



The Authority of Notaries In The Preparation of Deeds Concerning Credit Guarantees As A Form of Resolution For Non-Performing Loans

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Abstract: Non-performing loans pose a serious challenge in the banking sector, especially for Rural Credit Banks (BPR). One of the solutions is through the takeover of collateral or AYDA. This study aims to examine the authority of notaries in the creation of deeds concerning credit guarantees as part of the non-performing loan resolution process. The research method used is empirical with a qualitative approach, through interviews with three notaries/PPAT in the Denpasar area and one notary/PPAT in the Badung area. The data collection techniques used are Purposive Sampling, Interview Technique, Observation Technique, and Documentation Technique. The research results show that notaries are authorized to draft the AYDA deed based on non-performing loan collateral still burdened by a mortgage, based on an agreement between the creditor and the debtor. The debtor must first create a statement letter of collateral surrender to the creditor, which is subsequently followed up by the Notary with the drafting of several deeds for the benefit of both parties, namely the power of attorney, debt settlement agreement deed, sale and purchase deed, sale and purchase binding agreement, and eviction agreement.

Keyword: Authority, Notary, Deed, Guarantee, Credit

INTRODUCTION

Credit in the banking world can be defined as the provision of goods, services, or money from one party to another based on trust, with a promise of repayment from the borrower to the lender on a date agreed upon by both parties (Bustami et al., 2022; Sudharma & Putra, 2019). In order for the credit agreement to have legal force, it must fulfill the valid agreement requirements as provided in Article 1320 of the Civil Code (Andani et al., 2023; Langit & Setyorini, 2022).

The agreement that has been reached requires each party to fulfill all the contents of the agreement, as hoped by one of the parties (Cahyo Figur Satrio et al., 2020), that is the borrower receives credit in accordance with the fund usage agreement from the disbursement, and on one side, the bank profits from the promised credit interest. Furthermore, regarding the credit provided by BPR, the acceptable collateral can be in the form of land rights certificates or rights to goods, both movable and immovable. The collateral, with several assessments, can provide legal protection and legal certainty to the bank, where land rights collateral is prioritized because it can have a high market value, thus the bank, from both security and market value perspectives, continues to increase every year (A. Y. Pratama et al., 2024).

The guarantee of the bank credit actually serves to ensure certainty of the debtor's repayment of debts when the debtor defaults or is declared bankrupt. (Harniwati, 2021; Usman, 2012). The forms of security binding include mortgage rights, fiduciary, pawn, borgtocht, and cassie. In credit agreements, the most commonly used forms of security binding are fiduciary and mortgage rights (Fitriyani & Muthahir, 2021; Posumah, 2017). The credit agreement between the bank and the debtor made in the presence of a Notary/PPAT, is in accordance with the provisions of Article 1 Jo. Article 15 of Law Number 2 of 2004 Amendment to Law Number 30 of 2004 concerning the Office of Notary.

Regarding the guarantee of land use certificates, it will be continued with the process of placing a collateral on the guarantee that will be pledged at the bank (Nasution et al., 2022). The imposition of collateral on land is a mandatory requirement for creditors, namely banks (Lina Kamilah Tsani & Nynda Fatmawati O., 2024), In granting credit to the debtor with collateral rights, it is necessary to create a Deed of Granting Collateral Rights (hereinafter referred to as APHT), which is an accessory agreement or supplementary agreement as collateral for the repayment of the debtor's debt in the future (Mustopo, 2024). Thus, for the land that is the object of the collateral or security provided by the debtor, a binding or encumbrance of the mortgage rights must be carried out by the authorized official.

Regarding the credit agreement whose collateral has been secured by a mortgage and/or fiduciary, it is not free from various risks in the future because such risks may occur. The most dominant risk is likely the risk of delays and defaults in the payments for the obtained credit. In addition, errors in assessment also significantly affect the health of the bank because the funds loaned to the debtor are sourced from the public. Therefore, in its implementation, the bank must pay attention to the principles of credit financial institutions concerning the extent of the risks that may arise. An important factor that can minimize risks is the assurance of credit provision, which means confidence in the ability and willingness of the debtor to settle their obligations as agreed upon in the credit agreement. (Kaliey, 2023). The provision of guarantees in credit agreements is required in the banking world because fundamentally, the source of funds distributed comes from the public or public savings (Siregar et al., 2021). Thus, the disbursed credit funds must be managed carefully (prudent) (Devita, 2011; Puji Sakti & Ahmad, 2023). Here are the data from the last few years related to non-performing loans at PT. Bank Perekonomian Rakyat Sandi Raya Utama.

Table 1. Default Credit Data of PT Bank Sandi Raya Utama

Months	Year			
	2020	2021	2022	2023
January	0	2	0	1
February	0	3	0	0
March	0	1	0	0
April	1	0	1	0
May	1	1	0	1
June	2	0	1	0
July	0	0	0	0
August	0	0	0	2
September	1	0	0	0
October	0	0	2	1
November	0	0	2	0
December	0	1	1	0

Source: PT. Bank Perekonomian Rakyat Sandi Raya Utama

In reality, the occurrence of bad credit is influenced by the conditions of the global economic slowdown followed by the recovery from the impacts of the COVID-19 pandemic that began in February 2020, which has not yet been optimal, and the banking sector has felt the consequences significantly. This situation compels the banking industry to think extra hard in formulating strategic steps in their future business plans to be realistic and accountable. The plans and strategic steps involve reducing the level of Non-Performing Loans (referred to as NPL) and foreclosed collateral (referred to as AYDA) as well as enhancing intermediation functions and increasing efficiency.

The strategy for reducing Non-Performing Loans (NPL) as a preventive measure is to minimize credit risk, while the repressive measures taken include credit restructuring, conducting auctions, seizing collateral, writing off bad debts, and eliminating collections. Given the condition of debtors due to the impact of COVID-19 in 2022 at BPR Sandi Raya Utama, from April to December, there are still debtors categorized as having non-performing loans. This situation has prompted the bank to provide financial solutions to debtors so they can make payments through restructuring. With the relaxation of COVID-19 regulations, there is still potential for debtors to pay off their loans, as this can improve the quality of the loans and the financial condition of the debtors.

The implementation of restructuring policies is aimed at supporting economic stimulus while considering the bank's risks. The restructuring of credit for Rural Banks (BPR) can be done through two methods: with an addendum (amendment agreement) or through new credit. An addendum is usually used by modifying the existing credit terms such as the term or interest rate, while new credit involves creating a new loan with different conditions. Additionally, this aligns with government policy in addressing problematic credits in financial banking institutions by striving for credit restructuring as a solution for creditors and debtors affected by the impact of COVID-19, through Financial Services Authority Regulation Number 48/POJK.03/2020 concerning amendments to Financial Services Authority Regulation Number 11/POJK.03/2020 on National Economic Stimulus as a countercyclical policy to mitigate the spread of COVID-19.

The problem of credit arises from the uncertainty of loan repayment, which is the task and responsibility of the bank's management and working units. If a debtor is unable to make payments and causes a non-performing loan, it means that the debtor is no longer able to fulfill his obligations as stipulated in the loan agreement between the debtor and the bank (creditor). In this case, the bank can resolve the non-performing loan by taking over the collateral. This is in accordance with the provisions of the Financial Services Authority Regulation Number

40/POJK.03/2019, particularly Article 1 number 15 regarding the Assessment of the Quality of Bank Assets.

The resolution of non-performing loans through the seizure of debtor assets is sometimes very difficult for banks. The process of transferring collateral goods can be done in two ways, namely through an auction mechanism and through a private sale mechanism with the approval of the collateral owner. The takeover of debtor assets in the form of land and buildings must be carried out if the loan has entered the category of non-performing loans. In practice, the implementation of this process is carried out in several stages and involves various parties, especially banks with debtors and/or owners of rights to the land and buildings that are secured by the mortgage. AYDA, in general, is a collateral asset according to Law Number 10 of 1998, Amending Law Number 7 of 1992 concerning Banking, that such assets can be acquired and buy part or all of the collateral, either through auction or outside of auction based on voluntary surrender by the owner of the collateral if the debtor fails to fulfill their obligations to the bank. This repossessed asset must be liquidated as soon as possible or within a period of 1 (one) year. In addition, the AYDA asset at a bank can be categorized as non-operational assets (other assets) that are not related to the core business of the concerned bank, where this indication is seen and the recording position exists in the balance sheet. This is different if the collateralization process is still active and ongoing between the debtor and creditor, so the value generated and a valuation process can be interpreted for collateral purposes.

In general, the implementation of the AYDA mechanism is carried out in 2 (two) stages. These include the stage of acquiring AYDA and the stage where the bank as the creditor, together with the debtor, enters into an AYDA agreement and agrees on the legal actions through which the bank can obtain AYDA so that AYDA can be executed and marked by a credit set off. Meanwhile, the resolution stage focuses on how the bank conducts sales to achieve recovery. The auction mechanism for collateral can be carried out by the bank without the debtor's consent because the bank holds an executive title and takes over through legal processes/litigation/execution auction through the District Court via an auction report.

In connection with the implementation of AYDA in banking, a Notary is still required as the official authorized to create authentic deeds as stipulated in Article 15 of the Notary Law. The AYDA process certainly carries risks for the Notary as the maker of the legal evidence, because the AYDA process is always followed by the name transfer process as a form of ownership transfer of the house or land in the presence of a Notary/PPAT. The bank allows the collateral to be sold by the debtor to anyone, as long as the certificate/collateral is in the hands of the Bank.

Thus, the creditor's final step in this case has fulfilled the process before the execution of the pledged guarantee, but considering that the cancellation of the mortgage rights is in accordance with the provisions of Article 18 Paragraph (1) of Law No. 4 of 1996 concerning Mortgages on Land and Objects Related to Land (hereinafter referred to as UUHT). The mortgage right is declared to exist on the date of the land book when the complete mortgage documents required for its registration are available, and the termination of the mortgage right is based on the provisions of Article 18 Paragraph (1) of the UU HT.

Things that have been agreed upon, the debtor can be said to be in default with all its legal consequences. The execution of the mortgage guarantee is the last step taken by the creditor as the recipient of the mortgage when the debtor as the grantor of the mortgage has defaulted. The loan agreement between the debtor where the creditor provides additional collateral and primary collateral, but in the execution rights carried out by the bank unilaterally by selling the additional collateral that has fiduciary guarantees installed while the primary collateral has not been removed because it is still in the status of attached mortgage rights. In practice, the resolution of defaulted loans has been carried out unilaterally, the debtor does not

provide any form of consent at all, even though several procedures have been undertaken by the bank.

Execution is necessary to ensure the performance of the debtor's obligations as agreed upon in the main agreement in the form of a loan agreement. Since the specific material guarantee, including fiduciary, is provided by the debtor to the creditor voluntarily through the agreement, the ease of execution is a form of the debtor's good faith in fulfilling their obligations.

METHOD

The type of research used by the author in this study is empirical research (SUJANA et al., 2022). By using a qualitative approach to describe the problems and focus of the research. The data sources used are primary data obtained through interviews with informants, namely 3 notaries/PPATs located in Denpasar City, Bali and 1 Notary/PPAT in Badung Regency, Bali. Secondary data was obtained through legislative regulations. The data collection techniques used are Purposive Sampling, Interview Techniques, Observation Techniques, and Documentation Techniques.

RESULTS AND DISCUSSION

In developing and realizing law in the life of society, there must be a balance between the law and the society itself, where the law is created to protect the interests of the community (Senastri, 2023). In the context of banking, credit granted by banks contains risks, so in its implementation, banks must adhere to the principles of sound lending (Dewa Made Natha Dwitama et al., 2023). To mitigate this risk, credit guarantees in terms of the debtor's ability and willingness to repay their debts in accordance with the agreement are important factors that banks must pay attention to (Pratiwi et al., 2024). To obtain that confidence, before granting credit, banks must conduct a thorough assessment. A bank's evaluation to approve a credit application is guided by the formula 4 P, which stands for Personality, Purpose, Prospect, and Payment, followed by the formula 5 C, which includes Character, Capacity, Capital, Collateral, and Condition of the economy (E. Pratama et al., 2024). Another important factor is the pledge of collateral as outlined in the credit agreement. The pledge of collateral should be done in writing in the form of an authentic deed, because this authentic deed means that the pledge of collateral can serve as an authentic deed which will provide a perfect proving power (Utama, 2019).

Notaries provide assistance in creating authentic deeds, it is important for Notaries to understand the provisions regulated by Law so that the general public, who do not understand or have a limited understanding of legal rules, can correctly comprehend and not engage in actions that are contrary to the law. Therefore, Notaries must be truly responsible for the accuracy of the deeds made before them in banking credit agreements, meaning:

1. Notaries are required to create deeds properly and correctly, meaning that the deeds made fulfill the demands of the law and the requests of the interested parties due to their position.
2. A notary is required to produce quality deeds, meaning that the deeds they create must comply with legal rules and the true wishes of the interested parties, not fabricated. The notary must explain to the interested parties the truth of the contents and procedures of the deeds they create.
3. Having a positive impact means that anyone will acknowledge that notarial deeds have perfect evidential power.

The authority of a Notary is regulated by the provisions of Article 15 of the Notary Law (UUJN) and the obligations of a Notary are regulated in the provisions of Article 16 Paragraph (1) of the Notary Law (UUJN). Thus, the Notary is considered to understand and know all processes involved in the creation of authentic deeds, one of which is related to banking.

Notaries are an important element in every operational banking transaction, especially in resolving non-performing loans that are still under collateral rights. Based on an interview with Mrs. Notary/PPAT Paramita Rukmi, S.H, she explained that if a non-performing loan cannot be paid off by the deadline, several options can be chosen by the creditor, namely:

1. Auction, for banks that intend to execute mortgage rights, there are two methods that can be used as the holder of the mortgage rights, namely:
 - a. The mortgage holder may submit a request for execution of the mortgage rights to the Chairman of the District Court.
 - b. The mortgage holder executes the mortgage rights not through the court, but directly requests assistance from the KPKNL to sell the object of the mortgage.
2. Underhand sales, the execution carried out underhand is done because it involves third parties who have an interest (holders of second, third, and subsequent ranks of mortgage rights), must be notified to them by announcing in two local newspapers by the grantor or the holder of the mortgage rights.

Furthermore, Notary/PPAT Paramita Rukmi, S.H, explains that in addition to the two executions on collateral as mentioned above, there is another method, which is the takeover of assets or collateral owned by the debtor by the creditor (bank/financial institution providing credit), commonly referred to as Assets Taken Over (AYDA). This is outlined in the Bank Indonesia Regulation concerning the Assessment of the Quality of Assets of Commercial Banks, specifically in Article 1 number 15 of PBI No. 14/15/PBI/2012 regarding the Assessment of the Quality of Assets of Commercial Banks.

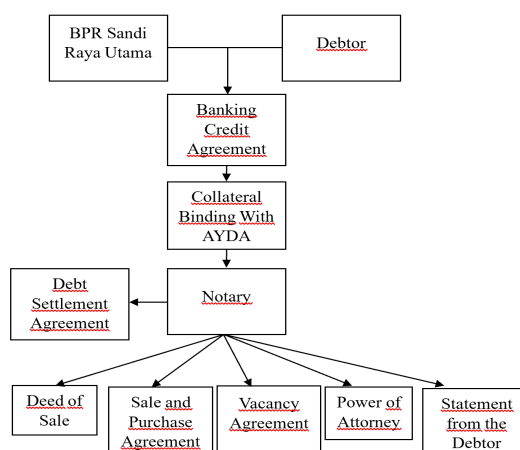
The operational provisions of BPR are governed by the Financial Services Authority Regulation Number 20/POJK.03/2014 concerning BPR, which also replaces the Indonesian Bank Regulation Number 8/26/PBI/2006 concerning Rural Banks. Article 5 Paragraph (1) shows the position of BPR as one type among two types of banking in Indonesia, which together have their own functions and business activities. The more detailed provisions regarding BPR that regulate various aspects are included in the Financial Services Authority Regulation Number 20/POJK.03/2014 concerning BPR, which also replaces the previous rules based on the Indonesian Bank Regulation Number 8/26/PBI/2006 concerning BPR. The replacement of those provisions is closely related to the changes in the functions, duties, and authorities to regulate and supervise banking, which were initially under Bank Indonesia, now been transferred to the Financial Services Authority based on the provisions of Law Number 21 of 2011 concerning the Financial Services Authority. In the Banking Law, there are differences in business activities in providing services in payment transactions indicating that in commercial banks there is a much larger circulation of money compared to Rural Banks.

The Banking Law does not regulate the purchase of AYDA by BPR as it occurs with Commercial Banks; however, the Banking Law also does not explicitly prohibit the purchase of AYDA by BPR. Nevertheless, BPR cannot refer to the Banking Law because the Banking Law has clearly differentiated between commercial banks and BPR. Thus, the position of BPR does not have the right to take over collateral, either partially or entirely, through auction or non-auction; the Banking Law only grants authority to commercial banks in accordance with the provisions of Article 12 Paragraph (1) of the Banking Law. As seen in the Constitutional Court Decision No. 102/PUU-XVIII/2020, the actions taken by PT. BPR Lestari Bali in submitting a judicial review provide clarity in ensuring legal certainty regarding the takeover of collateral for non-performing loans through auctions or outside of auctions by BPR. This application is based on the fact that the clause 'General Bank' provides discretion to the General Bank to purchase part or all of the collateral from defaulting debtors through public auction or private auction, which is considered a violation of the principle of equality before the law, as well as human rights protection and the principle of legality. Therefore, Article 12 A Paragraph (1) of the Banking Law, prior to the Constitutional Court Decision No. 102/PUU-XVIII/2020,

did not provide the opportunity for BPR (Rural Banks) to perform the takeover of collateral partially or entirely, but after the Constitutional Court Decision, the position of BPR in taking over part or all of the collateral serves as a form of legal protection in coordinating various interests within the community.

Based on the interview results with Notary/PPAT I Gede Abdhi Prabawa, S.H., M.Kn explained that the existence of AYDA can be an alternative solution for resolving bad debts to reduce the Non-Performing Loan (NPL) rate or the percentage of bad loans, because problematic financing is certainly very detrimental to banks. Therefore, the Notary collaborates with banking parties, one of which is the Bank Perkreditan Rakyat Sandi Raya Utama, where many bad loans are then taken over by the bank as collateral for mortgage rights.

Here is the AYDA process scheme at PT. Bank Perkreditan Rakyat Sandi Raya Utama:



Based on the interview results with Notary/PPAT I Nyoman Mertajaya, S.H., M.Kn, it is explained that based on the schematic diagram, it illustrates the Implementation of Asset Takeover of the Debtor (AYDA) as an alternative solution to non-performing loans at the Sandi Raya Utama Rural Credit Bank.

People's Credit Bank Sandi Raya Utama as the creditor or lender in providing loans to debtors needs to make an agreement known as a credit agreement. The credit agreement itself must be signed or approved by both the creditor and the debtor. To ensure legal certainty, a guarantee binding must be established to support the creditor in obtaining certainty of repayment or settlement of the debt if the debtor defaults.

The collateral binding can take the form of the takeover of the debtor's assets in the form of land and buildings, which must be carried out if the credit has entered the category of non-performing loans. In practice, the implementation of this takeover is carried out in several stages and involves various parties, especially banks with debtors and/or owners of the rights to the land and buildings that are collateralized with this security interest. The role of the Notary as a legal advisor regarding the implementation of the takeover is to provide information to the parties involved in the creation of authentic deeds.

Based on the interview results with Notary/PPAT Ni Luh Astriani, S.H, it was explained that to carry out the transfer or compensation of credit collateral, the Notary needs to create deeds for the interests of the bank and the debtor, namely:

1. A sales deed from the debtor or the owner of the collateral to the bank, if the collateral is land along with the buildings on it, must be made through a sales deed by a Land Deed Official (PPAT). There must be a confirmation of the sales deed or a separate receipt stating that the sale of the collateral/goods has been paid or compensated using the outstanding credit.

2. The Sale and Purchase Binding Agreement (PPJB) between the debtor and the creditor or their representative, in the PPJB the transfer of name to the buyer has not been executed, thus the seller grants full authority to the buyer to undertake all actions, both in terms of management and ownership of the collateral that has been repossessed.
3. An agreement for vacating between the debtor and the creditor to settle their obligations, the debtor grants power of attorney to sell and release rights over the collateral that has been seized to the buyer. The debtor is obligated to vacate the collateral without exception. Handing over to the buyer and/or other parties all the keys to the collateral. If on the date of vacating the debtor has not vacated the seized collateral, then the debtor hereby grants authority to the buyer to vacate the collateral, if necessary, to request assistance from the authorities, with all costs to be borne and paid by the buyer.
4. Power of Attorney to sell/release the rights of the parties between the debtor and creditor, The authorized party has the right to make, complete, and sign the sales deed, release deed, and/or transfer of rights necessary, receive the sale price and for that, make, sign and deliver the receipt and/or proof of payment. Hand over everything that is sold/released/transfer of rights to the entitled party to receive it, submit an application to the relevant authorities related to the interests of the rights over the collateral that has been taken over.
5. Statements from the debtor, the debt is settled by the debtor and/or the owner of the collateral by delivering the collateral to the bank. The delivery of the collateral is followed by the execution of a sales binding and the granting of a sales power of attorney from the debtor and/or the owner of the collateral to the bank. After all obligations/debts have been settled with this delivery, the party that declares, also known as the Debtor, still has the right to occupy/reside in the collateral that has been taken over until the collateral is sold and/or at the latest for a period of 6 (six) months from the date of the statement.
6. Debt settlement agreement with the transfer of collateral between the debtor and/or collateral owner and the bank, this agreement aims to settle the debtor's obligations to the bank arising from the credit agreement deed. To settle the debtor's obligations to the bank, the debtor and/or collateral owner transfer all credit collateral to the bank. The transfer of collateral from the debtor and/or collateral owner to the bank is followed by a binding sale and purchase agreement and the granting of authority to sell or collateral that has been foreclosed. With the transfer of collateral from the debtor and/or collateral owner to the bank, the debtor's obligations or debts to the bank have been fulfilled or settled.

Furthermore, Notary/PPAT Ni Luh Astriani, S.H., explained that at Sandi Raya Utama Credit Bank, the Notary will conduct the AYDA process at the request of the bank, which is preceded by the bank creating a statement letter from the debtor stating that they are no longer able to fulfill/perform their obligations to repay their debts to the bank according to the terms agreed upon, so the debtor and/or guarantor as the indebted party intends to voluntarily surrender without coercion from any party. Based on this, the Notary creates the AYDA deed based on a statement made by the debtor with several identity requirements of the bank parties, the debtor's identity, photocopy of the certificate, photocopy of the collateral certificate, then the Notary prepares the power of attorney to sell and the deed of collateral taken over through AYDA as payment of the debt. The power of attorney to sell generally contains that the debtor gives power to the bank to transfer the collateral to be sold for repayment of his debt to the bank, with a period of 1 (one) year for the collateral to be sold. Meanwhile, the deed of collateral taken over through AYDA as repayment of the debt contains the procedure for the debtor to hand over the collateral to the bank to settle the debtor's obligations to the bank, including the principal debt, interest, penalties, and other costs related to this AYDA.

The notary has the role of carrying out the release process at the National Land Agency after it is stated that the AYDA guarantee has been sold, in order to ensure that the collateral is not bound by any agreements. Meanwhile, for the process of selling collateral through auction

at the state wealth services office and auction (hereinafter referred to as KPKNL), the notary acts as the class II auction official, responsible for creating the auction minutes deed. As for the process of selling collateral outside of the auction, the bank is hands-off, meaning the debtor along with the prospective buyer deals directly with the notary.

Based on this, in the author's opinion, there are many cases of non-performing loans that are not supported by the cooperation of the debtors, thus causing losses to the creditors if the debtors do not follow all banking procedures to take over the credit guarantees whether through auctions or with AYDA. The process of resolving credit issues is preceded by a meeting with banking parties for solutions to non-performing loans, and if the debtor is unable to settle the debts, the banking party will recommend proceeding with the guarantee takeover procedure through the AYDA process. From the perspective of legal system theory stated by Lawrence M. Friedman in his book titled 'The Legal System: A Social Science Perspective,' Friedman asserts that every legal system always contains three components, namely:

1. Legal Structure is a form that has existed within the legal system that constantly supervises the process of remaining within its circle. The structure includes the number and size of courts, their jurisdiction which refers to the types of cases examined, and the procedural law used, including all rules created by the legislature. The theory of legal structure as a structural system determines whether the law can be enforced properly. The authority of law enforcement agencies is guaranteed by legislation, thus, in carrying out their duties and responsibilities, they are free from the influence of government power and other influences; the law will not be effectively enforced without professional, competent, independent, and credible law enforcement. This depends on the law enforcement officers in carrying out their duties. If related to the AYDA process at Bank Perkreditan Sandi Raya Utama, every procedure implemented by the bank must await the bad debts that have been registered with the collateral rights and the debtor's willingness to hand over the land title certificate that has become the guarantee for the debt. However, if the debtor is not willing to voluntarily provide the collateral, then the Notary, as a public official, does not have the authority to create an AYDA deed or a power of attorney for sale; instead, the collateral must be auctioned off through an auctioneer.
2. Legal Substance, legal substance can be referred to as the rules or norms and the concrete behavior of humans within that system. In legal substance, there is also the term product, which is a decision that has been newly drafted and created in accordance with the law, made only after going through an event. This legal substance also applies to living law and existing laws, not just the written rules codified in the Law Books. When related to the AYDA process at Bank Perkreditan Sandi Raya Utama, which procedurally explains that all forms of receivables must be voluntarily submitted by the debtor so that the Notary can have the authority to create AYDA, it also often occurs that the guarantee of land rights cannot be voluntarily provided.
3. Legal Culture is the social mindset and the social force that strengthens how the law is used, avoided, or misused. Legal culture, as an attitude and values related to the law, can have both positive and negative influences on human behavior. In channeling credit to the community, not all the funds distributed may be fully returned or handled as they should be, which is the cause of problematic credit, thus the community and the existing value system within it will determine how the law should apply in that society.

Based on the theory mentioned above, it is known that to achieve a good law enforcement, it must be supported by other factors, namely legal substance, legal structure/legal framework, and legal culture. In this case, there are still some members of Indonesian society, especially those who have loans/credit with financial service companies such as banks, rural banks, financing companies, and cooperatives, who still do not have a good legal culture

regarding their obligation to pay loan/credit installments to creditors based on the agreed credit agreement.

CONCLUSION

The notary has the authority to create an AYDA deed for collateral on bad credit that is still subject to a mortgage, in accordance with the terms that have been mutually agreed upon by the creditor and the debtor. The debtor prepares a statement letter to surrender the collateral to the creditor, which is then followed up by the notary creating deeds for the interests of the bank and the debtor, namely a power of attorney, a debt settlement agreement deed, a sale and purchase deed, a sale and purchase binding agreement, and a vacating agreement.

It is expected that the banking party explains the AYDA procedure to the debtors so that they understand and comprehend the AYDA system in the execution of auction objects, because in the implementation of execution through AYDA, there are often misunderstandings and discrepancies in perception between debtors and creditors, resulting in the execution through the AYDA alternative often ending up in court as the process is considered invalid and procedurally flawed.

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