

Pegadaian General Company in the Effort of Credit Security and Customer Development

Moh. Soleh¹, Leni Dwi Wijayanti²

^{1,2}Narotama University Surabaya, Indonesia

lenidwiwijanti21@gmail.com

Abstract

Pegadaian is a credit institution with a pawn system as a credit institution. Pegadaian distributes loan funds to those in need with relatively low interest and fast service so that the distribution of loan funds is guaranteed and safe, then a pawn system is applied, namely the delivery of movable goods as collateral to the pawnshop, which is equal to or higher than the loan amount. Because every financial institution must be a legal entity, the position of the Pawnshop Service was changed to a State Company based on Law no. 19 of 1960 as the implementation of the Act issued PP no. 178 of 1961 dated May 3, 1961 concerning the Establishment of the State Pawnshop Company. With PP No. 7 of 1969 dated March 11, 1969 the position of the State Pawnshop Company was changed to a Bureau of Firm (Perjan). Bureaucracy Company is a form of State business with legal entity status as regulated in Law no. 9 of 1969. Pegadaian as a business entity also adheres to the business oriented principle, fostering profits for the company is the goal. This is evidenced by the existence of additional business activities in addition to the main business in the field of financing, until now the pawnshop is the only formal institution in Indonesia which based on the law is allowed to conduct financing in the form of lending on the basis of the law of pawning.

Keywords

pawnshop credit security;
customer development;
pegadaian general company



I. Introduction

Pegadaian (Pawasho) is a form of financial institution intended for the general public with low incomes who need funds immediately. The funds are used to finance certain needs, especially those that are very urgent, such as the cost of educating children at the beginning of the school year, costs for visiting families affected by disasters, medical expenses for difficult family members, costs for dealing with Eid al-Fitr and others.

Pegadaian is a credit institution with a pawn system as a credit institution. Pegadaian distributes loan funds to those in need with relatively low interest and fast service so that the distribution of loan funds is guaranteed and safe, then a pawn system is applied, namely the delivery of movable goods as collateral to the pawnshop, which is equal to or higher than the loan amount. If at a predetermined time (maturity) the loan is not returned, then the collateral can be sold at auction to cover the loan repayment and if there is still a residual value will be returned to the borrower. The pawnshop financing institution comes from the Pawnshop Service which is a continuation of the Dutch East Indies Government. Because every financial institution must be a legal entity, the position of the Pawnshop Service was changed to a State Company based on Law no. 19 of 1960 as the implementation of the Act issued PP no. 178 of 1961 dated May 3, 1961 concerning the Establishment of the State Pawnshop Company. With PP No. 7 of 1969 dated March 11, 1969 the position of the State Pawnshop Company was changed to a Bureau of Firm

(Perjan). Service Company is a form of State business with legal entity status which is regulated in Law no. 9 of 1969.

To increase its effectiveness and productivity, the pawnshop company was later transferred to a Public Company (Perum). Pegadaian is expected to be able to manage its business in a professional manner adhering to the principle of prioritizing public services (public service) in the field of financing in accordance with its mission of distributing loan money based on the law of pawning to people with low economic groups easily, quickly, safely and efficiently in accordance with the motto, solving problems without problems. .

Besides adhering to the principle of public service, the pawnshop as a business entity also adheres to the principle of business oriented, fostering profits for the company is the goal. This is evidenced by the existence of additional business activities in addition to the main business in the field of financing, until now the pawnshop is the only formal institution in Indonesia which, based on the law, is allowed to conduct financing in the form of lending on the basis of the law of pawning.

The expectation that General Pegadaian Companies want to achieve is that the existence of pawn loans will make their lives better. In terms of the targets to be achieved, the form of pawnshop credit is a credit business that is in accordance with people's lives. Starting from the problem mentioned above, then a problem arises with the maximum limitation, namely in relation to the law of pawning, collateral goods that are not redeemed. These problems will affect credit in the future.

As an example, the data available at the Pegadaian General Company regarding collateral that produces loan money can be stated as follows:

Fiscal year 2004 – 2008 as many as 2320 collateral goods;

Fiscal year 2006 – 2007 as many as 2652 collateral goods;

As a result of the restrictions mentioned above, there are debtors who take maximum mortgage loans, even though the collateral is goods. These restrictions will harm the debtor, especially since the debtor cannot redeem the pawned goods.

II. Research Methods

2.1 Problem Approach

In solving the problem in this research, this study use a sociological juridical approach, meaning that it describes and analyzes the problem based on legal provisions and legal facts that apply in the wider community.

2.2 Data Sources

While the data for this research obtained from

- a. Library Studies
- b. In conducting this data collection, that collected literature related to the problem of limiting the amount of credit that can be accepted by customers.

2.3 Data Analysis

From the results of the data obtained, that researched and classified which data had weight and could be used as material to solve this problem.

III. Results and Discussion

3.1 History and Development of Public Company Pegadaian

Pegadaian is a State-owned enterprise which is primarily engaged in the financing business. As a finance company, pawnshops are prohibited from collecting funds directly from the public in the form of deposits, such as current accounts and savings deposits. To meet the need for capital in running its business, the pawnshop has the following sources of funds:

Own capital consists of 3 types, namely initial capital, government equity participation and retained earnings. Initial capital is pawnshop capital originating from state assets separated from the state budget which is not divided into shares. The separation of state assets from the state budget to be placed in state-owned enterprises, including the General Pegadaian Company, has been implemented by Government Regulation since 1994, the state assets placed in pawnshops amounting to Rp. 205,000,000,000.00 (two hundred and five billion rupiah).

Government equity participation is pawnshop capital originating from the government as well as guidance and development of the pawnshop's mission to help meet the funding needs of low-income people. Since 1994, the government's equity participation in the Pegadaian Public Company amounted to Rp. 46,000,000,000.00 (forty six billion rupiah).

Retained profit is part of the undistributed profit obtained by the general pawnshop company during the course of running its business. The profit is reserved for the formation of own capital since 1994 the retained earnings which are used as own capital amounted to Rp. 12,000,000,000.00 (twelve billion rupiahs). There are 2 (two) types of loan capital, namely short-term loan capital from Banks and long-term loan capital from Bank Indonesia Liquidity Credit (LKBI). Since 1994 the loan capital from the Bank amounted to Rp. 62,000,000,000.00 (sixty-two billion rupiah). Meanwhile, long-term loan capital from Bank Indonesia Liquidity Credit is only needed when the situation is urgent.

Borrowed capital from the public is pawnshop capital obtained from the community through the issuance and sale of bonds. Since 1994, loans from the public from the sale of bonds amounted to Rp. 50,000,000,000.00 (fifty billion rupiah) with a maturity period of 5 years. Pegadaian is a credit institution with a pawn system, an institution such as UNU was originally developed in Italy, which was later practiced in other European regions, such as England and the Netherlands. The pawn system entered Indonesia brought and developed by the Dutch (VOC).

The form of pawnshop business in Indonesia originated from Ban van Helsing during the VOC period, which had the task of providing money loans to the public with collateral as collateral. Since then, the form of pawnshop business has undergone several changes in line with the changes in the regulations that govern it.

At first pawnshops in Indonesia were carried out by the private sector then the Governor of the Dutch East Indies through the Staatsblad of 1901 No. 131 dated March 12, 1901, the Government Pawnshop was established in Sukabumi, West Java. With the issuance of this regulation, the implementation of pawning was carried out by the Dutch East Indies as stipulated in the Staatsblad of 1901 No. 131 as follows:

Since then in Sukabumi, no one will be allowed to give a pledge or in the form of buying and selling with the right to buy back, lend money, not exceeding 100 gold, with the law depending on the nationality of the violators who are threatened in article 337 of the Criminal Code for Europeans and article 339 of the Criminal Code for Bumiputera people.

Further with Staatsblad 1930 No. 266 The pawnshop received the status of the Pawnshop Service as a State company within the meaning of the Dutch East Indies Company Law. During the government of the Republic of Indonesia, Dina Pegadaian which was a continuation of the Dutch East Indies government, the status of the pawnshop was changed to a State pawnshop company, based on Law no. 19 PP 1960 in conjunction with PPRI No. 178 of 1961 dated May 3, 1961 regarding the establishment. Then the legal status of the pawnshop PN was changed to a Service Company (Perjan) based on PPRI No. 7 of 1969 dated March 11, 1969 regarding the change in the position of the pawnshop PN to become a pawnshop company in conjunction with Law no. 9 of 1969 dated August 1, 1969 and its explanation regarding the forms of State business in the agreement, Public Company (Perum) and Limited Liability Company (Persero).

Furthermore, to increase its effectiveness and productivity, the form of the pawnshop agreement was later transferred to Perum Pegadaian based on PP no. 10 of 1990 dated April 10, 1990. With the change in status from Perjan to Perum, the agreement is expected to be able to manage its business in a more professional, business oriented manner without leaving its special characteristics and mission, namely lending on the basis of pawn law with the target market being the people of the economically weak group with its motto "Solving problems without problems". In the world of marketing, consumers are assets that must be maintained and maintained their existence in order to remain consistent with the products we produce (Romdonny and Rosmadi, 2019).

Pegadaian Public Company is a government-owned credit institution. The existence of pawnshops began with the emergence of credit institutions in Lubarria (Northern Italy).[1] The purpose of determining the three forms of state enterprises is to create uniformity in the way of controlling, administering and uniforming the legal form of state enterprises. The uniformity is expected so that economically the highest efficiency and effectiveness can be achieved for the benefit of the development and prosperity of the nation and state. Thus the history of the development of PT. (Persero) Pawnshops in all regions of Indonesia.

3.2 Company Activities

As a credit institution, the activities carried out by the Pegadaian Public Company are to provide achievements in the form of pawn loans to the public. In general, for every company, it is natural that working capital is one of the most important and absolutely necessary needs of a Pegadaian Public Company. In discussing working capital, it is necessary to first define the definition of working capital. In carrying out its activities, the General Pawnshop Company requires working capital. Understanding working capital according to Indriyo is as follows: "Working capital is wealth or assets needed by the company to carry out daily activities that are always rotating".

From the definition of working capital above, it can be concluded that working capital is a short-term asset owned by a company and used to run its business. In fulfilling its working capital, the Pegadaian Public Company is influenced by various factors, including:

1. The need for working capital, namely by determining the size of the working capital needed in the future period by referring to the working capital last year;
2. Source of funds. Understanding this funding source there are two sources which include:
 - a) Internal sources of funds are in the form of retained earnings;
 - b) External sources of funds are funds originating from the center;

The way to find out the exact amount of working capital of a Pegadaian General Company is as follows: Working capital in the previous period is in arrears on loan money

in the current period, plus the financial balance, current account balance at the end of the period. The loan money in the hands of the customer in the last period plus the working capital in the previous year is the same as the current working capital. The implementation of the activities of the Pawnshop Public Company is to provide credit based on the law of pawning. Goods that can be used as collateral for credit are movable goods on the condition that they can generate borrowed money.

Based on the Decree of the Board of Directors No. 020/Op.1.0021/2001 concerning loans are classified based on the level of capital lease and the term of the loan, so credit can be classified into: class A credit, class B credit, class Ccredit1, C2, C2.

While the amount of credit for each group is as follows:

1. Class A loans, the loan amount is between Rp. 20,000, - up to Rp. 150.000,-;
2. Class B credit, the loan amount is between Rp. 151,000, - up to Rp. 500.000,-;
3. Credit class C1 loan amount between Rp. 505.000, - up to Rp. 1.000.000,-;
4. Credit class C2 loan amount between Rp. 1.010,000,- up to Rp. 20,000,000,-;
5. Credit class C2 loan amount between Rp. 50,100,000, - up to Rp. 200,000,000,-;

Meanwhile, the difference in the level of capital rental for each group is as follows:

- a. Class A loans with an interest rate of 1.125% per 15 days are subject to change without further notice;
- b. Class B credit with an interest rate of 1.625%, 1 - 15 days is calculated as 15 days;
- c. Class Ccredit1 with an interest rate of 1.625%, capital lease 15 - 30 days calculated for 30 days;
- d. Credit class C2 with an interest rate of 1.625%, capital lease 31 - 45 days calculated as 45 days; etc.

3.3 The Purpose of the Pegadaian Public Company (Persero)

The Pegadaian Public Company (Persero) in carrying out its activities has the following objectives:

1. Get profit for the company;
2. To help customers by providing productive credit.

The Pegadaian Service Company in seeking profit through the calculation of interest on the mortgage loan is as follows: if a debtor takes a pawnshop loan on March 1, 2008 and the credit obtained is Rp. 500.000,- while for class B the interest rate is 1 % even though the loan was repaid on June 5, 2008, the interest calculation is as follows:

The number of days between March 1, 2008 and June 5, 2008 is 97 days. The figure is rounded up to 105 days, the rounding is because interest days are calculated per 15 days;

Furthermore, 105 days divided by 15 then multiplied by the percentage of interest rate credit class B, then the results are as follows:

$$\frac{105}{15} \times 1\frac{1}{2} \% \times \text{Rp. } 500.000,- = \text{Rp.}$$

If the loan repayment is repaid on August 31, 2008, the interest is as follows:

$$\frac{180}{15} \times 1\frac{1}{2} \% \times \text{Rp. } 500.000,- = \text{Rp.}$$

In seeking profit for a Pegadaian Public Company, it is calculated as above. The profit is obtained by the Pegadaian Public Company from its customers. The credit recipient customers provide a counter-achievement to the company as an obligation in accordance with the agreement, namely in the form of loan / credit interest. Meanwhile, another purpose of the General Pegadaian Company is to provide credit to people whose economic standards are weak, especially for productive businesses. This goal is expected

to help economically weak communities to carry out productive businesses so that they can improve their economic standards to be better than before. This business can run if the customers really pay attention and use pawn loans as an effort to make a profit. The existence of these profits can be used as additional business capital.

3.4 Limitation on the Amount of Credit

General pawnshop companies in carrying out their activities provide a limit on the amount of credit. These limits are intended so that credit is given equally to economically weak communities. The limit on the amount of pawnshop credit according to Circular No. 30 of 1980 has set a maximum loan amount.

Based on the suggestion from the head of the Pegadaian Bureau No. Pr.2/1/37 dated July 9, 1983 and the proposal of the Head of the Bureau of Pawnshops No. Pr.2/2/27 dated November 15, 1983 regarding the proposal to increase the maximum limit of loan money given to customers, a policy has been issued to increase the maximum limit of loan money to customers.

This policy is stated in the approval letter of the Minister of Finance No. S-477/MK.011/1984 dated May 4, 1984. As a follow-up to the approval letter from the Minister of Finance dated May 4, 1984, the Minister of Finance circular letter No. S-477/MK.011/1984 was issued. 12 of 1984 concerning the increase in the maximum limit for borrowing money. The change in the maximum loan limit is intended so that customers can be more active in utilizing pawn loans as productive business capital. Besides, changing the maximum limit can help people with weak economic standards to run productive businesses. Another goal of changing the maximum limit is to be able to reach as many customers as possible. In order to get a clear picture of the mortgage loan, it is necessary to first explain what is meant by credit and what requirements must be met further.

a. Understanding Credit

The term credit comes from a word in Latin which reads *credere* or belief *credo* which means I believe. If now we hear people who call credit in the sense of someone getting credit, it means that he has gained trust. So it can be interpreted that a credit grant occurs, in which there is a belief that the person or entity who gives it to another person with an agreement must fulfill all the obligations that have been agreed to be fulfilled on time. When a credit transaction occurs, we will be able to see the transfer of material from the one who gives credit to the one who is given credit so that:

- 1) Those who give credit, become those who owe and
- 2) Those who receive credit become those who owe

Even in some literature, we can get some understanding of credit, such as:

1. In a general sense, credit is based on confidence in the ability of the borrower to pay a certain amount of money in the future.
Rolling G Thomas, emphasized that credit trust or the provision of credit by credit is based on the ability of the debtor to repay the loan and interest and according to credit analysis estimates.
2. The exchange of something of value, money or goods or services in the belief that it will be able to pay the same value in the future. Tucker emphasized on the ability to pay debtors will trust to give credit.
3. That credit is a gift of achievement whose counter-achievement will occur at some time in the future (Amir R. Batubara).

Amir R. Batubara is of the opinion that credit occurs when there is a grace period between the creditor's own provision of credit and the time of payment made by the debtor.

4. Credit is a written provision of money that is carried out with it based on a loan agreement between the Bank and another party in which case the borrower is obliged to repay the debt after a certain period of time with a predetermined amount of interest.

The term credit that is known today actually comes from the word *credere* (Greek) which means trust. Therefore, the main factor that must be met in providing credit is the trust factor from the creditor to the credit recipient. But in everyday life, many people interpret the notion of credit as loan money provided by the bank. Credit occurs when one party as a creditor has entered into an agreement to provide an achievement in the form of loan money (credit) to another party, while on the other hand as a credit recipient (debtor) promises that at a certain time the achievement (credit) will be returned to the lender. credit (debtor) accompanied by a counter achievement.

Counter-achievement is basically a debtor's remuneration to creditors for the achievements or credits they receive. In general, people say that the contra-performance given by the credit recipient (debtor) is in accordance with the credit agreement he made earlier. In providing a more in-depth definition of credit, Muchdarsyah Sinungan said as follows: "Credit is a gift of achievement by one party to another party and that achievement will be returned at a certain period in the future accompanied by a counter-achievement in the form of interest".

Meanwhile, the definition of credit according to Marhainis Abdul Hay is as follows:

"Credit is an understanding of the provision of money or bills that can be equated with it, based on agreements or lending and borrowing agreements between banks and other parties in which case the borrower is obliged to repay the debt after a certain period of time with a predetermined amount of money. From the definition of credit above, it can provide a clearer picture of credit.

b. Credit Elements

The essence of credit is the element of trust and other elements that are useful in the framework of a thorough consideration in obtaining or obtaining confidence and trust for the occurrence of a relationship in the credit sector. Credit is seen from the aspect of profit, so the views between creditors and debtors clearly have differences, however, they are bound in one interest over the existing conditions, from the creditor's side, credit activities are to take advantage of capital by expecting counter-achievements, the view from the debtor's side is that the credit provides assistance for him to cover his needs and becomes a burden for him to pay in the future. On the other hand, from the side of the recipient of future payments (creditors), it is in addition to other people to pay.

According to Drs. Thomas Suyatno elements of credit include:

1. Trust, namely the belief from the creditor's side that the achievements given in the form of money, goods or services will actually be received back within a certain period of time in the future.
2. The grace period is a period that separates the award of achievement from the contra-achievement that will be received in the future. In this element of time, there is an understanding of the premium value of money, namely money that is now higher in value than the space received in the future.
3. Degree of risk, namely the level of risk that will be faced as a result of the existence of a period of time that separates the giver of achievement from the contra-achievement that will be received then the longer the credit is given the higher the level of risk, because

as far as human ability to break through the future, there will always be elements of uncertainty that cannot be taken into account. With this element of risk, guarantees arise in providing credit.

4. Achievements or objects of credit are not only given in the form of money but can be in the form of goods or services. However, because modern economic life is now based on money, it is credit transactions involving money that are often encountered in credit practices.

From the definition of credit above, it can be drawn with the following elements. These elements include:

- 1) The element of trust

As described above, credit has the meaning of trust, meaning that the creditor has first trust in the debtor. The lender must believe that at a certain time the debtor will return the achievements given.

- 2) Elements of achievement

Achievement is the object of an agreement. According to Article 1234 BW, the agreement is to give something, to do something, or not to do something. Whereas in this loan agreement the object of the agreement (achievement) is to give something, namely to give a certain amount of money as credit within a period where it is determined that the debtor has an obligation to return the credit money plus interest to the creditor as agreed.

- 3) The element of time

The term “time” means a certain period of time in accordance with the agreement made between the creditor and the debtor within which period it is determined that the debtor must pay off the debt plus interest. The term commonly used for the expiration of the period is maturity. In general, credit terms are divided into long term, medium term, and short term. Explanation in sub-chapter 3 on Types of credit.

- 4) The element of risk

R. Soetojo Prawirohamidjojo and Marthalena Pohan said that this risk was about the consequences of an agreement ('t gevolg daarvan) that occurred after the agreement was made. Such conditions are usually used by creditors as consideration for accepting or refusing an application to obtain credit.

- 5) Elements of interest

A business entity is generally established to seek profit, as well as in the case of providing credit. Credit is the provision of services in the hope that the debtor will provide a counter-achievement (interest).

- 6) Elements of collateral

One of the most important things in credit is a guarantee from the debtor. This guarantee is required by the creditor with the consideration that if the debtor cannot return the credit at maturity, the creditor will not bear the loss. In the agreement for granting credit guarantees in the form of delivery of an item from the debtor to the creditor. The delivery of the goods under the authority of the creditor is intended so that the creditor takes the debt repayment of the goods. In the pledge agreement, the goods used as collateral are movable goods.

c. Types of Credit

To distinguish one credit from another, credit can be classified as follows:

1. According to its nature it is distinguished:
Consumer credit, productive credit.

2. According to usage:
Production credit, trade credit, investment credit.
3. According to the timeframe:
Short term credit (less than 1 year), Medium term credit (between 1 – 3 years), Long term credit (more than 3 years)
4. According to the presence / absence of guarantees:
Secured loans, insured loans.
5. According to the lender:
Bank Credit, Government Credit, Community Credit.
6. According to credit domicile:
Foreign credit, domestic credit.
7. According to the nature of the guarantee:
In terms of collateral, credit can be divided into three, namely: “pawn (pand); mortgage; and Fiduciary Eigendom Overdracht (Muchdarsyah Sinungan).

Each credit according to the nature of the collateral can be explained as follows:

- 1) Pawn (pand) is a loan secured by movable property. The lender has the right to sell the collateral if the credit recipient/debtor is negligent in fulfilling his obligations;
- 2) Mortgage rights are loans that are guaranteed by immovable objects such as buildings, land and so on. If you pay attention to the meaning of a mortgage, it is almost the same as the meaning of a pawn. The difference lies in the collateral.
- 3) Fiduciary Eigendom Overdracht (FEO) or transfer of ownership of the trust. What is meant by FEO is credit that is guaranteed by movable goods, but the goods that are guaranteed by the creditor are returned to the debtor, so that the collateral goods are still controlled and utilized by the debtor.

There is a lien right based on an agreement (Pand Overeenkomst) between the pawnee (creditor) and the pawner (debtor) to make an agreement to make a pledge, BW does not specify any conditions, meaning that the agreement can be made in writing (authentic) and can be orally. This is what is meant by Article 1151 BW which states that a pawn agreement can be proven with all the evidence that is allowed to prove the main agreement, namely a money-lending agreement. However, the existence of a lien agreement does not mean that a lien has been formed but must be accompanied by the delivery of the object being pawned by the pawnbroker to the recipient of the pawn. This is confirmed in Article 1152 BW which stipulates that the object being pawned must be in the power of the creditor as the recipient of the pledge.

In practice, this often creates difficulties, if the debtor does not have other objects that are pawned apart from the things he uses daily for business, where the results are then used to pay off his debts. If the goods used for business are withdrawn, then of course he can no longer try, he can no longer earn, which obviously makes it difficult for him to pay off the debts. The solution taken to overcome difficulties is to use a form of guarantee called Fiduciaire Eigendoms Overdracht, which is abbreviated as FEO, namely the transfer of property rights on the basis of trust, the transfer of property rights only as collateral to pay debts, by holding the object in the FEO. This form of guarantee is essentially a smuggling of laws, but according to the Hoge Raad it is allowed because of the needs of the community, after all, this agreement is not Pand Overeenkomst. Hoge Raad in the Netherlands began to recognize the FEO guarantee in its decision on January 25, 1929 which was known as the Bier Brouwerij Arrest (arrest regarding the company). beer). In Indonesia the FEO guarantee institution has been recognized since 1931 by Jurisprudence (arrest Hooggerechtshof in the BPM Clignet case) and is now specifically regulated in Law no. 42 of 1999 concerning Fiduciary guarantees.

If the collateral value is above the maximum value, then the credit department determines that the maximum customer gets credit for the maximum amount. This will have an impact on the customers themselves, among others as follows: “The determination of the maximum amount limit will affect customers, because customers who feel fulfilled with the maximum amount limit will feel satisfied. Meanwhile, customers who do not feel fulfilled will feel dissatisfied.

If the value of the pawned goods is below, the pawnshop public company based on the Circular Letter of the Minister of Finance No. 12 of 1984 will still give the maximum. However, the customer should have guessed that the value of the pawned goods is far above the maximum credit limit for the pawnshop. If this is still done, it means that the customer must be able to predict the occurrence of risk.

IV. Conclusion

The Pegadaian Public Company as a credit institution in carrying out daily activities provides credit to the economically weak community with movable goods as collateral. The guarantee in this case is intended as an insurance for the credit received by the customer from the Pegadaian Public Company. So, the guarantee becomes the property of the creditor if at the specified maturity date the debtor does not pay off the debt. In order to avoid repeated negligence of the debtor, the creditor must be more selective in assessing the collateral and determining whether or not the debtor may obtain a mortgage loan.

Pegadaian Public Company in an effort to foster customers is Credit pawn shops that have the aim of helping customers who are economically weak, to use the credit as a productive business. The maximum amount of borrowed money to be used as a productive business is still possible in terms of agricultural activities, fishing, small trade, small industry and so on satisfied. Customers realize that pawn shop loans are not used for the benefit of a customer, but for the economically weak community.

Suggestion

- a. Pegadaian Public Companies should pay more attention to customer development, so that customers take advantage of the loan in accordance with the purpose of the mortgage loan. Such guidance should also provide awareness for customers, so that they are always right in fulfilling their obligations at the specified maturity date.
- b. In order for the development to run as expected, the Pegadaian Public Company should have an integrated approach with its customers. The integrated approach means what businesses are carried out by customers as well as helping customers with difficulties in carrying out their productive activities.
- c. General Pegadaian companies should try to create a great motivation that by not redeeming collateral or affecting the circulation of pawn loans as a whole.

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