

**JURIDICAL ANALYSIS OF CREDIT AGREEMENTS WITH FOR  
BANKS IN THE EVENT OF BLOCKING OF LAND RIGHTS  
CERTIFICATES ASSOCIATED WITH LEGAL CERTAINTY IN LAW  
NO. 4 OF 1996 CONCERNING MORTGAGE RIGHTS ON LAND AND  
OBJECTS RELATED TO LAND.**

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**Abstract:** This research is motivated by a credit agreement that has collateral in the form of mortgage rights as additional guarantees for the repayment of debtors' debts. However, in practice in the field, the guarantee in the form of land rights can be requested for blocking by a third party who has a legal relationship. This blocking implies that the debtor's guarantee cannot be executed in the event of default/failure to pay by the debtor in the future. As a result of not being able to execute the guarantee, it will potentially cause losses for the bank as the creditor. The blocking is regulated in the Regulation of the Minister of Agrarian Affairs and Spatial Planning / Head of the National Land Agency No. 13 of 2017 concerning Procedures for Blocking and Confiscation which can harm creditors so that legal protection for creditors is reduced.

From the results of this study, it can be concluded that in the form of legal protection for banks as creditors in the event of blocking of land rights certificates, legal protection is preventive and repressive. Banks include SOPs related to interviews with prospective debtors for these guarantees in detail which will prevent the blocking of land by third parties. Banks can also file a lawsuit against BPN's decision on the blocking. The parameter of the National Land Agency (BPN) in blocking land rights certificates by third parties is to conduct an assessment of the block applicant in terms of having a legal relationship or not with the object requested for blocking.

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**Keywords:** legal protection, banks, third parties, blocking of land rights certificates

### **A. Background**

#### **B. legal protection for the Bank as creditor in the event of blocking of land rights certificates**

Protection in a narrow sense is something that is given to legal subjects in the form of legal instruments, both preventive and repressive, as well as in written and unwritten forms. In other words, legal protection can be interpreted as a description of the function of law, namely peace for all human interests in society so as to create harmony and balance in people's lives. Meanwhile, legal protection in a broad sense is not only given to all living creatures and all of God's creations and is used together in the context of a just and peaceful life. Quoting the opinion of Philip M. Hadjon who divides the forms of legal protection into 2 (two) forms, they are:

### 1. Preventive legal protection

This legal protection provides an opportunity for the people to file objections (inspraak) on their opinions before a government decision gets a definitive form. Thus, this legal protection aims to prevent disputes and is very meaningful for government actions based on freedom of action. And with this preventive legal protection, it encourages the government to be careful in making decisions related to the *freies ermessen* principle, and the people can file objections or be asked for their opinions regarding the planned decision.

### 2. Repressive legal protection

This repressive legal protection functions as a means of solving problems if they become disputes.

Whereas based on data from interviews conducted by the author with Bank X and Bank Y sources, the author concludes that the credit limit can be enjoyed by the debtor shortly after the signing of the Credit Agreement (PK). This is in line with the results of interviews with two different sources who stated that any credit funds requested by the debtor can only be obtained and enjoyed by the debtor when he has signed the Credit Agreement. Credit itself comes from the word *credere* which means trust. This means that the creditor in this case is a banking institution must first put their trust in prospective debtors who apply for credit. The trust of the creditor can be maximized by means of the debtor providing disclosure of information related to the reasons for applying for credit, the purpose of applying for credit, his business background, what collateral will be used as collateral, his capacity as a debtor who will not default, and so on. With good faith made by the debtor, it is unlikely that the bank will immediately reject the application for credit facilities submitted by the debtor. Although accompanied by the good intentions of the debtor, the decision regarding whether the debtor is eligible for credit facilities is purely the authority of the bank, which in this case is represented by the Credit Committee. If the Credit Committee agrees to provide credit to the debtor, the Credit Committee will issue a Letter of Credit Approval Letter (SP3K) which will be given to the debtor. In this case, the contents of the letter contain the following: 1. The amount of credit/ceiling approved; 2. Term/ term of payment; 3. Flowers; 4. Collateral object; 5. Terms of credit disbursement; 6. As well as the rights and obligations of the parties.

The SP3K is submitted to the debtor to be signed by the debtor. If the debtor agrees to all the things listed in the SP3K, in this case the SP3K has a period of 14 (fourteen) calendar days to be signed. If within 14 days the debtor has not signed/and returned the SP3K, then the credit approval is declared rejected by the debtor, and the credit disbursement process is cancelled.

In relation to the existence of additional guarantees as one of the mechanisms that can be taken by creditors if the debtor defaults in the future, the bank has the right to ask for collateral belonging to the debtor to guarantee the repayment of his debts. In addition, the guarantee is used to increase the bank's confidence and trust in the prospective debtor that the prospective debtor has good intentions in applying for credit facilities and guarantees that the funds lent by the bank will be returned in accordance with the agreed credit agreement.

The forms of such guarantees include:

1. Fix Asset which is a form of collateral for immovable objects, such as land, buildings, land and buildings, etc.;
2. Non-Fix Asset which is a form of collateral for movable objects, such as motor vehicles, business machines, cars, etc.;
3. Cash Guarantee which is a form of guarantee that can be immediately disbursed upon its existence, such as deposits, gold, shares.

As explained in the previous chapter, the blocking of land rights certificates carried out by third parties on credit agreements made by debtors and creditors has a legal vacuum, namely where the creditor has extended a credit limit to the debtor but the creditor cannot bind the object of collateral. / credit collateral belonging to the debtor with a Mortgage Certificate (SHT). This becomes full of risk if in the future the debtor defaults on the credit agreement and the creditor cannot execute the debtor's mortgage guarantee because the creditor does not have a legal basis to be able to execute the debtor's collateral object. The creditor does not have a legal basis to be able to execute the mortgage collateral property of the debtor because the creditor does not hold a Mortgage Certificate which can be used as the basis for executing it directly without having to go through a lawsuit mechanism in court (grosse deed). If this happens, the banking institution as the creditor must file a lawsuit to the court where the debtor resides to be able to force the debtor to fulfill all the contents of the credit agreement that he has signed. Even with all forms of bureaucracy which is quite time consuming. Things like this will make banking institutions spend quite a lot of effort and costs that are not small. Not to mention the case if the debtor has entered the collectability category 5 which is commonly called a bad debtor, which will have an impact on the soundness of the bank (non-performing loan). The value of non-performing loans (NPL) will increase if the total number of bad loans exceeds the total loans disbursed by banks. And we need to know that the higher the NPL value in a banking institution, the more unhealthy a banking institution will be. The factors that affect the value of the banking NPL are: 1. Lack of good faith from the debtor; 2. Policies from the government and Bank Indonesia; 3. Economic conditions (inflation, rupiah exchange rate).

The lack of good faith from the debtor is one of the supporting factors for Non-Performing Loans (NPL). This will not happen if the banking institution as the creditor already has a Mortgage Certificate (SHT) on the object of the debtor's material guarantee. Thus, if the debtor does not carry out its performance / default on the credit agreement, the banking institution as a separatist creditor can immediately execute the collateral for the debtor's mortgage which is of course in accordance with the applicable legal provisions (parate execution). Granting Mortgage on land/collateral object in credit agreement is very necessary. This happens because if the debtor defaults or fails to pay his debts in the future, the creditor as the party entitled to the return of his receivables has the means to be able to seek the repayment of the debtor's debts. The creditor can immediately execute the collateral for the mortgage belonging to the debtor without having to go through a lawsuit mechanism in court which takes a lot of time and costs a lot of money. However, in order to be able to execute the material guarantee of the debtor's mortgage, the creditor must first place the mortgage on the object of the debtor's collateral.

Referring to UUHT, it has been explained how the process of granting mortgage rights, which among others are as follows:

**a. Preceded by a debt agreement**

To be able to impose mortgage rights on a material object that is used as collateral, it must first be preceded by a debt agreement between the debtor and creditor. Because basically the agreement to grant mortgage rights as collateral for the settlement of debtors' debts to creditors is an additional agreement/accessoir agreement. An additional agreement is an agreement that is bound and follows the main agreement.

**b. The deed of granting Mortgage is made**

After an agreement between debtors and creditors is made either before a notary or based on an underhand agreement, to be able to impose mortgage rights on an object of material security, the parties must make a Deed of Granting Mortgage Rights (APHT) which must be carried out in front of the official. Land Deed Maker (PPAT). Thus, the object that is used as collateral for these debts becomes clear and clear.

**c. Registration of Deed of Granting Mortgage**

Registration of the Deed of Granting Mortgage is carried out by PPAT to the local National Land Agency (BPN) regional office by using a Power of Attorney to impose Mortgage (SKMHT) signed by the debtor. The purpose of the APHT registration is to make a Mortgage Land Book and to record in the Land Book that the land is the object of the mortgage/guarantee.

As a sign that the land is used as an object of collateral for Mortgage Rights on debt agreements, then the Head of the local Land Office converts from APHT, into a Mortgage Certificate (SHT) along with the amount of value it bears. The SHT itself has instructions that read "For the sake of Justice Based on God Almighty" which means that this Mortgage Certificate has executorial power (*parate executie*) which is equivalent to a court decision.

Based on the results of the translation of the data from the author's interviews with related sources, the authors argue that as a form of preventive legal protection, banks should conduct detailed interviews with prospective debtors to see first whether the land that will be used as the object of credit guarantees has a background full of disputes. . This is important considering that cases of block registration carried out by third parties basically have a causality problem with the object of the guarantee. In the interview, the bank must also ask whether the prospective debtor has a debt with another party related to the object of the guarantee that will be charged with this mortgage. This information can be easily identified based on the results of bank interviews with prospective debtors in detail related to the object that will be used as collateral for the settlement of their debts. With the bank knowing the background of the object of guarantee, the bank will hereby consider whether the owner of the object of the previous guarantee can apply for a block registration to BPN. The bank must know whether the prospective debtor has a debt agreement with another party that has not been completed and which case the debt receivable is related to the object of collateral for which the mortgage will be charged. The author also argues that in addition to the bank must be more careful and detailed in terms of conducting interviews with prospective debtors, banks must also be able to estimate the period of the process of granting mortgages. If the bank does not estimate the time for granting mortgages carefully, then it is not impossible that other parties will try to apply for blocking . Because based on the provisions, only APHT can be applied for blocking registration. When the APHT has been converted into SHT, it is not possible for third parties to apply for blocking records.

Apart from preventive forms of legal protection, the author will also provide an analysis related to repressive forms of legal protection for blocking land rights certificates by third parties. The author believes that the role of BPN in this blocking problem is very important. BPN as a government agency has full authority to approve the blocking application. BPN is supposed to be a forum for resolving any problems related to land that occur, but instead BPN puts itself in a situation that makes it difficult for the community. Thus, various repressive/curative settlement steps are carried out by the justice-seeking community, such as subpoenaing the block registration by the local land office, conducting negotiation meetings to filing a lawsuit against the block registration decision at the State Administrative Court (PTUN). These are all steps taken by the people who feel that their rights have been violated by BPN to get justice. However, to be able to carry out all these repressive measures, the community does not incur a small amount of money, but a lot, such as paying for the services of an advocate, paying the administrative costs of registering a lawsuit in the Administrative Court, the operational costs of the trial, and so on. Therefore, the community feels that this is a risk that must be taken if they take this repressive step.

The author concludes that the law should provide protection to all levels of society related to this blocking by means of prevention / prevention as well as possible. Thus, the phrase that "prevention is better than cure" is

proof that before there is a protracted dispute, it would be better to take all preventive measures so that injustice does not occur for the people.

### **C. Parameters of the National Land Agency (BPN) in carrying out blocking of certificates of land rights by third parties**

The parameters that are generally used by the National Land Agency (BPN) to record blocks refer to the provisions of Permen ATR/KBPN No. 13 of 2017.

That based on the provisions of Article 4 paragraph (1) Permen ATR/KBPN No. 13 of 2017. Third parties can be: a. Individual; b. Legal entity; c. Law enforcer.

Third parties in the form of individuals are legal subjects who carry out rights and obligations (naturlijkepersoon). Meanwhile, a third party in the form of a legal entity is an entity that is equalized as a person who has rights and obligations (rechtspersoon). Third parties in the form of law enforcers are legal subjects whose duty is to enforce the law, such as the police and prosecutors. Specifically related to law enforcers who become third parties in terms of applying for blocking registration, it must first be preceded by the existence of a criminal act. The crime in question is a crime that has reached the investigation process. By prioritizing the interests of the investigation, law enforcement authorities can apply for blocking records according to Article 14 of the Ministerial Regulation of ATR/KBPN No. 13 of 2017.

Referring to the provisions of Article 5 paragraph (1) Permen ATR/KBPN No. 13 of 2017. Individuals or legal entities as referred to in Article 4 paragraph (1) letters a and b, must have a legal relationship with the land for which blocking is requested. It is further explained in Article 5 paragraph (2) Permen ATR/KBPN No. 13 of 2017. Whereas the Petitioners who have legal relations as referred to in paragraph (1) consist of:

- a. Land owners, both individuals and legal entities;

Land owners are individuals and legal entities or legal subjects authorized to act on the land.

- b. The parties to the agreement, whether notarial or private or ownership of joint property not in marriage;

The parties in a notarial agreement are parties bound in an authentic agreement made before a notary.

- a. Heirs or joint property ownership in marriage; An heir is a person who is entitled to a share of the inheritance left by the testator.

- b. Contract maker, whether notarial or private, based on power of attorney; An underhand agreement is an agreement made based on the agreement of the parties and is not made before a notary.

- c. Bank, if it is contained in the notarial deed of the parties.

Referring to Law Number 10 of 1998 concerning Banking, a bank is a business entity that collects funds from the public in the form of savings.

In practice, a request for blocking can be submitted by an interested party without attaching the requirements as stated in Article 5 paragraph (1) Permen ATR/KBPN No. 13 of 2017. and Article 5 paragraph (2) Permen ATR/KBPN No. 13 of 2017. A person can request the blocking of the certificate in question by simply submitting the reasons and supporting documents that strengthen the reasons for his legal relationship with the certificate. This continues until now against certain blocks.

Based on this, the author is of the opinion that the land office seems to let the blocking application without a strong reason according to the legislation, especially the head of the land office based on the provisions of Article 5 paragraph (1) and (2) Permen ATR/KBPN No. 13 of 2017 has sufficient legal basis to refuse the blocking of a certificate if the application for blocking does not meet the provisions in the regulation. The author tries to find out if there are other parameters related to the decision of the National Land Agency (BPN) in giving approval to the block registration application, but the author cannot find any parameters other than those mentioned above. All decisions related to requests for blocking registration are purely the authority of

BPN. Generally, BPN will hold an internal meeting on whether or not a block registration application is approved by the local land office. If the result of the internal meeting rejects the request for blocking registration, then BPN will provide a response regarding the refusal to the applicant. If the result of the internal meeting states that BPN agrees to the request for registration of the block, then the head of the local land office will block it or appoint an official to carry out the blocking.

The general problem in every case of a block registration application made by a third party is the too broad interpretation of "legal relations" by the National Land Agency (BPN), so that cases related to blocking are rife because of the BPN's space in approving every application made by a third party. The third is huge. BPN does not accommodate the interests of the Bank as a creditor with good intentions in terms of disbursing credit facilities. With the wide interpretation of the legal relationship on the land, the bank becomes the aggrieved party because it cannot bind the object of the guarantee belonging to the debtor due to the blocking carried out by BPN. For this reason, the phrase "legal language" should be narrow to interpret and BPN as the party most authorized to carry out blocking must be very careful in approving every request for registration of blocking that is requested.

#### **D. Conclusion**

1. Legal protection for Banks as creditors in the event of blocking of land rights certificates is that the Bank has preventive and repressive legal protection. Legal protection in the form of prevention is a very detailed interview of prospective debtors regarding whether the object of collateral to be charged with the mortgage has a history of disputes. Also interviews related to whether the prospective debtor has debts to other parties by pledging the same object of collateral as the collateral to the bank. With such detailed interviews, banks can easily obtain information and reduce risks related to blocking of collateral objects by third parties. In addition, banks include SOPs related to analysis interviews with prospective debtors. Meanwhile, legal protection that is repressive is that banks can file a subpoena and lawsuit against the decision of the National Land Agency (BPN) related to the granting of a block registration application made by a third party to the State Administrative Court (PTUN).

2. The parameters of the National Land Agency (BPN) in blocking land rights certificates by third parties are in accordance with the provisions stipulated in Permen ATR/KBPN No. 13 of 2017, namely:

- 1) That the blocking applicant is obliged to make an application;
- 2) That the blocking applicant must have a legal relationship;
- 3) That the BPN will conduct an assessment;
- 4) Block requests have a period of 30 days;
- 5) The blocking application can be deleted if the time period runs out, the blocking applicant withdraws his application and there is a court decision or decision that declares it ended.

All decisions related to requests for blocking registration are purely the authority of BPN. Generally, BPN will hold an internal meeting on whether or not a block registration application is approved by the local land office. If the result of the internal meeting rejects the request for blocking registration, then BPN will provide a response regarding the refusal to the applicant. If the result of the internal meeting states that BPN agrees to the request for registration of the block, then the head of the local land office will block it or appoint an official to carry out the blocking.

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