

POLICY ANALYSIS OF BANK INDONESIA CONCERNING FINANCE TO VALUE (FTV) TO MINIMIZE PROBLEM FINANCING OF SHARIA HOME OWNERSHIP LOANS (KPR) AT BANK MUAMALAT BRANCH OFFICE MEDAN CITY HALL

Nadira Paramita

Universitas Islam Negeri Sumatera Utara, Medan, Indonesia
nadiraparamita8@gmail.com

Sugianto

Universitas Islam Negeri Sumatera Utara, Medan, Indonesia
sugianto@uinsu.ac.id

Nurul Jannah

Universitas Islam Negeri Sumatera Utara, Medan, Indonesia
nuruljannah@uinsu.ac.id



Abstract

The Financing to Value (FTV) policy is a macroprudential policy issued by Bank Indonesia to determine the total ratio between the value of credit that can be provided by a bank to the value of collateral in the form of property at the time of initial lending to customers. This research aims to be able to know how the procedures for implementing risk management in Sharia Home Ownership Loans (KPR) financing and knowing FTV policies can minimize problem financing on Sharia KPR products at Bank Muamalat Branch Office (KC) Medan City Hall. In this study, the authors used qualitative research with a case study approach. Data collection techniques used interviews and documentation. From the results of the research conducted, it was found that Bank Muamalat KC Medan City Hall has fully implemented Bank Indonesia's policy regarding Finance to Value (FTV) in KPR financing products. However, this implementation is not fully in accordance with existing policies and the application of these policies has not fully minimized the NPF of Sharia KPR. In addition, the implementation of Sharia Home Ownership Loans (KPRS) distribution carried out by Bank Muamalat KC Medan City Hall did not go well due to several things that caused problematic financing, including non-performing loans. Problematic credit financing at Bank Muamalat KC Medan City Hall is caused by two things, namely debtors and creditors. To prevent and overcome problem financing loans that have been carried out by Bank Muamalat KC Medan City Hall, namely by providing understanding to debtors and providing concessions to ongoing credit problems.

Keywords: Financing to Value, Home Ownership Loans, Risk Management

INTRODUCTION

Having a dream home is something that most people on earth want to achieve and get and need to realize. The house does not only function as a place to live in for a short period of time, but the house has economic value which can become an asset for the owner in the future. Due to the increasing rate of population growth in Indonesia, it will also have a direct impact on people's consumption needs, including in the property sector. Therefore, the growth and increasing public interest in the property is a benchmark for financial institutions, especially Islamic financial institutions, in establishing a financing system that we usually refer to as Home Ownership Loans (KPR). KPR is one of the many financing facilities that exist at banks so that they can buy and own a house, therefore Home Ownership Loans are in great demand by the public so that they can immediately get their dream home. At Islamic Banks, financing for Home Ownership Loans, in general, continues to increase every year.

Bank Muamalat KC Medan City Hall is one of the many banking institutions that carry out their duties as providers of Sharia finance which of course prioritizes the benefits and interests of the community to obtain profits and benefits. Bank Muamalat KC Medan City Hall has sharia home ownership credit financing products, but there are problems where some of these problems are in the provision of credit services which generally exist between customers and Bank Muamalat KC Medan City Hall. Obstacles that actually occur in financing carried out by Bank Muamalat KC Medan City Hall, namely non-performing loan financing. Non-performing credit financing that occurs can cause banks to not get margins and can become an obstacle to Bank Muamalat KC Medan City Hall in obtaining a balance of profits and benefits. In responding to the problems that occur at Bank Muamalat KC Medan City Hall, of course, the bank must implement financing risk management so that it can minimize problematic financing that will have an impact in the future.

The background behind the publication of Bank Indonesia's macroprudential policy on Financing to Value (FTV) in order to develop the economy from the property sector, macroprudential policies that are adaptable to advance (KPR) is implemented, among other ways, the Bank can carry out a balanced and superior intermediary function. In general, the process of recovering credit and bank funding is still ongoing. Among credit risks that are

relatively well maintained, KP/PP and KKB/PKB are needed to accelerate the rate of change process so that it can encourage improvements in connected industries which will ultimately boost the performance of the national economy. Therefore, Bank Indonesia is required to provide assistance in the form of policy changes that regulate the maximum LTV ratio for KP, the maximum FTV ratio for PP, and the maximum down payment for KKB and PKB (Bank Indonesia, n.d.).

The policy (FTV) has been implemented by Bank Muamalat KC Medan City Hall and plays a significant role and an impact on credit expansion and credit standards offered to customers. However, after the issuance and implementation of the policy (FTV) by Bank Indonesia, Bank Muamalat KC Medan City Hall still has problems with financing such as bad loans, and causes customers to experience areas, causing default and others. Therefore, the research aims to find out how the risk management of Islamic mortgage financing is implemented and whether the policy (FTV) can minimize problem financing for Islamic mortgage products at Bank Muamalat KC Medan City Hall.

REVIEW OF LITERATURE

Risk Management

A logical and methodical approach to detect, assess, decide attitudes, define solutions, monitor, and report risks that occur in any action or process is known as risk management. Risk management can also be referred to as an indispensable element where its application must be considered in as much detail as possible, especially for banks which are financial institutions in Indonesia. However, what will differentiate a financial institution from other financial institutions is that it receives and distributes money from the general population. In terms of ownership and function, various forms of banking can be distinguished (Muhammad, 2018). In general, the problems that will become challenges for Islamic banking are not much different from the risks faced by conventional banks. But apart from that, many sharia also face risks that can be said to be unique, because apart from having to follow the principles and provisions contained in government laws and policies, sharia banks must also follow the principles and foundations of sharia contained in the Al-Qur'an and Sunnah.

Every Islamic banking is given the burden of obligation to implement risk mitigation in each of its operational activities. According to PBI number 13/23/PBI/2011 risk management is a series of methodologies and procedures implemented to identify, measure, monitor and control risks that may come from all bank operational business activities. The application of risk management needs to be carried out properly by Islamic banks in order to minimize problems that will occur. The main entity in charge of carrying out the State's monetary policy in the Islamic financial system is the central bank, which functions as the center of Islamic banking and is autonomously responsible for achieving the socio-economic goals of Islam (Soemitra, 2017). If discussed further, financing risks can be managed. Risk management is an effort to identify, measure, and minimize losses that may be encountered. Risk management is an effort that must be carried out continuously by related institutions, because of course every activity and action will cause risks and that must be faced by everyone. This risk can be in the form of a big problem that can cause a big loss as well as a small risk that can be solved easily.

In Islamic banks, there are risks that will be faced, namely financial risk, credit risk, and liquidity risk. Default risk and financing risk are often linked. This risk increases the possibility that the bank will incur a loss if the debtor's funds are jammed or do not go according to the initial agreement. This occurs as a result of the debtor's inability to carry out his contractual duties.

There are four criteria for risk management principles for Islamic financial institutions, according to the IFSB (Islamic Financial Services Board). The first rule is that Islamic banks must have a financing strategy that is built on Islamic financial products and be aware that credit risk is a possibility at any point in the financing process. The second rule is that Islamic banks must carry out checks before choosing the right Islamic financing option. The third rule is that Islamic banks need to have a process for calculating and disclosing different credit risk exposures arising from Islamic financing instruments. The fourth rule is that Islamic banks must use Islamic credit risk reduction strategies in financing products.

Financing to Value Policy

Bank Indonesia Regulation No.18/16/PBI/2016 concerning Financing to Value defines that the ratio figure between the value of Financing that can be provided by a BUS or UUS to the value of collateral in the form of Property at the time of granting Financing with the latest appraisal results. In general, the Financing to Value (FTV) policy is a policy formed with the aim of stabilizing economic activity by determining the ratio that banks can provide to their customers for property financing. With the FTV policy, it is hoped that it will bring fresh air to the development of mortgages provided by banks. Macroprudential policy adjustments are made proportionally and measuredly in the form of easing credit terms, particularly in the property and motor vehicle sectors. in order to maintain the consistency of positive national economic growth and support the operation of the banking intermediary function. The establishment of macroprudential policies is implemented to ensure financial stability. While the financing crisis has clearly disrupted monetary policy, it has even resulted in a further decline in investment in the real sector (Sugianto, 2017). Therefore, FTV can be concluded as a financing portion when buying a house. According to BI Regulation No. 17/10/PBI, the financing value is calculated in Islamic Commercial Banks and Sharia Business Units based on the contract used and the area of the property or structure used.

Financing Problem

Every activity in channeling financing by banks must contain risks, this happens because humans cannot predict what will happen in the future. Therefore, banks must make plans and try not to cause problem credit risks. To maintain the balance of the bank's business, the bank must be able to evaluate the eligibility of the debtor and the need for management and monitoring. Giving money or bills that can be equated in accordance with an agreement between the bank and other parties which requires the party being financed to return one or the bills after a certain period of time in exchange for profit sharing (Banking Act No. 10. 1998, 2001). It is not impossible that problem financing occurs in any financing for a number of reasons. In order to strive to improve the quality of financing, Islamic banks must first identify the things that cause problematic financing. Loans given by Islamic banks are of course different from credit in conventional banks. If in Islamic

banking, the return on financing is not in the form of interest, but in other forms, in accordance with the existing contracts in Islamic banks (Rahma, 2019).

According to Sofyan Safri Harahap, problematic financing is: “Financing whose collectability has decreased from current to substandard, doubtful, and jammed” (Harahap, 2004). Another definition states that problem financing is financing with collectability in the form of substandard financing, doubtful financing, and bad financing (Dendawijaya, 2005).

There will be a number of problems faced by banks when disbursing funds, namely: 1) Unclear market conditions which will affect the debtor’s capacity to repay the loan; 2) There is a possibility that the selling price of the guarantee (rahn) at the time of contract execution and termination of the contract will change; 3) the problem of correctness of the information provided by the debtor when the financing proposal is submitted; 4) the problem of granularity resulting from the large number of debtors being financed but the average value is low; and 5) the problem of the bank’s inability to determine the reason for payment of the debtor. The absence of the debtor’s good will to pay installments is one of the factors causing default (Nasution, 2018).

RESEARCH METHOD

This study uses descriptive qualitative research data analysis with qualitative data analysis, namely the procedure to find out how to solve the problem under study by clearly describing the object of what is being studied in accordance with the facts at present, as well as the nature and relationship between phenomena. This research was conducted so that researchers can obtain a more actual and accurate description and description of the risk management of Sharia Home Ownership Loan at Bank Muamalat KC Medan City Hall.

The object of this research is Bank Muamalat KC Medan City Hall, and those who will be the informants of this research are data on problematic Sharia mortgage products at Bank Muamalat Indonesia, what are the procedures for applying for Sharia KPR, risk management of problematic financing and what is the Financing to Value (FTV) policy at Bank Muamalat KC Medan City Hall.

In this study using primary and secondary data types. Primary data is data taken directly by researchers directly without any interference from other people from the main source of research interest. Then the primary data of this study is data related to risk management and the Sharia KPR mechanism related to the Finance to Value policy of Bank Muamalat KC Medan City Hall. Secondary data, namely data from research results obtained indirectly through intermediary media in the form of evidence or previous historical reports that have been compiled in archives (documentary data) and Bank Muamalat information systems that have been published or not. In this study, secondary data is documents or data related to Islamic mortgages.

RESULTS AND DISCUSSION

Sharia KPR Financing at Bank Muamalat KC Medan City Hall

One of the services offered by banks, namely Home Ownership Loan (KPR) is a form of financing in order to obtain housing needs which can be referred to as intermediaries for the community so that they can buy and get their dream home by paying in installments (Heykal, 2014). This can be an alternative when economic activity has not increased at this time, and people's incomes are still unable to adjust to house and land prices, which are increasingly showing an average increase of 20% per year (Ismail, 2021).

This causes some people to find it increasingly difficult to get a house. For those who want to own a house, various possibilities such as KPR (House Ownership Loan) schemes can be an alternative. It is hoped that this form of cooperation between related agencies, developers and banks will fulfill people's demand for housing, by establishing a home purchase program in installments, namely housing loans (KPR). Background and factors that generally make people, especially the millennial generation, namely the intention factor of the millennial generation in choosing Sharia KPR, including their age, level of education, and money (Waluya et al., 2022). KPR products, also known as Sharia Home Ownership Financing (PPRS) in Islamic banking, are loan facilities that Islamic banks can offer to private customers who want to buy or renovate a house that complies with sharia regulations (Adil, 2017). There are two types of mortgages in this country, namely subsidized mortgages and non-subsidized mortgages. Because of the increasing

prevalence of muamalah studies, it will increasingly result in increased public understanding of the importance of getting sharia mortgages. The community regarding the importance of owning a house with a Sharia KPR is 64.6% and it can be concluded that public awareness is quite high (Ismail, 2021).

Sharia KPR financing is one of the financing products provided by Bank Muamalat KC Medan City Hall to customers who want to have a dream residential home without *usury* and apply sharia principles. If seen from several aspects of Sharia KPR may be run as long as sharia principles are applied. This is in line with research which concludes that Islamic mortgages are expected to provide general benefits to Muslims and to customers. In addition, according to *Qawaidul Fiqhiyyah*, contracts in Sharia KPR are permitted by referring to a number of laws, such as the general idea that all forms of muamalat are permitted unless there is an argument stating that it is unlawful, Allah's law is where there is profit, difficulties can attract comfort, needs can take an emergency position (Lesmana et al., 2021). For prospective customers who wish to apply for financing, the customer must fulfill the document requirements and conditions in applying for mortgage financing at Bank Muamalat KC Medan City Hall. After fulfilling the requirements, then there are several required documents that must be completed for submitting a mortgage at Bank Muamalat KC Medan City Hall. The rate for filing at Bank Muamalat KC Medan City Hall is around 5% pa or following the policies set by the Government. Then for the costs that will be incurred by the customer during the credit application process, namely costs for administration, notary, insurance (fire and life), and assessment if necessary. Bank Muamalat implements the *Musyarakah Mutanaqishah* (MMQ), *Murabahah* and *Ijarah Muntahiya Bi At-Tamlik* (IMBT) contracts. This is in accordance with FTV's policy on mortgage financing at Islamic banks that use the contract. However, in general, Muamalat banks often use the *Musyarakah Mutanaqishah* contract for mortgage financing products because it is considered easier and can provide benefits for both parties, namely the debtor and the bank. For debtors, These advantages are obtained due to affordable rental prices and also a longer installment period. Meanwhile, the advantage obtained by the bank is to increase the financing portfolio, so that the existing funds and the distribution of funds become balanced.

Determination of the Amount of Financing to Value (FTV) by Bank Muamalat KC Medan City Hall

As the public's interest in owning mortgages continues to grow, of course, banks are required to be more careful in distributing mortgages because mortgage growth is getting higher and can cause various risks for banks. One of the policies implemented is through the Financing to Value Policy to determine the maximum amount of FTV for Home Ownership Loan (KPR) in accordance with PBI No. 23/2/PBI/2021 namely:

Table 1
Policy on the Amount of Financing to Value (FTV) KPR by Bank Indonesia

Property Type (m ²)	Property Financing Facility	
	I	II and so forth
Site House		
Type > 70	95%	90%
Type 22 – 70	95%	95%
Type ≤ 21	100%	95%

Source: Bank Indonesia (PBI No. 23/2/PBI/2021)

Bank Indonesia distributes property financing to Facility I and Facility II and so on to Landed Houses with a building area of 21m², which must be in accordance with the FTV ratio set by the bank because it is based on the principle of prudence in providing financing. For the second facility, for a house with an area of more than 70m², it is 90% and a building area of 22-70m² is 95%.

Table 2
Amount of Financing to Value (FTV) by Bank Muamalat KC Medan City Hall

Property Type (m ²)	Property Financing Facility	
	I	II and so forth
Site House		
Type > 70	80%	70%
Type 22 – 70	90%	80%
Type ≤ 21	-	-

Source: Bank Muamalat KC Medan City Hall

Based on data obtained from the Bank Muamalat KC Medan City Hall, it shows that the Muamalat KC Medan City Hall has provided a financing value for mortgage financing for type > 70 facility I, which is 80% and for Facility II is 70%, and for type 22-70 facility I 90% and facility II of 80%. This is different from the FTV amount set by Bank Indonesia.

Even the bank has the right to lower the ceiling again if there are certain considerations related to certain problems. This problem is caused because the criteria for a house meet the requirements, but because the debtor's income is insufficient and plus the debtor still has limitations that can affect installment payments, the bank has the right to lower the FTV and this does not violate the rules. This does not violate the rules because basically the FTV policy is a regulatory rule that functions only as a reference. What is not allowed is if the amount of the FTV deviates from what it should be. For example, the financing of FTV regulations issued by Bank Indonesia is 95%, but is given 100%. However, if it is given below the amount set by Bank Indonesia, it is permissible. Banks reduce FTV to minimize risks that might occur in the future. However, the implementation of the FTV policy at Bank Muamalat KC Medan City Hall has not fully guaranteed that non-performing financing does not occur, even though after the implementation of this FTV policy, Bank Muamalat still experiences the risk of default on Sharia mortgage products. This can be seen in the financial reports uploaded by Bank Muamalat Indonesia below, you can see problem financing from 2018 to 2022. However, bank Muamalat has managed to maintain and/or reduce non-performing financing (NPF) below 5%.

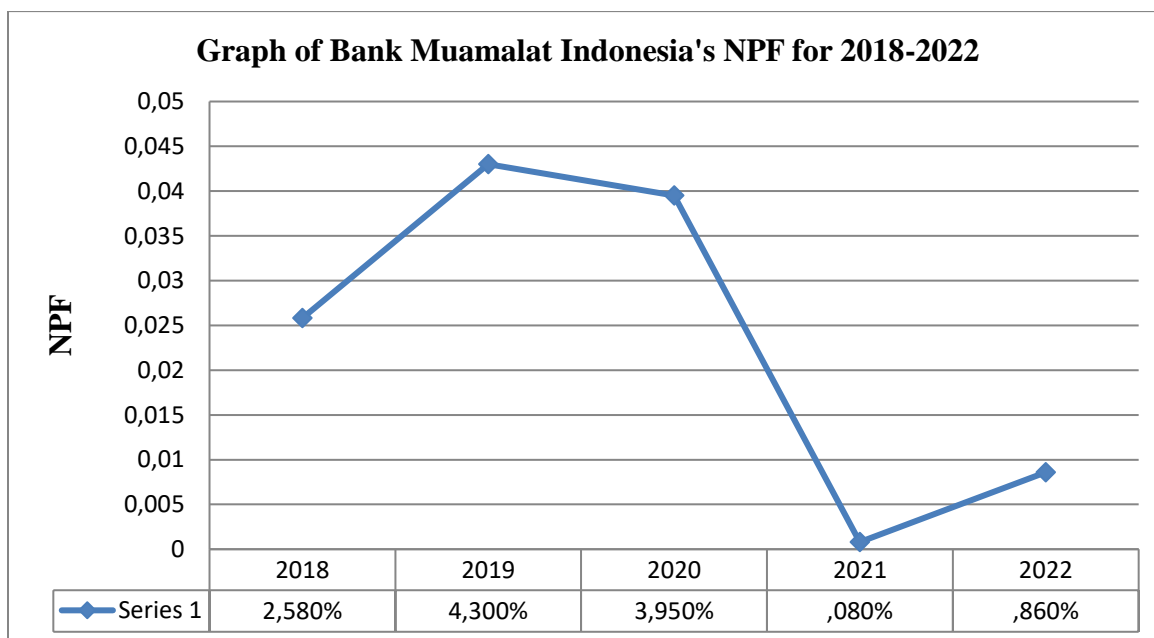


Figure 1
Bank Muamalat Indonesia's NPF 2018-2022

Source: Bank Muamalat Indonesia 2018-2022

From the graph of Bank Muamalat's financial statements above, it can be seen that there was an increase in the NPF value in 2018 to 2019 and 2020 and then decreased in 2021 and increased again in 2022. In the financial reports of Bank Muamalat Indonesia it shows that there was problematic financing in 2018 of 2.58%, in 2019 of 4.30%, in 2020 of 3.95%, then in 2019 0.08% in 2021, and 0.86% in 2022. The significant increase in NPF was shown in 2019. This occurred because Indonesia's economic situation at that time was declining due to the outbreak of the Covid-19 virus that occurred in any hemisphere. In 2018-2020 Bank Indonesia set an FTV policy of 85% and then underwent a change in 2021 until now.

As research conducted by (Rahmawati et al, 2016) The main results show that the effectiveness of Financing to Value/Loan to Value as a Sharia and conventional macroprudential instrument for limiting the growth of financing/loans is still not significant. In addition, Sharia FTV is not significant for Non Performing Loans (NPL) (Rahmawati et al., 2016). In line with the results of research from Farild and Bakhtiar (2019) which obtained, the impact of FTV provisions which delayed the distribution of financing, especially in the property financing sector and consumption financing with property guarantees, had reduced the financial performance of Islamic banks in Indonesia (Farild & Bakhtiar, 2019). This delay is the result of Islamic banks' careful handling of the allocation of consumer financing and financing for real estate. In addition, the provision of a significant down payment in the case of property purchases is one of the factors that contributed to a decrease in the distribution of finance in the industry by reducing people's purchasing power. Relaxation in the application of property finance policies is influenced by the FTV policy. Therefore, it can be said that the application of the FTV policy has not been effective (Qoyum & Fauziyyah, 2018). The application of the Financing to Value policy for the *Murabahah-Istishna'* contract has a significant negative effect on housing finance (Muhammad Rachmad Hidayat, n.d.).

However, other studies have found that the implementation of the FTV policy has both positive and negative impacts on Islamic banking. Based on the results of research conducted by (Syaputra & Tohirin, 2019) came to the conclusion that home ownership financing in Indonesian Islamic banks can benefit from variable of Financing to Value

(FTV), Non-Performing Financing (NPF), and Third Party Funds (DPK). Meanwhile, population growth and inflation have had a positive impact on home ownership financing for Indonesian Islamic banks. The short term of the 2016 FTV easing policy had a positive and significant effect on channeling sharia mortgage financing in Indonesia. Before and after the introduction of the FTV policy, there was a disparity in the allocation of sharia mortgages. The differences that exist are positive on average, indicating that the public's response to the easing FTV policy is positive and the demand for sharia mortgage financing is increasing (Dianty et al., 2022).

Implementation of Risk Management in Sharia KPR Financing Products

Each institution must be managed according to established guidelines. Financial institutions owned by the Bank are also included in this matter. A healthy financial organization administration will have a big impact on the bank (Nurul Inayah, 2022). In implementing risk management, there are several types of risks that must be managed properly by the bank. Islamic Commercial Banks must apply at least four different types of risk, including financing risk, market risk, liquidity risk and operational risk. Mortgage risks that usually occur are default, the customer deliberately does not pay the installments, the business run by the debtor experiences a decline and so on.

The risk of an activity carried out by the bank or financing cannot be eliminated or avoided. However, these risks must be controlled and managed properly. Risk management carried out by the Bank Muamalat KC Medan City Hall, namely by analyzing and understanding the client's character, the 5C Credit Analysis method can quantitatively and completely test customer eligibility. According to Article 38 of Law 21 of 2008, Bank Muamalat KC Medan City Hall is required to carry out risk management through knowing the customer (Character) with the aim of knowing the character or personality of the customer. Assess the quantity of capital owned compared to the amount of debt that has been made in order to determine (Capacity) the ability of customers to pay their commitments to complete financing based on agreements signed from the start. (Capital) in order to be able to assess the amount of capital owned compared to the amount of debt (Collateral) the availability of collateral offered by Islamic Banks and guarantees of the eligibility of the property to be occupied from suppliers or the house itself sold by Bank

Muamalat KC Medan City Hall, (Condition) to consider the customer's financial situation, such as whether they have a stable job or how they manage their business. This needs to be done to carry out risk monitoring and risk control afterwards. Besides that, before deciding to accept acceptance of customer collateral applications, Bank Muamalat KC Medan City Hall carries out three investigative steps, specifically by carrying out the stages: (Stage 1) Analysis of marketing negotiations including filling out documents, collecting consumer information, and conducting BI checks. (Stage 2) Data checking analysis, in particular this analysis, is processed in terms of starting from checking client data to processing collateral data, which must be suitable for execution and completed verification. (Stage 3) Determination of contract termination and disbursement analysis. When entering the termination stage, after obtaining approval for the determination of the contract, entering the signature file, and entering the disbursement stage. But if it does not comply with the RAC (Risk Acceptance Criteria) it cannot be continued.

If the debtor does not pay his obligations within 3 months, then according to the contract applied at the Muamalat KC Medan City Hall, the debtor will be given Warning Letter (SP) I, II and III. The first warning letter is valid from 1-90 days since the debtor does not pay his obligations, in conclusion the debtor will be given the first warning regarding arrears that are ignored, if in the first SP the debtor still has not paid the bank then he will give a second SP. The second SP is valid from 91-180 days and finally the third SP is 180 to 270 days, but if the debtor still does not pay his arrears, the house that is the collateral will be auctioned off by the bank.

Table 3
Classification of Credit Collectibility

Collectability Classification	Number of Days/Arrears	Quality
Collectability 1	0	Fluent
Collectability 2	1 – 90 days	In Special Attention
Collectability 3	91 – 180 days	Not that Smooth
Collectability 4	180 – 270 days	Doubtful
Collectability 5	>270 days	Congested

Source: Bank Muamalat KC Medan City Hall

If the debtor has good faith to provide information regarding the debtor's delay in paying his obligations for certain reasons, such as sales proceeds from a business run by the

debtor declining, the debtor being laid off, there are household problems and others, then the debtor is allowed to visit the bank to request restructuring and submit the necessary documents, the bank will review the application and, after obtaining analysis findings, will notify the customer, and after the customer agrees to the decision given by the bank then the customer signs an addendum to the contract (additional contract) (Siti Mar'atul Hurriyah dan Rafika Rahmawati, 2022).

If the problem between the debtor and the bank does not find a clear spot, then to resolve this problematic financing, Bank Muamalat is guided by Bank Indonesia regulations and adjusted to the risk management stipulated by Bank Muamalat KC Medan City Hall, namely by obtaining credit returns through official collateral auctions, and submitting requests for auctions to the KPKNL. Bidding can be done with a note that it must be in accordance with Article 6 of the Mortgage Law. If the collateral is sold through an auction process with a nominal amount that exceeds the amount owed by the debtor, the debtor is entitled to the remainder of the sale.

FTV Policy Relation to Problem Financing

The effectiveness of implementing Bank Indonesia's Policy on Financing to Value (FTV) at Bank Muamalat KC Medan City Hall as a macroprudential instrument to limit the growth of mortgage financing is still not significant. This shows that FTV still has limitations in arranging Sharia KPR financing. The purpose of implementing the FTV policy is to increase prudence on the part of banks when offering and distributing mortgage loans and financing to reduce the risk of subprime loans and problem financing. In addition, another objective of this policy is to improve aspects of consumer protection in the property sector and to provide greater opportunities for the lower middle class to obtain the dream of a house that is suitable for habitation. But it seems that the purpose of forming this policy has not had a positive impact on Bank Muamalat KC Medan City Hall. This is proven because there are still problematic BMI financing in 2022 of 0.86% (Indonesian, n.d.). The troubled financing arises due to several factors, but generally the principal of the problem financing comes from the debtor who has failed to pay.

Therefore, the FTV policy that has been implemented by Bank Indonesia cannot achieve its goal of controlling credit risk. This goal was not achieved due to the FTV policy

on Sharia KPR financing at Bank Muamalat KC Medan City Hall due to the fact that the program implementation and application of FTV had not been implemented properly and optimally and there was a lack of supervision from related parties. BMI KC Medan City Hall implements an FTV policy of 80% which is different from the FTV amount set by Bank Indonesia, which is 95%. The bank has the right to further reduce the amount of the FTV policy with consideration related to these problems, this can be done to minimize problem financing.

CONCLUSION

Based on the results of the discussion, it shows that the FTV policy implemented by Bank Muamalat KC Medan City Hall has not been able to fully minimize the risk of Sharia KPR financing. This can be seen from the results of BMI's NPF which in 2022 will still be 0.86%. This study also obtained the results that Bank Muamalat KC Medan City Hall implemented an FTV policy amount of 80%, the ceiling is smaller than PBI No. 23/2/PBI/2021 regarding the determination of the FTV amount, which is 90%. It would be better if Bank Muamalat KC Medan City Hall implemented a smaller FTV policy compared to the current policy, for example 75% so that it can better minimize the risk of problem financing. This may be done, for example, related to problems if the house criteria meet the requirements for the customer, however, because the debtor's income is still insufficient and the debtor still has other rights and obligations that are considered to hinder installment payments, the bank can reduce the FTV amount. This is permissible because it does not violate the rules, basically the FTV policy is only a regulatory rule that functions only as a reference.

REFERENCES

- Adil, U. (2017). *Bisnis Syariah di Indonesia*. Mitra Wacana Media.
- Dendawijaya, L. (2005). *Manajemen Perbankan*. Ghalia Indonesia.
- Dianty, H. N., Nursyamsiah (2022). Pengaruh Guncangan Makroekonomi dan Kebijakan Pelonggaran Financing to Value terhadap Penyaluran KPR Syariah di Indonesia. *Jurnal Ilmiah Ekonomi*, 8(03), 2725-2732. <http://dx.doi.org/10.29040/jiei.v8i3.6360>

- Farild, M., & Bakhtiar, F. (2019). Analisis Kinerja Keuangan Perbankan Syariah sebelum dan Sesudah Implementasi Pembatasan Financing to Value (FTV). *Jurnal Iqtisaduna*, 5(2), 281–286. <https://doi.org/10.24252/iqtisaduna.v5i2.19805>
- Harahap, S. S. (2004). *Akuntansi Islam*. Bumi Aksara.
- Heykal, M. (2014). Analisis Tingkat Pemahaman KPR Syariah pada Bank Syariah di Indonesia: Studi Pendahuluan. *Binus Business Review*, 5(2), 519. <https://doi.org/10.21512/bbr.v5i2.1010>
- Indonesia, B. (n.d.). *Peraturan Bank Indonesia Nomor 23/2/PBI/2021 tentang Perubahan Ketiga atas Peraturan Bank Indonesia Nomor 20/8/PBI/2018 tentang Rasio Loan to Value untuk Kredit Properti, Rasio Financing to Value untuk Pembiayaan Properti, dan Uang Muka untuk Kredit atau*. Departemen Komunikasi. Retrieved March 21, 2023
- Ismail. (2016). *Perbankan Syariah* (Ke-4). Prenadamedia Group.
- Ismail, D. (2021). Kesadaran Masyarakat terhadap KPR Syariah. *Jurnal Likuid*, 1, 2–10. <https://doi.org/10.15575/likuid.v1i1.12725>
- Lesmana, M., Suminto, A., & Rosmitha, S. N. (2021). Pembiayaan Property Indent (KPR Syariah) Ditinjau dari Maqashid Syariah dan Qawaidul Fiqhiyyah. *Journal of Islamic Economics and Philanthropy*, 4(03), 1260–1279. <https://doi.org/10.21111/jiep.v4i03.6576>
- Muhammad. (2015). *Manajemen Dana Bank Syariah*. Rajawali Press.
- Muhammad Rachmad Hidayat, S. H. (n.d.). Kebijakan Financing to Value, Financing to Deposit Ratio dan Pengaruhnya terhadap Pembiayaan Rumah di Jawa Timur. *Jurnal Ekonomi Syariah Teori dan Terapan*, 5(2), 280–290. <https://doi.org/10.20473/vol5iss20184pp280-290>
- Nasution, M. L. I. (2018). *Manajemen Pembiayaan Bank Syariah* (D. M. Yafiz (Ed.); 1st ed.). FEBI UIN-SU Press.
- Nurul Inayah, A. S. (2022). Fiqih Muamalah Uang dan Lembaga Keuangan: Studi Literatur. *Jurnal Ilmiah Ekonomi Islam*, 8(03), 2966–2976. <http://dx.doi.org/10.29040/jiei.v8i3.6777>
- Qoyum, A., & Fauziyyah, N. E. (2018). In Search for Islamic Macroprudential Policy in Indonesia: The Case of Financing to Value (FTV) and Property Financing. *Ihtifaz: Journal of Islamic Economics, Finance, and Banking*, 1(1), 1. <https://doi.org/10.12928/ijiefb.v1i1.275>
- Rahma, T. I. F. (2019). *Perbankan Syariah*. FEBI UIN-SU Press.

- Rahmawati, S., Karim, A. A., & Ascarya. (2016). Effectiveness of LTV/FTV as Macprudential Instrument Under Dual Banking System in. *11th International Conference on Islamic Economics and Finance*, 12(3), 275.
- Siti Mar'atul Hurriyah dan Rafika Rahmawati. (2022). Analisis Restrukturisasi dalam Penyelesaian Pembiayaan KPR Bermasalah pada Bank BTN Syariah Cabang Bekasi. *Jurnal Bunga Rampai MES Foundation*, 2, 107–132.
- Soemitra, A. (2017). *Bank dan Lembaga Keuangan Syariah*. Fajar Inter Pratama.
- Sugianto. (2017). Financing Crunch on Islamic Banking And Monetary Stability In Indonesi. *IOSR Journal of Economics and Finance (IOSR-JEF)*, 8(4), 25–32. <http://dx.doi.org/10.9790/5933-0804022532>
- Syaputra, A. A., & Tohirin, A. (2019). Pengaruh Kebijakan Financing to Value dan Faktor Ekonomi terhadap Pembiayaan Pemilikan Rumah di Bank Syariah. *Conference on Islamic Management Accounting and Economics*, 2, 190–199.
- Undang-Undang Perbankan No. 10. Tahun 1998* (1st ed.). (2001). Sinar Grafika.
- Waluya, A. H., Arifin, S., Yasid, A., & Ritonga, I. (2022). Intensi Generasi Milenial Kota Banda Aceh terhadap Produk KPR Syariah. *Jurnal Ilmiah Ekonomi Islam*, 8(3), 2545–2554.