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Analysis Of The Home Ownership Loan Procedure At Pt. Putri Grage Property

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Article Info	ABSTRACT
Keywords: Home Ownership Loans, Credit Procedure, Risk Management.	This study aims to analyze the procedure for granting Home Ownership Loans (KPR) at PT. Putri Grage Property. The procedure was identified through a case study using qualitative methods, with data obtained from interviews, documentation, and direct observation. PT. Putri Grage Property is a property company that independently manages the credit process without involving banks, providing greater flexibility for customers. The main procedures include document submission, data investigation, interviews, field observations, and credit realization.The results of the study indicate that while this procedure facilitates customers, the absence of bank checks poses challenges in assessing the eligibility of prospective clients. Common issues include low customer interest, incomplete documents, and payment arrears. To address these issues, PT. Putri Grage Property prioritizes trust in customers, offers payment leniency of up to six months, and enhances marketing strategies.
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INTRODUCTION

Housing is a fundamental human need, serving as a shelter and a center for family activities. In Indonesia, the demand for housing continues to increase alongside population growth and urbanization (Dengah, Rumate and Niode, 2014; Muta'ali and Nugroho, 2019). Data from the Central Statistics Agency indicates that Indonesia's housing backlog has decreased over the past four years, yet the need for adequate housing remains high (Izza, Franssisca and Nurcahya, 2024). To address this need, Home Ownership Loans (KPR) have become a solution for those unable to purchase homes outright. KPR allows home purchases through installment payments, making housing more affordable for many people (Gayo, 2023). According to Kasmir (2018), credit is a trust given by lenders to borrowers, with the expectation that borrowers will repay the loan as agreed. The key elements in credit provision include trust, agreements, timeframes, risks, and compensation (Dewi, 2020).

Bank Indonesia reported a 14.3% year-on-year growth in KPR disbursement as of May 2024, up from 12% the previous year, reflecting the strong interest in this financing scheme. The growing demand for housing has also fueled the development of the property business in Indonesia. Many developers are utilizing vacant land to build housing for sale, either outright or on credit. The government supports this sector through various incentives, such as relaxed Loan-to-Value (LTV) ratios and Value-Added Tax (VAT) borne by the government for houses priced up to IDR 5 billion, effective since November 2023 (Apriani, 2024).

PT. Putri Grage Property is one of the developers offering KPR without involving banks, managing the credit process independently. This approach provides greater flexibility for customers, particularly those who struggle to meet banking requirements. The KPR procedure at this company includes document submission, data investigation, interviews, field observations, and credit realization (Dewi and Rizkia, 2023). However, this bank-free approach faces challenges, especially in assessing customer eligibility without a bank checking process. This could increase the risk of non-performing loans. Other common issues include a lack of customer interest, incomplete documents, and payment arrears. To address these challenges, PT. Putri Grage Property emphasizes trust in customers and offers a six-month grace period for those experiencing financial difficulties. The company also enhances its marketing strategies to attract public interest in its products.

PT. Putri Grage Property not only provides housing solutions but also creates positive social impacts by opening job opportunities and supporting infrastructure development in its operational areas. With several housing branches already developed, the company contributes to local economic growth. As a growing company, PT. Putri Grage Property is committed to providing the best service to its customers, including listening to feedback and ensuring every project meets expectations. This study aims to analyze how the KPR procedures at PT. Putri Grage Property can be optimized to better meet public needs.

Research by Febriana (2022) on the KPR subsidy system and procedures at Bank BTN Syariah Palu Branch identified several obstacles, such as incomplete documents, ineffective interview processes, and challenges in field surveys. Solutions include improving the documentation process, enhancing interview quality, and conducting more comprehensive field surveys. Another study by Said (2022) on the implementation of KPR systems and procedures at PT. Bank BRI KC Panakkukang highlighted the importance of strong internal controls to prevent non-performing loans. The study recommends increasing supervision and regular evaluations of credit procedures to ensure compliance and effectiveness.

The findings from this study are expected to provide practical benefits for PT. Putri Grage Property in improving its system, particularly in risk control. With increasing competition in the property industry, strengthening credit procedures, including considering bank checking integration, can be a strategic step to enhance customer trust and ensure the company's business sustainability in the long term.

METHODS

This study employs a qualitative method with a case study approach to analyze the home ownership loan (KPR) procedure at PT. Putri Grage Property. The qualitative method was chosen because it allows the researcher to gain an in-depth understanding of the phenomenon under investigation, particularly regarding the credit provision procedure that does not involve banks as financial managers. The case study approach enables a detailed exploration of the processes implemented in the company, including the challenges faced in their execution.

The research object comprises administrative activities and KPR procedures at PT. Putri Grage Property, which include document submission, interviews, field observations, and credit realization (Sugiyono, 2018). Data were obtained through direct interviews with company staff, documentation related to the procedures, and observations of field activities. The primary focus is to analyze the effectiveness of these procedures in facilitating credit access for the public while identifying potential risks. The research instruments used include interview questionnaires, documentation forms, and field observation notes (Anthoni and Yusuf, 2020). The interview questions were designed to extract detailed information about the credit provision process, from document submission to credit disbursement to customers. Collected documentation includes credit application documents, customer contracts, and internal company reports (Rahayu and Kurniawati, 2020; Hakim, Wardokhi and Khotimah, 2024).

The data collection techniques involved three main stages: interviews, documentation, and field observations. Interviews were conducted with relevant parties at PT. Putri Grage Property, such as project managers, administrative staff, and customers utilizing the KPR services. Documentation involved gathering relevant written data, such as standard operating procedures (SOPs) and financial reports. Observations were conducted by visiting the housing project sites to validate information from interviews and documentation. Data analysis was carried out inductively, organizing, categorizing, and interpreting collected data to identify relevant patterns or themes. The first step in the analysis was data reduction, filtering information to focus on data pertinent to the research objectives. Subsequently, the data were presented in a narrative format to facilitate interpretation and conclusions. Data validity was ensured using data triangulation, which compared information from various sources, such as interview results, company documents, and field observation findings. This approach ensures data accuracy and strengthens the conclusions drawn (Moleong, 2021).

The study also identifies challenges faced by PT. Putri Grage Property in the KPR process, such as incomplete customer documentation and creditworthiness assessments without bank checking. To address these challenges, the analysis focuses on solutions that the company can implement, such as improving credit evaluation procedures and developing more effective internal systems. The research procedure was conducted systematically. The first phase involved collecting preliminary data to understand PT. Putri Grage Property's operational context. The second phase involved conducting interviews and field observations to gather primary data. The final phase comprised data analysis and report preparation, including research findings and recommendations for the company. This method is designed to provide a comprehensive overview of the KPR procedures at PT. Putri Grage Property. The emphasis on a qualitative approach aims to extract in-depth insights and offer relevant recommendations to enhance the effectiveness and efficiency of the implemented procedures.

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RESULTS AND DISCUSSION

Result

PT. Putri Grage Property, established in 2018, is a property development company focused on residential projects in Tangerang, Banten. Since its inception, the company has successfully developed five housing branches, including Griya Panongan Indah and four stages of the Bukit Panongan Hijau project. PT. Putri Grage Property offers a unique approach to its financing system, where the Home Ownership Loan (KPR) process does not involve banks. This provides greater flexibility for potential customers, making it a key attraction in the property industry.

The KPR process at PT. Putri Grage Property consists of several systematic steps. The initial step begins with the submission of documents by customers, followed by data investigation to ensure the completeness and validity of the information provided. Subsequently, the first interview is conducted to gain deeper insights into the customers' background and financial condition. On-the-spot field observation is then carried out to verify the accuracy of the data and field conditions. A second interview is conducted as a follow-up, after which the company makes a credit decision, followed by the signing of the credit agreement. The process concludes with credit disbursement to the customers.

To apply for KPR, customers are required to submit several essential documents, including photocopies of ID cards (KTP), Family Cards (KK), salary slips or financial reports for entrepreneurs, and personal tax identification numbers (NPWP). These requirements aim to validate the customers' identity and assess their financial capacity. While the process appears straightforward, it is designed to ensure that customers have adequate ability to meet their credit obligations.

However, this study identified significant challenges faced by PT. Putri Grage Property in implementing its credit provision procedures. One major obstacle is the inconsistency of customer documents, which are often incomplete or fail to meet the requirements. Additionally, low customer interest in certain housing products also hinders efforts to increase sales. Another challenge is the high rate of payment arrears, which can impact the company’s financial stability.

To address these challenges, PT. Putri Grage Property has implemented several solutions. A key policy is providing payment leniency of up to six months for customers facing financial difficulties. This approach reflects the company’s commitment to ease the burden on customers without compromising long-term business relationships. Furthermore, the company has enhanced its marketing strategy with a focus on broader and more effective promotions to attract public interest in its housing products.

One critical aspect that requires attention is the absence of a bank-checking process in PT. Putri Grage Property's credit evaluation system. While this approach simplifies the process for customers, the lack of bank checking reduces the accuracy of customer eligibility assessments. Consequently, the risk of non-performing loans increases, which could potentially lead to financial losses for the company. Therefore, strengthening the credit evaluation system should be a priority for the company moving forward.

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The impact of PT. Putri Grage Property's business activities is not only felt by customers but also significantly contributes to the local economy. By developing five housing branches, the company has created new job opportunities for the surrounding community, ranging from construction workers to administrative staff. Additionally, the housing projects have helped improve infrastructure in the surrounding areas, such as building access roads and other public facilities.

From a social perspective, PT. Putri Grage Property provides a tangible solution for low- to middle-income communities to own decent housing. The flexibility in credit financing offers opportunities for those who would otherwise not qualify for KPR through banking institutions. This highlights the company's vital role in supporting equitable home ownership efforts in Indonesia.

Nevertheless, the success of PT. Putri Grage Property is not without evolving operational challenges. With the intensifying competition in the property industry, the company must continuously innovate in improving its services and systems. For instance, adopting financial technology to support credit evaluations could be a strategic step to strengthen the company's risk management system.

Discussion

PT. Putri Grage Property has successfully offered a unique approach to providing Home Ownership Loans (KPR) by excluding banks from the process. The advantage of this system lies in its simplified procedures, which eliminate administrative barriers often faced by customers in banking institutions. The flexibility provided is highly beneficial, particularly for customers who do not meet the financial standards typically required by banks. This approach enables the company to reach a broader segment of society, including those who previously had difficulty accessing housing loans. However, this approach also has fundamental weaknesses, particularly in risk management. The absence of bank checking means the company relies entirely on customers' trust and the documents provided. This increases the risk of non-performing loans, which could negatively impact the company's financial stability. Therefore, strengthening internal controls is an urgent need to ensure the company's long-term business sustainability.

In an effort to enhance the attractiveness of its products and services, PT. Putri Grage Property has implemented broader marketing strategies and offered payment flexibility. These strategies have proven effective in increasing customer interest in certain housing projects. However, the greatest challenge remains effectively handling non-performing loans. Although the company offers a payment grace period of up to six months, stricter and more efficient mechanisms are needed to manage problem loans. One potential solution is the adoption of technology to monitor payments in real-time, allowing the company to quickly identify and address potential issues.

Improving the credit evaluation system is also a priority. Stricter evaluation procedures, including in-depth interviews, more comprehensive document verification, and detailed field observations, could help reduce the risk of non-performing loans. Additionally, adopting financial technology (fintech) could be a strategic step to assist the company in assessing customer eligibility more objectively. For instance, data-driven risk assessment algorithms

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could be used to provide a more accurate picture of customers' financial capabilities. The flexibility offered by the company also provides significant social benefits. Through its inclusive approach, PT. Putri Grage Property helps low-income households to own decent homes. This not only improves societal welfare but also supports efforts to equalize access to affordable housing.

From the customers' perspective, most appreciate the flexibility and simplicity of the procedures offered by the company. However, some complaints were noted regarding longer processing times during interviews and credit realization. This indicates that the company needs to improve operational efficiency to better meet customer expectations. Compared to other property developers that utilize banking services, PT. Putri Grage Property offers added value with faster and more flexible processes. However, these advantages must be balanced with enhanced risk control to maintain the company's financial stability. Developing stricter standard operating procedures (SOPs) could help the company reduce the risk of non-performing loans while increasing customer trust.

The company's expansion into various regions demonstrates its ability to gradually overcome operational challenges. However, it is essential for the company to ensure consistency in the implementation of procedures across all branches to maintain service quality. This will also help the company build a stronger reputation in the property market. In conclusion, although the procedures implemented by PT. Putri Grage Property have proven effective in increasing access to housing loans for the community, there is still room for improvement, particularly in risk management and operational efficiency. With the right strategies, the company can continue to grow and compete in the property industry while delivering greater benefits to customers and the wider community.

CONCLUSION

PT. Putri Grage Property has successfully introduced a unique approach to providing Home Ownership Loans (KPR) by excluding banks from the process. This approach offers greater flexibility for customers, particularly those who do not meet conventional banking financial standards. The simplified procedure and payment flexibility of up to six months are key advantages that enhance the company's appeal to the public. This study also reveals a fundamental weakness in the company's system, namely the lack of risk control due to the absence of bank checking. This increases the potential for non-performing loans, which could negatively impact the company's financial stability. Other challenges include low customer interest in certain products and relatively lengthy credit processing times. To address these challenges, the company needs to strengthen credit evaluations through more in-depth interviews, stricter document verification, and the adoption of financial technology for risk assessment. Additionally, the development of more comprehensive standard operating procedures (SOPs) is essential to maintain service consistency across all branches.

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