installments, and the credit has been due for more than 30 days but less than 60 days (ULaMM Credit and Operational Policy for 2019, Chapter VII).

Before giving credit, bank and non-bank financial institutions carry out analysis from the juridical perspective (I Made Adi Guntara, 2019). The analysis is done according to the 5Cs principles, especially if the guarantee to be provided by the prospective debtor is a land that has not been certified. This is because if the transaction is not legally valid, then all agreements between the debtor and the

financial institution will fail, and the bank will have difficulty recovering the credit that has been given (Andreas Andrie Djatmiko, 2017).

2. Girik/Letter C is a receipt issued as proof of payment of land tax, also called Verponding. Before the enactment of Law Number 5 of 1960 on Basic Agrarian Regulations, hereinafter referred to as UUPA, girik/letter C was accepted as proof of land rights (AP. Parlindungan, 1999). To carry out the mission of the UUPA, Government Regulation Number 10 of 1961 on Land Registration was enacted and later replaced with Government Regulation Number 24 of 1997 on Land Registration. Following the enactment of Law Number 11 of 2020 on Job Creation, Government Regulation Number 24 of 1997 as amended by Government Regulation Number 18 of 2021 on Management Rights, Land Rights, Flats Units, and Registration came into force. Government Regulation Number 18 of 2021 stipulates that certificates of land rights that are issued by the Agrarian and Spatial Planning Agency / National Land Agency is proof of legal land ownership. However, in each Village Office/Kelurahan Office, there are two types of land registration administration books, namely the Village Letter C Book and the Village Karawangan Book (Tedjo Asmo Sugeng, 2017). The two books must exist side by side and complement each other because the Letter C Village book refers to ownership data, while the Karawangan Village Book refers to land features, including a description of the position of the land or land location, land area, land boundary, land parcels, and land parcel number (Yulyanti M. Rampengan, 2016).

3. According to Black's Law Dictionary, a "Small Claims Court" (SCC) is defined as a court that adjudicates claims that seek damages less than a specified monetary amount, usually claims to collect small amounts or debts, also known as "small debts court" or "conciliation court" (Sonyendah Retnaningsih, 2019). To achieve dispute resolution in accordance with the principles of justice, which stipulates that justice must be simple, fast, and low-cost, the Supreme Court Regulation Number 2 of 2015 on Procedures for Small Claims Court Settlement was issued. According to the regulation, the small claims court resolution is a procedure for examination in a civil suit with material claim worth less than Rp. 200,000,000, and the proof is simple. Also, the case should be completed within 25 days (Ismiyanto, 2018). The value of the material claim was later increased to Rp. 500,000,000 (Supreme Court Regulation Number 4 of 2019, Article 1 section 1).

### **Efforts to recover Non Performing Loans with Letter C Guarantees Through the Small Claims Court Mechanism**

The internal PT. PNM procedures and provisions that were discussed in the Introduction were obtained from interviews with competent parties at PNM Malang Branch. This section presents the hard approach that PNM Malang Branch has taken to tackle the problem of debtors. In its loan recovery efforts, PNM Malang Branch employs both the soft and hard approaches. The soft approach includes issuing a warning letter and visiting the debtor's house, among others. When the soft approach

fails, PNM Malang Branch resorts to the hard approach, which involves litigation using the small claims court mechanism. Debtors who have previously shown uncooperative attitude in negotiations were used as the study sample.

According to the findings of interviews and data obtained at the PNM Malang Branch, three debtors have been sued. The sued debtors are tough to negotiate credit settlements with. PNM Malang Branch made several attempts to engage with the debtors, but none produced desirable results. The following is a list of small claims court cases that have been initiated by PNM Malang Branch, in no particular order:

**Table 1: Table of Small Claims Court Cases Involving PT. PNM Malang Branch**

No.	ULaMM	Loan	Case Number
1	Kasembon	Rp. 50.000.000	9/Pdt.GS/2019/PN. Kpn.
2	Sumberpucung	Rp. 50.000.000	33/Pdt.GS/2019/PN. Kpn.
3	Kepanjen	Rp. 25.000.000	44/Pdt.GS/2019/PN. Kpn.

Source: Primary data processed, 2021

The three cases mentioned above are priority cases; they were employed to test credit dispute resolution via small claims court. The following discussion will highlight the efforts and phases taken by PNM Malang Branch in dealing with debtors.

### 1. Debtor from ULaMM Kasembon

#### a. Credit History

##### 1) Pre-Disbursement

On February 27, 2015, an individual applied for a credit of Rp. 50,000,000 to PNM through ULaMM Kasembon. On Monday, March 9, 2015, the Branch Office Micro Credit Committee approved the loan application based on the Madani Mikro loan product type 50, abbreviated as MM-50. The approval was based on the outcome of the credit initiation decision. MM-50 is a loan product with the following features: the disbursed amount ranges from Rp. 25,000,000 to Rp. 50,000,000, the maximum repayment length is 36 installments, and the installment pattern is monthly (Interview with Mr. Anang Fatkur Rochman, the Branch Manager).

##### 2) Loan Disbursement

On Tuesday, March 10, 2015, the payout was done at the ULaMM Kasembon Office. The parties agreed to be bound by a written agreement, specified as Credit Agreement No. 013/ULM-KBON/PK-MMR/III/15, which was later authorized by Notary Novitasari Dian Phra Harini, S.E., S.H., M.Kn., and the authorization document was designated as Letter Number 2432/LEG/III/2015. Details of the credit indicate that it amounts to Rp. 50,000,000 and its duration was



24 months, beginning on March 10, 2015, and ending on March 10, 2017. The interest rate was 1.8% per month flat annuity, while monthly installments of Rp. 2,984,000 was meant to be paid on the 10th of every month. The collateral was a plot of land and building with transfer of ownership rights contained in the Sale and Purchase Deed Number 593/796/III/2009 and proof of land ownership in the form of Letter C (Interview with Mr. Iwan Setyawan, the Legal Coordinator).

Following the signing of the credit agreement, the debtor, as the authorizing agent, and the unit manager, as the beneficiary, signed a notarial deed in the form of the Power of Attorney to Impose Mortgage Number 41 before Notary Novitasari Dian Phra Harini, S.E., S.H., M.Kn. Given that the collateral presented has not yet been certified, the conversion of the land title to the recognized certificate must still be done. As a result, the parties were unable to sign the Deed of Mortgage Granting Rights.

Additional documentation, such as guarantees, is required to persuade PNM to extend credit to debtors. The supplementary paperwork is in the form of a notarized power of attorney to sell. The parties consented to execute a Power of Attorney for Sale as specified in Power of Attorney for Sale Number 013/ULM-KBON/PJ-SKJ/III/15, which was subsequently legalized by Notary Novitasari Dian Phra Harini, S.E., S.H., M.Kn., and the authorization document was designated as Number 2433/LEG/III/2015.

### 3) Post Loan Disbursement

The debtor only paid three principal installments and one interest installment after the loan was disbursed on March 10, 2015. When payments were not made in June 2015, the Installment Reserve Fund was used to safeguard the debtor's collectibility. However, the debtor did not make any installment payments in July 2015. The debtor was automatically included in "collectability 1" since the Installment Reserve Fund was spent for the June 2015 payments. PNM increased its collection attempts from the debtor, recognizing the possibility of the debt becoming a bad debt, by making phone calls and visiting the debtor's house (Interview with Mr. Iwan Setyawan, the Legal Coordinator).

#### a. Credit Settlement Efforts

The legal team of PNM Malang Branch prepared evidence for a lawsuit, including the following, among others:

1. Copy of the Application for Micro Credit (APPM) presented by the accused to the plaintiff, dated March 2, 2015.
2. Copy of original Micro Credit Principle Approval Letter (SP3M).
3. Copy of original Credit Agreement 013/ULM-KBON/PK-MMR/III/15, dated March 10, 2015.
4. Copy of original Credit Disbursement Receipt of PNM ULM/09.03.10/F-002, dated March 10, 2015, with No. TTP: 013/ULM-KBON/TTP/III/2015.

5. Copy of original Deed of Sale and Purchase No. 593/796/III/2009, dated March 31, 2009.
6. Copy of original Power of Attorney for Imposing Mortgage (SKMHT) Number 41, dated March 10, 2015.
7. Copy of original Credit Transaction History Report.
8. Copy of original Credit Facility Repayment Note Number 013/ULM-KBON/PK-MMR/III/15, dated March 13, 2019.
9. Copies of original Warning Letters 1, 2, and 3 as well as receipts of Warning Letters.
10. Copy of Warning Letter I Number S-017/ULM-KBON/V/2015, dated May 19, 2015.
11. Warning Letter II Number S-019/ULM-KBON/V/2015, dated May 30, 2015.
12. Warning Letter III Number S-001/ULM-KBON/VIII/15, dated August 5, 2015 (Copy of Decision Number 9/Pdt.G.S/2019/PN Kpn).

After all the pieces of evidence were considered to be sufficient, the legal staff prepared the case. The format of the litigation was tailored to the court's needs. Because the evidence and the case have already been prepared, a letter of assignment and power of attorney is required to file the lawsuit and go the trial. The branch manager issued a letter of assignment and a special power of attorney to the Regional Coordinator XI, Compliance and Legal as well as legal personnel (Interview with Mr. Iwan Setyawan, the Legal Coordinator).

Based on Letter of Assignment Number S-001/PNM-MLG/LGL-WIL 11/III/19, dated March 14, 2019, and Special Power of Attorney Number SKU-001/PNM-MLG/LGL-WIL 11/III/19, dated March 14, 2019, the plaintiffs were represented by Iwan Prasetyoadji, S.H. and Andika Cahyo Bintoro, S.H. The complaint was filed at the Kepanjen Class 1B District Court on March 21, 2019, under registration number 120/PH/III/2019 (Copy of Decision Number 9/Pdt.G.S/2019/PN Kpn).

b. The Judge's Decision

On Thursday, May 9, 2019, the agenda included the reading of the decision in case number 9/Pdt.GS/2019/PN.Kpn. Judge Surtiyono, S.H., M.H., the sole judge, read the verdict as follows:

1. The plaintiff's claims were granted in part.
2. It was declared that the defendant has committed an act of breach of promise or default against the plaintiff.
3. The defendant was sentenced to pay off the entire shortfall of the loan to the plaintiff, amounting to Rp. 66,182,203, which consists of the principal amounting to Rp. 45,581,850, the interest of Rp. 20,051,450, and a fine of Rp. 548,903.



4. The defendant was ordered to pay the costs of the case, amounting to Rp. 916,000 (Copy of Decision Number 9/Pdt.G.S/2019/PN Kpn).

c. Post-Decision Efforts

Following the court pronouncement, PNM and the debtor were given a copy of the decision. The debtor and his lawyers were not comfortable with the decision. The debtor and the head of Malang PNM Branch, joined by several branch office and unit staff, negotiated a minimum payment. After the debate to find the best solution for both parties, a minimal settlement agreement was reached. The details of the agreement are not stated in this study to protect company confidentiality. In essence, the debtor's credit was repaid immediately after the lawsuit (Interview with Mr. Iwan Setyawan, the Legal Coordinator).

d. Case Analyses

Several issues need to be analyzed further, as follows:

- a) The initiation process carried out by the Marketing Unit was done according to the company's policy. The results of the analysis performed in this study indicates that the assessment of the debtor's capacity was imperfect. This can be seen in the debtor's business conditions. Also, the installment amount charged the debtor was Rp. 2,984,000. This amount is very large because it is difficult for businesses to generate profits that can approach that amount.
- b) It is very risky to use the guarantee submitted by the debtor (Letter C) as collateral, given that Republic of Indonesia Law No. 4 of 1996 concerning Mortgage on Land and Objects Related to Land (UUHT) and Law No. 5 of the Republic of Indonesia of 1960 on Basic Agrarian Regulations (UUPA) stipulate that only certified lands are bestowed with mortgage rights. There should be a special agreement in place to manage the conversion of the land title used as collateral to the certificate recognized by law.
- c) According to Article 15 paragraph (3) of UUHT, with respect to registered land, the Power of Attorney to Impose Mortgage (SKMHT) should be followed by the Deed of Mortgage Granting Rights not later than one month after it is given (Asuan, 2021). According to paragraph (4) of the above article of UUHT, with respect to land rights that have not been registered, the maximum period is 3 months from the time of signing the SKMHT. The Power of Attorney to Impose Mortgage Rights Number 41, dated March 10, 2015, on behalf of the debtor, was not followed by a Deed of Mortgage Granting Rights (APHT) within the specified time, making it null and void. So it is necessary to have a new SKMHT after the conversion of the land title is completed (Muhammad Subhan, 2020);

- d) Ownership of certificates of land rights is very important to provide protection to the people of Indonesia regarding the right to the land in question and to achieve the goal of enacting the Basic Agrarian Law, namely to lay the foundation for providing legal certainty (Rezeki Aldila Rajab, 2020). Based on the results of this study, a long period of time was wasted, starting from the beginning of the non-performing loan in July 2015 until the lawsuit was filed on March 21, 2019. A period of approximately 4 years is considered sufficient to process the conversion of the land title to the recognized certificate. If conditions did not allow for the conversion of the land title, it can be concluded that the handling of the bad loan was not in accordance with PNM policy.
- e) The decision of a small claims court that has not been appealed against has permanent legal force. Small claims court decisions or cassation decisions that have permanent legal force must be implemented voluntarily. If the defendant does not voluntarily implement the small claims court decision or the decision based on an appeal process, then the applicable civil procedural law provisions will be enforced. The Chief Justice of the District Court shall execute the small claim court's decision or appeal decision by giving a warning, carrying out confiscation, and auctioning collateral items through the State Auction Center (Syapri Chan, 2021). PNM's decision to resolve the problem through the small claims court, with case number 9/Pdt.G.S/2019/PN Kpn, is correct. The small claims court processes are simple, fast, and inexpensive, so from a business perspective, small claims court resolution is very effective and efficient. It was proven that due to the permanent legal force of the small claims court decision, the PNM Malang Branch was able to negotiate, and the debtor paid off his debt.

## **2. Debtor from ULaMM Sumberpucung**

- a. Credit History
  - 1) Pre-Disbursement

Based on the results of the credit initiation process, the Branch Office Micro Credit Committee on Tuesday, September 10, 2013, approved an individual's loan application based on the Madani Mikro loan product type 50, abbreviated as MM-50. MM-50 is a loan product with the following features: the disbursed amount ranges from Rp. 25,000,000 to Rp. 50,000,000, the maximum repayment length is 36 installments, and the installment pattern is monthly (Interview with Mr. Anang Fatkur Rochman, the Branch Manager).

- 2) Loan Disbursement

Disbursement was done on Wednesday, September 11, 2013, at the ULaMM Sumberpucung Office. The parties agreed to be bound by a written

agreement, designated as Credit Agreement Number 056/ULM-SBPG/PK-MMR/IX/13, which was later legalized by Notary Achmad Syahrani, SH. Further, the parties agreed to the Power of Attorney to Sell Number 056/ULM-SBPG/PJ-SKJ/IX/13, which was legalized by Notary Achmad Syahrani, S.H. In order to complete the credit documents, the debtor also signed several documents, including the credit disbursement receipt and other administrative documents (Interview with Mr. Agung Nugraha, Head of ULaMM Sumberpucung).

The credit was running smoothly, so the debtor applied to raise the ceiling, or "top-up." The application for top-up was evaluated to determine the debtor's ability to pay in installments. At this stage, PNM made a return visit to the debtor's residence on Monday, March 23, 2015. As a result of this visit, PNM, represented by ULaMM Sumberpucung, felt confident after seeing the condition of the business managed by the debtor. The Micro Credit Committee approved the top-up of Rp. 50,000,000 minus the remaining liability of Rp. 16,109,000, amounting to a credit of Rp. 33,891,000. On Monday, April 6, 2015, the addendum agreement to the previous credit was signed. The agreement is contained in the Addendum to the Credit Agreement Number 029/ULM-SBPG/PK-TMR/IV/15, which was later legalized by Notary Lushun Adji Dharmanto, S.H.; the legalization document was designated as Number 22691/2015. The debtor, as the authorizing agent, and the unit manager, as the beneficiary, signed a notary deed in the form of the Power of Attorney to impose Mortgage Number 011 before Notary Lushun Adji Dharmanto, SH. Considering that the proposed collateral has not yet been certified, it is still necessary to process the conversion of the land title. Therefore, the parties could not sign the Deed of Mortgage Granting Rights (Interview with Mr. Agung Nugraha, Head of ULaMM Sumberpucung).

### 3) Post Loan Disbursement

Following the top-up credit disbursement, the debtor's installment payments faced many delays until they did not meet the requirements under the installment agreement.

#### b. Credit Settlement Efforts

PNM's recovery tactics include pursuing legal action through the small claim court. Given that the debtor's home and the ULaMM Sumberpucung Office are both in the Malang Regency, they fall under the jurisdiction of the Class 1B Kepanjen District Court.

First, the legal team of PT. PNM Malang Branch prepared the evidence for filing a case. The prepared proofs include the following, among others:

1. Copy of original Application for Micro Credit (APPM) presented by the accused to the plaintiff for Credit Agreement Number 056/ULM-SBPG/PK-MMR/IX/13, dated September 11, 2013.
2. Copy of original Micro Credit Principle Approval Letter (SP3M).
3. Copy of original Credit Agreement Number 056/ULM-SBPG/PK-MMR/IX/13, dated September 11, 2013.

4. Copy of original Credit Top-Up Agreement, No. 029/ULM-SBPG/PK-TMR/IV/15, dated April 6, 2015.
5. Copy of original letter of application for restructuring of credit, dated October 30, 2015.
6. Copy of original Credit Restructuring I, Addendum to Credit Agreement Number 100/ULM-SBPG/PK-RMR/XI/15, dated November 27, 2015.
7. Copy of original Application for Restructuring of Credit II, dated July 28, 2017.
8. Copy of original Credit Restructuring II, Addendum to Credit Agreement Number 024/ULM-SBPG/PK-RMR/VII/17, dated July 31, 2017.
9. Copy of the original Credit Disbursement Receipt.
10. Copy of original Deed of Sale and Purchase, No. 39/VIII/BJR/2009, dated August 20, 2009.
11. Copy of original Power of Attorney to Impose Mortgage Rights (SKMHT), Number 011, dated April 6, 2015.
12. Copy of original Power of Attorney to Sell, Number 024/ULM-SBPG/PJ-SKJ/VI/17, dated July 31, 2017.
13. Copy of original credit transaction history report on behalf of debtor.
14. Copy of Warning Letter I, as well as copy of original receipt for Warning Letter I.
15. Copy of Warning Letter II and copy of original receipt for Warning Letter II
16. Copy of Warning Letter III, as well as copy of original receipt for Warning Letter III.
17. Copy of original Credit Facility Repayment Note Number 024/ULM-SBPG/PK-RMR/VII/17, dated June 27, 2019 (Copy of Decision Number 33/Pdt.G.S/2019/PN Kpn).

When the proofs were judged to be sufficient, the legal team prepared the case. The format of the litigation was tailored to the court's needs. When the proof and the case were ready, a letter of assignment and power of attorney were required to file a lawsuit and go to trial. The branch manager issued a letter of assignment and a special power of attorney to the Regional Coordinator XI, Compliance and Legal as well as legal personnel.

Based on Letter of Assignment Number S-002/PNM-MLG/LGL-WIL 11/VII/19, dated 10 July 2019, and Special Power of Attorney Number SKU-002/PNM-MLG/LGL-WIL 11/VII/19, dated 10 July 2019, the Plaintiffs were represented by Iwan Prasetyoadji, S.H. and Andika Cahyo Bintoro, S.H. The complaint was filed at the Kepanjen Class 1B District Court on July 16, 2019, under the registration number 33/Pdt.GS/2019/PN.Kpn.

c. The Judge's Decision

According to the trial calendar, the agenda for reading the decision in case number 33/Pdt.GS/2019/PN.Kpn. was set for Thursday, August 15, 2019. Judge Nuny Defiary, S.H., the sole judge, pronounced the verdict as follows:

1. The plaintiff's claims were granted in entirety.
2. It was declared that by law, the actions of the defendant are in default against the plaintiff.
3. The accused was sentenced to pay in full immediately, without conditions, the remaining amount totaling Rp. 76,530,621 (Seventy-Six Million, Five Hundred and Thirty Thousand, Six Hundred and Twenty-One Rupiah). This amount is made up of the remaining principal loan, amounting to Rp. 40,000,000, and the outstanding interest, totaling Rp. 25,343,735. If the accused does not pay off the remaining loan, then the collateral attached to the transaction is at risk. The collateral was a plot of land as well as the building and everything that stood on it, with transfer of ownership rights contained in Sale and Purchase Deed Number 39/VIII/BJR/2009. The collateral could be sold privately based on the Power of Attorney to Sell, Number 024/ULM-SBPG/PJ-SKJ/ VII/17, dated 31 July 2017, or in public through an authorized auction institution as credit rescue, where the remainder of the proceeds from the sale of the collateral will be returned to the accused.
4. The defendant was instructed to pay the costs incurred in this case, which amounted to Rp. 336,000 (three hundred and thirty-six thousand rupiahs) (Copy of Decision Number 33/Pdt.G.S/2019/PN Kpn).

d. Post-Decision Efforts

PNM and the debtor were given a copy of the ruling afterwards, and it became legally binding. The debtor did not take the substance of the judgment for granted. PNM Malang Branch and the debtor arranged the repayment in phases (Interview with Mr. Anang Fatkur Rochman, Branch Manager).

e. Case Analyses

There are several issues that need to be analyzed further, as follows:

- a) The Marketing Unit is required by business policy to carry out the first phase of marketing. The processes prior to a top-up are quite straightforward, and a ceiling may be established to help the debtor's firm grow. However, the period preceding the top-up felt rushed and forced. As a result, there was inaccuracy in applying the precautionary principles, particularly capacity and condition.
- b) By looking at the SLIK, the completeness of the papers, and the collateral supplied, the credit analysis performed both at the unit and branch levels are quite excellent.

- c) The guarantee given by the debtor is still not certified, so it cannot be bestowed with mortgage rights. Therefore, it is necessary to put in place certain accessory agreements to regulate the transfer of land rights that are used as collateral.
- d) Based on Article 15 paragraph (3) of UUHT, with respect to registered land, SKMHT should be followed by the Deed of Mortgage Granting Rights not later than one month after it is given (Asuan, 2021). According to paragraph (4) of the above article of UUHT, with respect to land that is not yet certified, the maximum period is 3 months from the time of signing the SKMHT. The Power of Attorney to Impose Mortgage Rights (SKMHT) Number 011, dated April 6, 2015, was not followed by a Deed of Mortgage Granting Rights (APHT) within the specified time, making it null and void. So it is necessary to have a new SKMHT after the conversion of land title is completed (Muhammad Subhan, 2020).
- e) Based on the results of this study, a long period of time was wasted time, starting from the beginning of the non-performing loans in September 2013 until the lawsuit was filed on July 16, 2019. A period of approximately 6 years was considered sufficient to process the conversion of the land title to the recognized certificate. If the conditions do not allow for the conversion of the land title, then it can be concluded that the handling of the bad loan was not in accordance with PNM company policy.
- f) The Power of Attorney for Sale incorporated in the petition is a breakthrough in debt recovery as well as the last strategy for carrying out sales without going through an auction if the defendant fails to pay off his credit in good faith.
- g) Regarding the Power of Attorney number 024/ULM-SBPG/PJ-SKJ/VII/17, dated 31 July 2017, it is important to point out that it does not meet the conditions provided in Articles 6 and 20 of Law No. 4 of 1996 concerning mortgages, so it does not have legal backing. If the sale of the mortgaged object carried out by the creditor based on the power of attorney to sell is contrary to the provisions of Articles 6 and 20 of the mortgage law, it becomes illegal (Alfis Setyawan, 2016).
- h) Regarding the judge's decision number 33/Pdt.GS/2019/PN.Kpn, especially the third point, there was an error in legal considerations. The Power of Attorney for Sale and Purchase Number 024/ULM-SBPG/PJ-SKJ/VII/17, dated July 31, 2017, is an agreement based on contractual freedom that is used as a basis for transferring ownership rights to land due to default on debts and receivables and does not provide a balanced bargaining position between the parties. For this reason, the state regulates debt dispute through a pawn institution regulated by the UUHT, which provides a more balanced bargaining position between the parties (Rosa Lianda Islami, 2020). The deed of power of attorney to sell is not



used to guarantee debt repayment or execute collateral items because there are no laws or regulations that regulate it. The power of attorney to sell as an agreement cannot be made in a manner that is absolute, but it must fulfill the legal requirements of an agreement based on freedom of contract (Clara Vania, 2018).

### 3. Debtor from ULaMM Kepanjen

#### a. Credit History

##### 1) Pre-Disbursement

On September 30, 2015, the Branch Office Micro Credit Committee voted to approve an individual's credit application based on the Madani Micro 50 loan product, abbreviated as MM-50. MM-50 is a loan product whose amount ranges from Rp. 25,000,000 to Rp. 50,000,000. Also, it has a maximum term of 36 installments and a monthly payment schedule (Interview with Mr. Anang Fatkur Rochman, Branch Manager).

##### 2) Loan Disbursement

On Friday, October 2, 2015, the credit was disbursed at the Kepanjen ULaMM Office. The parties agreed to engage in a formal agreement contained in Credit Agreement Number 066/ULM-MLKP/PK-MMR/X/15, which was later authorized by Notary Lushun Adji Dharmanto, S.H. under Number 23231/2015.

The credit details include a disbursement of Rp. 25,000,000 (twenty-five million rupiahs), a period of twenty-four months, from October 2 2015 to October 2, 2017, an interest rate of 1.8% per month flat annuity, a monthly repayment installment of Rp. 1,491,650 (one million, four hundred and ninety-one thousand, six hundred and fifty rupiah) to be paid on the 11th of every month and a collateral in the form of a plot of land and building with right of transfer contained in Sale and Purchase Deed Number 214/KEC/PKSJ/2009 and a proof of owning the land in the form of Letter C Number 648. To complete the credit documentation, the parties agreed to execute a Power of Attorney to Sell as described in Power of Attorney to Sell Number 066/ULM-MLKP/PJ-SKJ/X/15, which was later authorized under Number 23232/2015 by Notary Lushun Adji Dharmanto, S.H. (Interview with Mr. Catur Junawan, the Head of the Kepanjen ULaMM).

Following the signing of the credit agreement, the debtor, as the authorizing agent, and the unit manager, as the beneficiary, signed a notarial deed in the form of a Power of Attorney to Impose Mortgage Number 001 before Notary Lushun Adji Dharmanto, SH. Given that the collateral supplied has not been certified, the conversion of the title must still be processed. As a result, the parties were unable to sign the Deed of Mortgage Granting Rights.

##### 3) Post Loan Disbursement

During the credit period, the debtor only paid five installments, with the following details:

- a) Installment I, November 4, 2015, amounting to Rp. 1,500,000;
- b) Installment II, December 4, 2015, amounting to Rp. 1,492,000;

- c) Installment III, January 15, 2015, amounting to Rp. 1,505,000;
- d) Installment IV, May 2, 2016, amounting to Rp. 1,491,650 (Col 4);
- e) installment V, June 16, 2016 amounting Rp. 1,491,650 (DCA).

The total installments paid by the debtor amounted to Rp. 7,480,300. The total liability was Rp. 35,800,000, consisting of a principal amount of Rp. 25,000,00 and an interest amount of Rp. 10,800,000 (Interview with Mr. Catur Junawan, the Head of Kepanjen ULaMM).

b. Credit Settlement Efforts

The recovery efforts made by PNM involved taking legal action through a small claims court. Considering that the debtor and Kepanjen ULaMM Office are domiciled in the Malang Regency area, they fall under the authority of the Class 1B Kepanjen District Court.

First, the evidence for filing a lawsuit was prepared by the legal staff of PT. PNM Malang Branch. The evidence prepared include:

1. Copy of original Micro Credit Application (APPM) presented by the defendant to the plaintiff for Credit Agreement Number 066/ULM-MLKP/PK-MMR/X/15, dated October 2, 2015.
2. Copy of original Letter of Approval in Principle for Micro Credit (SP3M) Number 066/MLKP/SP3/X/2015, dated October 2, 2015.
3. Copy of original credit agreement number 066/ULM-MLKP/PK-MMR/X/15, dated October 2, 2015.
4. Copy of original Credit Disbursement Receipt No. Note 066/ULM-MLKP/TTP/X/15, dated October 2, 2015.
5. Copy of original Sale and Purchase Deed No. 214/KEC/PKSJ/2009, dated April 3, 2009.
6. Copy of original Power of Attorney for Imposing Mortgage Rights (SKMHT) Number 001, dated October 2, 2015.
7. Copy of original Power of Attorney to Sell Number 066/ULM-MLKP/PJ-SKJ/X/15, dated October 2, 2015.
8. Copy of the original credit transaction history report.
9. Copy of Warning Letter I, as well as a copy of the original receipt for Warning Letter I.
10. Copy of Warning Letter II, as well as a copy of the original receipt for Warning Letter II.
11. Copy of Warning Letter III, as well as a copy of the original receipt for Warning Letter III.
12. Copy of the summons letter along with a copy of the original receipt of the summons.
13. Copy of original Note of Repayment of Credit Facility Number 066/ULM-MLKP/PK-MMR/X/15, dated October 2, 2015.

14. Proof that as of September 13, 2019, the total liability of the defendant amounted to Rp. 56,558,914, with the calculation that the remaining principal amounted Rp. 21,183,950, the outstanding interest amounted to Rp. 7,154,010, and a fine of Rp. 28,220,954 was imposed (Copy of Decision Number 44/Pdt.G.S/2019/PN Kpn).

After all the pieces of evidence were deemed sufficient, the next step was the preparation of the lawsuit by the legal staff. The lawsuit format was adjusted to suit the court's need. After the evidence and lawsuit had been prepared, a letter of assignment and special power of attorney were given by the branch manager to the legal staff.

The plaintiff was represented by Andika Cahyo Bintoro, S.H., based on Letter of Assignment Number S-003/PNM-MLG/LGL-WIL 11/IX/19, dated September 19, 2019, and Special Power of Attorney Number SKU-003/PNM-MLG/LGL-WIL 11/IX/19, dated September 19, 2019. The lawsuit was filed on September 23, 2019, in Kepanjen District Court, Class 1B, under Register Number 44/Pdt.GS/2019/PN.Kpn.

c. The Judge's Decision

Monday, October 28, 2019, was the scheduled date for reading the decision for case number 44/Pdt.GS/2019/PN.Kpn. Judge Nuny Defiary, the only judge, pronounced as follows:

1. The plaintiff's claims were granted in entirety.
2. It was declared that the defendant has defaulted in meeting his obligations to the plaintiff.
3. The defendant was ordered to pay off immediately without conditions the remaining amount of Rp. 56,558,914, made up of a remaining principal amount of Rp. 21,183,950, outstanding interest of Rp. 7,154,010, and a fine of Rp. 28,220,954. If the defendant does not voluntarily pay off the entire remaining loan/credit to the plaintiff, then the collateral, which was described earlier, will be sold privately based on Power of Attorney to Sell Number 066/ULM-MLKP/PJ-SKJ/X/15, dated 02 October 2015, or publicly through an institution authorized auction, as the final credit rescue, where the remainder of the proceeds of the sale of the collateral will be returned to the defendant.
4. The defendant was ordered to pay the costs incurred in this case, amounting to Rp. 316,000 (Copy of Decision Number 44/Pdt.G.S/2019/PN Kpn).

d. Post-Decision Efforts

The decision is final and binding. PNM and the debtor received a copy of the decision each. The debtor did not take the content of the decision for granted. PNM Malang Branch and the debtor agreed that the payment should be done in

stages after negotiation (Interview with Mr. Anang Fatkur Rochman, the Branch Manager).

e. Case Analyses

Several issues need to be analyzed further, as follows:

- a) The initiation process carried out by the Marketing Unit was in accordance with the company policy, but there were gaps related to a lack of prudential principles. Also, the installment amount to be paid by the prospective debtor, which is Rp. 1,491,650, seems too big and burdensome. Setting aside profits to pay the installments will definitely be difficult for the debtor, given that the business being managed does not generate a lot of money. The ULaMM MM-50 product has a maximum period of 36 installments with a monthly installment pattern. If this pattern was used at the start, the nominal installments would have been lower than the installments specified in the credit agreement.
- b) The credit analysis carried out at the unit and branch levels are quite good based on the SLIK, the completeness of the documents, and the collateral. The collateral submitted can cover the entire amount of credit extended to the debtor.
- c) The guarantee given by the debtor is still not certified, so it cannot be bestowed with mortgage rights. Therefore, it is necessary to put in place certain accessory agreements to regulate the transfer of land rights that are used as collateral.
- d) Based on the results of this study, a long period of time was wasted, starting from the beginning of the non-performing loans in September 2013 until the lawsuit was filed on October 28, 2019. A period of approximately 4 years is considered sufficient to process the conversion of the land title. If conditions do not allow for the conversion of the land title, then it can be concluded that the handling of the bad loan was not done according to PNM policy.
- e) According to Article 15 paragraph (3) of UUHT, with respect to registered land, the Power of Attorney to Impose Mortgage (SKMHT) should be followed by the Deed of Mortgage Granting Rights not later than one month after it is given (Asuan, 2021). According to paragraph (4) of the above article of UUHT, with respect to land rights that have not been registered, the maximum period is 3 months from the time of signing the SKMHT. The Power of Attorney to Impose Mortgage Rights (SKMHT) Number 001, dated October 2, 2015, was not followed by a Deed of Mortgage Granting Rights (APHT) within the specified time, making it is null and void. So it is necessary to have a new SKMHT after the conversion of the land title is completed (Muhammad Subhan, 2020).
- f) The Power of Attorney for Sale incorporated in the petition is a breakthrough in debt recovery as well as the last strategy for carrying out

sales without going through an auction if the defendant fails to pay off his credit in good faith.

- g) Regarding the Power of Attorney Number 001, dated October 2, 2015, in the name of debtor, it is important to point out that it does not meet the conditions provided in Articles 6 and 20 of Law No. 4 of 1996 concerning mortgages, so it does not have legal backing. If the sale of the mortgaged object carried out by the creditor based on the power of attorney to sell is contrary to the provisions of Articles 6 and 20 of the mortgage law, it becomes illegal (Alfis Setyawan, 2016).
- h) Regarding the judge's decision number 44/Pdt.GS/2019/PN.Kpn, especially the third point, there was an error in legal considerations. The Power of Attorney for Sale and Purchase Number 066/ULM-MLKP/PJ-SKJ/X/15, dated 02 October 2015, is an agreement based on contractual freedom that is used as a basis for transferring ownership rights to land due to default on debts and receivables and does not provide a balanced bargaining position between the parties. For this reason, the state regulates debt dispute through a pawn institution regulated by the UUHT, which provides a more balanced bargaining position between the parties (Rosa Lianda Islami, 2020). The deed of power of attorney to sell is not used to guarantee debt repayment or execute collateral items because there are no laws or regulations that regulate it. The power of attorney to sell as an agreement cannot be made in a manner that is absolute, but it must fulfill the legal requirements of an agreement based on freedom of contract (Clara Vania, 2018).

## Conclusion

PT. PNM (Persero) Malang Branch has made several efforts to recover bad debts. According to the company's policy, there are two approaches: the soft and hard approaches to debt recovery. The soft approach includes giving a warning letter and visiting the debtor's house, among others. Because these efforts were not successful, debt recovery was carried out using the hard approach, namely the legal route, through the small claims court. Three debtors were sued, namely those with case numbers 9/Pdt.G.S/2019/PN Kpn, 33/Pdt.GS/2019/PN.Kpn, and 44/Pdt.GS/2019/PN Kpn. The three defendants have repaid their loans by either single repayment or gradual repayment. But in the three small claims court decisions, there was an error in legal considerations, especially with regard to the power of attorney to sell, because the power of attorney to sell should not be used to guarantee debt repayment or execute collateral. After all, there are no laws and regulations governing it. A power of attorney to sell as an agreement should not be absolute and must fulfill the legal requirements of an agreement based on freedom of contract.\*\*\*

## References

### Book:

- AP. Parlindungan. (1990). *Konversi Hak-Hak Atas Tanah*. Bandung: Mandar Maju.
- A.P Parlindungan. (1999). *Pendaftaran Tanah di Indonesia*. Bandung: Mandar Maju.
- Ismail. (2011). *Manajemen Perbankan Dari Teori Menuju Aplikasi*. Jakarta: Kencana.
- Kasmir. (2014). *Dasar-Dasar Perbankan-Revised Edition*. Depok: Rajawali Pers.
- Permadi Gandapradja. (2004) *Dasar dan Prinsip Pengawasan Bank*. Jakarta: PT. Gramedia Pustaka Utama.
- ULaMM Credit and Operational Policy for 2019.

### Journal:

- Alfis Setyawan. (2016). Tinjauan Yuridis Penggunaan Surat Kuasa Jual Terhadap Penjualan Objek Hak Tanggungan dalam Penyelesaian Kredit Macet. *Jurnal Selat*, 4(1), 53-69. <https://ojs.umrah.ac.id/index.php/selat/article/view/151>
- Andreas Andrie Djatmiko. (2017). Aktualisasi Prinsip 5c (Prinsip-Prinsip Lima) Pada Pelaksanaan Perjanjian Kredit dengan Jaminan Hak Atas Tanah Belum Bersertifikat. *Yustitiabelen*, 3(1), 129-157. <https://doi.org/10.36563/yustitiabelen.v3i1.133>
- Asuan. (2021). Surat Kuasa Membebankan Hak Tanggungan dalam Perjanjian Kredit. *Solusi*, 19(1), 50-66. <https://doi.org/10.36546/solusi.v19i1.329>
- Ayup Suran Ningsih. (2021). Kajian Yuridis Efektifitas Penyelesaian Kredit Macet Melalui Lelang Hak Tanggungan. *Arena Hukum*, 14(3), 546–566. <https://doi.org/10.21776/ub.arenahukum.2021.01403.7>
- Clara Vania and Gunawan Djajaputra. (2018). Keabsahan Penggunaan Kuasa Mutlak dalam Perjanjian Pengikatan Jual Beli (PPJB) Tanah yang dibuat oleh Notaris. *Jurnal Hukum Adigama*, 1(2), 301-323. <https://doi.org/10.24912/adigama.v1i2.2747>
- Depri Liber Sonata. (2014). Metode Penelitian Hukum Normatif dan Empiris: Karakteristik Khas Dari Metode Meneliti Hukum. *Fiat Justisia*, 8(1), 15-35. <https://doi.org/10.25041/fiatjustisia.v8no1.283>.
- I Made Adi Guntara and Ni Made Ari Yuliantini Griadhi. (2019). Penerapan Prinsip 5C Sebagai Upaya Perlindungan Terhadap Bank didalam Menyalurkan Kredit. *Kertha Semaya*, 7(8), 1-15. <https://ojs.unud.ac.id/index.php/kerthasemaya/article/view/52209>
- Ismiyanto. (2018). Penyelesaian Kredit Bermasalah Melalui Gugatan Sederhana Berdasarkan Peraturan Mahkamah Agung (Perma) No. 2 Tahun 2015 Tentang Tata Cara Penyelesaian Gugatan Sederhana. *Spektrum Hukum*, 15(2), 236-256. <http://dx.doi.org/10.35973/sh.v15i2.1119>



- Jamal Wiwoho. (2014). Peran Lembaga Keuangan Bank dan Lembaga Keuangan Bukan Bank dalam Memberikan Distribusi Keadilan Bagi Masyarakat. *Masalah-Masalah Hukum*, 43(1), 87-97. <https://ejournal.undip.ac.id/index.php/mmh/article/view/9028/7333>
- Muhammad Subhan, Bruce Anzward, and Roziqin. (2020). Kepastian Hukum Surat Kuasa Membebaskan Hak Tanggungan Akibat Keterlambatan Menerbitkan Akta Pemberian Hak Tanggungan. *Jurnal De Facto*, 7(1), 23-37. <https://doi.org/10.36277/jurnaldefacto.v7i1.76>
- Rezeki Aldila Rajab, Bambang Eko Turisno, and Anggita Doramia Lumbanraja. (2020). Sertifikat Hak Atas Tanah dalam Kepastian Hukum Pendaftaran Tanah. *Notarius*, 13(2), 642-654. <https://ejournal.undip.ac.id/index.php/notarius/article/download/31085/17442>
- Rosa Lianda Islami, Dahlan, and Suhaimi. (2020). Penggunaan Akta Kuasa Menjual Sebagai Jaminan Pelunasan Utang Dalam Peralihan Kepemilikan Hak Milik Atas Tanah. *Jurnal Magister Hukum Udayana*, 9(4), 838-858. <https://ojs.unud.ac.id/index.php/jmhu/article/view/68160>
- Syapri Chan. (2021). Penyelesaian Sengketa Kredit Macet Perbankan. *Jurnal Normatif*, 1(1), 6-17. <https://jurnal.alazhar-university.ac.id/index.php/normatif/article/view/41>
- Sonyendah Retnaningsih and Rouli Anita Velentina. (2019). Small Claims Court Mechanism in Business Dispute Resolution as an Attempt to Apply Fast-Track Basis in the District Courts and its Comparison with Some Countries. *Indonesian Journal of International Law*, 16(4), 531-575. <http://dx.doi.org/10.17304/ijil.vol16.4.765>
- Tedjo Asmo Sugeng. (2017). Fungsi Buku Letter C Desa dalam Kaitannya dengan Buku Kerawangan Desa Sebagai Landasan Yuridis dan Alat Bukti Awal Atas Pengakuan Kepemilikan Hak Atas Tanah. *Jurnal Fenomena*, 15(2), 1665-1673. <https://ojs.unars.ac.id/index.php/fenomena/article/view/808/581>
- Yulyanti M. Rampengan. 2016. Kedudukan Hukum Registrasi Desa (Letter C) Dalam Pembuktian Hak Milik Atas Tanah Menurut UUPA No. 5 Tahun 1960. *Lex Administratum*, 4(4). 170-177. <https://ejournal.unsrat.ac.id/index.php/administratum/article/view/11931/11520>

**Website:**

<https://www.pnm.co.id/>

**Legislation:**

Civil Code, Staatsblad Year 1847 Number 23

Law Number 5 of 1960 concerning Basic Agrarian Regulations

Law Number 4 of 1996 concerning Mortgage Rights on Land

International Journal of Global Community  
Volume VI No.1 (March), 2023

Regulation of the Minister of Agriculture and Agrarian Affairs Number 2 of 1962,  
Affirmation of the Conversion and Registration of Former Indonesian  
Rights on Land

Government Ordinance Number 18 of 2021 concerning Management Rights, Land  
Rights, Flats Units, and Land Registration

Bank Indonesia Regulation 13/26/PBI/2011 Amendment to Bank Indonesia  
Regulation Number 8/19/PBI/2006 concerning Earning Asset Quality and  
Establishment of Allowance for Earning Assets of Rural Banks

Supreme Court Regulation Number 4 of 2019 concerning Amendments to Supreme  
Court Regulation Number 2 of 2015 concerning Procedures for Settlement  
of Simple Claims

Copy of Decision Number 9/Pdt.G.S/2019/PN Kpn

Copy of Decision Number 33/Pdt.G.S/2019/PN Kpn

Copy of Decision Number 44/Pdt.G.S/2019/PN Kpn