

ISLAMIC MICRO FINANCE INSTITUTION POLICY FOR CLIENTS AFFECTED BY COVID-19

Fauzul Hanif Noor Athief¹, Darlin Rizki², Afdillah Ambarini³

^{1,3}Universitas Muhammadiyah Surakarta, Solo, Indonesia

²Universitas Gadjah Mada, Yogyakarta, Indonesia

¹fauzul.hanif@ums.ac.id

ABSTRACT

The purpose of this study is to find out how the Islamic Micro Finance (BMT) Institution set up their policy towards clients using the financing facilities who are affected by COVID-19. In addition to that, this research also aims to know the respond of those clients. This study uses a qualitative method with a descriptive approach. The source of data is primary data, obtained through interviews with BMT financing manager and five BMT financing members of BMT Amanah Ummah Sukoharjo. Secondary data is collected through scientific literature such as journals, books, survey results, research reports and so on. The results of this study indicate that the BMT policy for users of financing facilities during Covid-19 is to provide facilities in the form of financing relaxation. The forms of relaxation implemented are rescheduling in the form of an extension of the installment period and by doing reconditioning in the form of a postponement of principal payments as well as the delays in paying principal and margins. It is important to note that restructuring is not applied in this BMT. In general, the clients are happy and enthusiastic about the policies offered by the BMT. However, they regret that such good policy is not well conveyed and published to all clients.

Keywords: *Relaxation, Financing, BMT, Covid-19, Policy, Strategy.*

INTRODUCTION

Coronavirus (SARS-COV-2) is a new viral disease that was reported by the world in early 2020. The coronavirus disease 2019 is also known as COVID-19. COVID-19 is an infectious disease that attacks the respiratory system that can cause mild to severe illness, usually the common symptoms of being infected with coronavirus are from flu, cough, shortness of breath, high fever exceeding 38 degrees Celsius to serious illnesses such as MERS and SARS. This virus is zoonotic, which means that an infectious disease originating from animals is transmitted to humans. The virus can spread through droplets that come out when sneezing or coughing. Furthermore, droplets infected with the coronavirus fall onto surfaces that healthy people might touch. If the healthy person is exposed to droplets containing the coronavirus, then the person is infected with the coronavirus. The origin of

this coronavirus is known from Wuhan, China. The spread of this virus is known at the end of December 2019 until now it has spread to more than 65 countries, including in Indonesia (Yuliana, 2020).

The corona virus has taken many victims. It is a threat to the community that the coronavirus can be transmitted to the human body without realizing it. However, amid these concerns, the regional or central government is trying to reduce the number of coronavirus transmissions by issuing policies in the form of restrictions on community activities. Such as giving off residents' activities by carrying out all activities at home and implementing Social Distancing wherever they are. Social Distancing is one way to control and prevent the spread of coronavirus by encouraging healthy people to stay away from crowded places and direct contact with other people (Kevin Adrian, 2020).

The COVID-19 pandemic has had a significant negative impact on society. Many sectors experienced a slowdown due to activity restrictions (Social Distancing) due to the COVID-19 virus. Recessions occur in various parts of the world. In the era of the COVID-19 pandemic, most of the countries affected by the economic recession were Germany, Thailand, China, the United States, Singapore, Japan, and South Korea. Indonesia is also certain to experience an economic recession like some of these countries, the government has conveyed this. Minister of Finance Sri Mulyani gave certainty that the economy in Indonesia would experience a recession in the third quarter of 2020, as evidenced by her revision of the projection of economic growth in Indonesia this year to minus 0.2% - 1.1% so that it was deeper, namely minus 0.6%. up to 1.7%. Which has a negative meaning for economic growth in Indonesia, which will probably occur in the third quarter, then will take place in the fourth quarter in the state budget presentation, Tuesday (22/9). If economic growth has a negative record for many years, then the country can be declared experiencing an economic recession. In 2020, the economic growth quarter in Indonesia was recorded to have reached minus 5.32% (Aireza, 2020).

The recession certainly had an impact on various financial sectors, including the Islamic Microfinance Institution (IKMS), one of which was Baitul Maal wa Tamwil (BMT). Of the 326 BMTs who are members of BMT Venture Capital, many have bad credit or non-performing financing, and liquidity problems in institutions due to the COVID-19 outbreak (Aldi, Andika, 2020). Based on this explanation, it can be concluded that Sharia Microfinance Institutions (LKMS) as the channel for funds to the Micro and Medium Finance Units (MSMEs) will also be affected. Because BMT is one of the Sharia Microfinance Institutions that functions as a social and financial intermediary for MSMEs. So, the relationship between BMT and MSMEs is interrelated (Sabatini, 2020).

To reduce the risks that occur to other financial institutions and Baitul Maal Waa Tamwil, the government through Bank Indonesia and the Financial Services Authority, issued various policies, one of the government's efforts to deal with these impacts is by providing relaxation and restructuring policies to loan or financing customers in Indonesia. financial institutions that refer to POJK.No.11/POJK.03/2020 (Solihin, 2020). This regulation is a form of stimulation of the national economy as a countercyclical policy as a

result of the spread of Coronavirus Disease 2019. This policy is specifically for financial institutions that use stimulation of economic development for MSME debtors. Although OJK has issued a policy the aforementioned regulation, it was actually directed for banking and leasing industry instead of BMT (Ucu, 2021).

Apart from the regulation mentioned above, there are several nation-wide policies applied specifically to Micro Finance Institutions such as BMT. There are at least three programmes. First, assisting liquidity for BMT and KSPPS (a financial institution resembles BMT) by giving such as direct financial assistance to those 2 institutions or through the Endowment Fund Management Institution (LPDB: Lembaga Pengelola Dana Bergulir), as well as giving financing through Grassroot Business Loan (KUR) scheme. Second, income tax relief for employee. Third, advocating for the relaxation of KUR and LPDB (Solihin, 2020).

BMT itself is a sharia financial institution that stands on the principles of Islamic teachings with the characteristics of *ta'awun* that is helping by providing convenience to debtors who experience difficult conditions. The Qur'an provides guidance on the solution to this problem as stated at QS Al Baqarah verse 280 which means "And if the debtor is having a hard time, then grant him time till it is easy for him to repay; but if you remit it by way of charity, that is better for you if you did but know."

This is very relevant when it comes to the community's economic difficulties in the COVID-19 pandemic situation. The implementation of Al Baqarah 280 in accordance with the Indonesian government's economic and financial policies is expected to overcome the problems that plague financial service users and be able to free them from liquidity difficulties during the COVID-19 pandemic (Aji, 2020).

From this description, the author is interested in further researching how BMT policies apply sharia ethics to financing in the midst of liquidity problems faced during the COVID-19 pandemic. Policies targeting users of financing facilities, with efforts to get out of bad credit and liquidity problems in institutions. Researchers will try to explore various forms of policy with research limitations through the question, how is the policy of BMT Amanah Umah Sukoharjo towards users of financing facilities affected by COVID-19? How have users of financing facilities responded to the BMT Amanah Umah Sukoharjo policy during the COVID-19 period? This research is expected to provide benefits and input for users of BMT financing facilities and the community in general and can be used as further research in fields related to BMT policies for users of financing facilities affected by COVID-19.

LITERATURE REVIEW

Researches related to this study have been carried out by several previous researchers, such as the research conducted by Ubaidilah and Dian Puji Rahmawati about the factors causing problematic financing at BMT Al Falah. There are two factors, namely external factors and internal factors. First, external factors, namely unstable member businesses that are profitable or disadvantageous and are not really needed for their business but for personal and other purposes. Second, the internal factor, namely the BMT before

providing financing, did not pay attention to the feasibility of the members in its implementation (Ubaidilah & Rahmawati, 2016). Research by Aswa Addu Ali Humad Al Alim describes the general financing procedures of BMT Tumang, BMT Anda and BMT Al Ishlah in Salatiga city and the impact of financing procedures on customer satisfaction. This study concludes that; First, the terms and procedures for applying for financing do not have any impact on customer satisfaction. Second, the low profit sharing ratio procedure has a positive impact on customer satisfaction. Third, the procedure for resolving non-performing financing in a family manner has a positive impact on customer satisfaction. Fourth, personal performance in good marketing has a positive impact on customer satisfaction (Al Alim, 2015).

Other research was conducted by Mutia Pamikatsih,. he explained that the form of the BMT Tumang Service at the Sukoharjo Branch Office during the Covid 19 period had three forms of concepts, namely: 1) Online transactions, 2) Direct transactions at the Sukoharjo branch BMT Tumang Office. 3) Pick up the ball concept. The policies implemented by the BMT Tumang Sukoharjo Branch office have three stages in providing relaxation policies to customer members. First, the Socialization and Data Collection Phase, both parties of the BMT Tumang Sukoharjo Branch Office will conduct an analysis of the feasibility of providing relaxation and making decisions. There are 3 concepts that are offered to customer members who are given financing waivers: 1) customer members pay instalments of 50% of the nominal obligation with an additional period of 6 months. 2) Customer members pay only margin and defer principal payments at the end of the period with an additional period of 6 months. 3) defer the principal and margin to be paid at the end of the period without any additional period. The third stage is to provide assistance in economic recovery. (Pamikatsih, 2020)

Furthermore, Parli, Juni Trisnowati, and Kim Budiwinarto research on user satisfaction studies on sharia financing savings and loan cooperatives at BMT Tumang Boyolali. The results of this study: first, the bureaucratic system affects the satisfaction of service users. Second, facilities affect service user satisfaction. Third, the fulfillment of the sharia concept affects the satisfaction of service users. Fourth, the bureaucratic system, facilities and fulfillment of sharia concepts together affect the satisfaction of service users. Fifth, the bureaucratic system, the facilities provided and the fulfillment of the sharia concept affect the satisfaction of service users by 59.5%, while the remaining 40.5% is influenced by other variables outside of this study. (Parli, Trisnowati, 2020)

Another research was conducted by Lusriadi with regard to the restructuring of troubled financing for griya IB hasanah. From this research, the writer concludes that restructuring management begins with the planning, organizing, leadership and supervising processes. Planning starts from making data on problematic financing customers. In carrying out the restructuring of financing, there must be a special organization to deal with the restructuring, which consists of the Implementation of the Collection Assistant (PCA) and the Recovery and Remedial Assistant (RRA). PCA and RRA have an obligation to their leadership, namely Recovery and Remedial Head (RRH) and Branvh Manager (BM) to be submitted to the BRD 9 Business Risk Area Manager to avoid delays so there is supervision of customers. (Lusriadi, 2018)

THEORITICAL UNDERPINNING

Overview of *Baitul Maal wa Tamwil*

1. Definition of *Baitul Maal wa Tamwil*

Baitul Maal Waa Tamwil (BMT) which has the term bayt al-mal wa al tamwil is an activity that has the task of developing investment and product businesses in improving the economic quality activities of small and small entrepreneurs down, namely by encouraging activities to support and saving money for their economic activities. Baitul Maal Waa Tamwil can also receive deposits of zakat, infaq and alms, which are distributed according to their mandate and regulations. The basic thing about BMT is that all BMT activities must be carried out according to the principles of economic muamalah in Islam (Widodo, 2000).

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2. Function of *Baitul Maal Waa Tamwil*

The functions of Baitul Maal Waa Tamwil (BMT) are as following:

- a. Identify, mobilize, organize, encourage and develop the potential and economic capacity of members, groups, business members of muamalat (pokusma) and their work.
- b. Improving the quality of human resources for members and Pokusma makes them more professional and Islamic so that they are more complete and resilient in facing global challenges.
- c. Mobilize and organize the potential of the community to improve the welfare of its members (Soemitra, 2014).

Terms on Rescheduling, Reconditioning, dan Restructuring.

In the implementation of financing restructuring , it can be carried out in combination or simultaneously, such as rescheduling and reconditioning , rescheduling and restructuring as well as rescheduling, reconditioning, and restructuring simultaneously. Banks can provide convenience for customers by reducing a number of installments accompanied by extending the payment schedule according to the policies taken and an agreement with the customer. The criteria for financing customers that can be restructured are as follow (IBI, 2015):

1. Customers experience decreased ability or difficulty to pay.
2. The customer has a good intention to pay.
3. Customers have good business prospects and are able to fulfill their obligations after financing restructuring..

However, in terms of rescuing non-performing financing, banks are not allowed to carry out restructuring aimed at avoiding a reduction in the classification of financing, avoiding an increase in PPAP (Allowance for Earning Assets), and avoiding cessation of revenue recognition on an accrual basis.

The implementation of the financing restructuring has several provisions, including the following:

1. The customer makes a request if the financing will be restructured
2. If the extension of the financing meets current quality and has matured and is not caused by a decrease in the customer's ability to pay, it is not included in the restructuring.
3. The quality of financing that can be restructured is of substandard, doubtful, and loss quality
4. The implementation of restructuring must contain good analysis and documentation.
5. Restructuring can be carried out at most 3 (three) times during the financing period
6. Further restructuring can be carried out 6 (months) after the financing restructuring before it ends.

The forms of restructuring in order to rescue non-performing financing from Bank Indonesia regulations regarding financing restructuring based on sharia principles are as follows:

1. Decrease in profit sharing or rewards
2. Reduction of arrears for profit sharing or compensation
3. Reduction of arrears of financing principal
4. Extend the term of financing
5. Addition of financing facilities
6. Acquisition of debtor assets in accordance with applicable regulations
7. Conversion of additions to the debtor company.

The steps mentioned in the implementation of the description above can be carried out jointly or in combination, for example providing relief on a number of obligations accompanied by an extension of the payment period, changing the terms of the agreement and partly, with a combination that is no longer needed if it is a debt settlement (*ipso jure compensator*) or loan conversion. become an investment, the debtor's financing is paid off (Fatturahman Djamil, 2012).

Financing Restructuring During the COVID-19 Pandemic

The Financial Services Authority or what is known as OJK provides a policy by relaxing the provisions of the banking sector, which aims to provide more room for liquidity and banking capital, so that the financial sector is still maintained and stable amid the weakening economic sector as a result of the COVID-19 virus outbreak. The continued stimulus policy was issued after the Financial Services Authority observed the impact of the COVID-19 pandemic, the results of which showed that the pandemic reduced economic activity, which had an impact because the financial sector was transmitted through the

weakening of the real sector (Pamikatsih, 2020). The Financial Services Authority stated that the spread of the COVID-19 virus had begun to be felt in the real sector in mid-April 2020, which had a negative impact on the liquidity and capital of financial service institutions so that it was feared that it could lead to non-current installments in various banks and other financial institutions. To reduce the occurrence of problematic installments, the Financial Services Authority issued POJK NO.11/POJK.30/2020 concerning National Economic Stimulation as a countercyclical policy to deal with the impact of the spread of COVID-2019, as follows:

1. Quality assessment, namely credit/financing/providing other funds only based on regulations for principal payments and/or for interest on credit/financing/providing other funds with a ceiling equal to Rp. 10 billion.
2. Quality improvement, i.e. credit/financing/providing becomes smooth after being restructured during the validity period of the POJK. Restructuring of credit or financing is carried out by:
 - a. Interest rate reduction
 - b. Extension of the loan period
 - c. Reduction of loan principal arrears
 - d. Reducing loan interest arrears
 - e. Addition of credit or financing facilities
 - f. Conversion of credit or financing into Temporary Equity Participation

However, this slack is more successfully applied in the short term because banks and financial institutions have three risks, namely credit, market and liquidity. Regarding the regulation POJK.NO.11/POJK.03/2020 installment restructuring which makes banks not allowed to increase their loan interest rates. Meanwhile, financial institutions and banks that use Sharia principles do not use an interest-based system, so the balance sheets of Islamic banks will be more elastic or last longer during the pandemic. However, this situation does not guarantee that Islamic Bank Financial Institutions can survive during the pandemic. Because the Islamic financial sector is dominated by two types, namely the capital market and banking, most of which are Islamic financial institutions that are directly related to the real sector. So that it can be feared, namely Sharia Financial Institutions such as KSPS, BPRS, and BMT which run daily transaction business units so that it has an impact on liquidity.

From the explanation above, it can be concluded that Sharia Microfinance Institutions are the channel of funds to Micro, Small and Medium Enterprises that will be affected. Because BMT is a form of Sharia Microfinance Institution, LKMS has the objective of financial and social intermediation for Micro, Small and Medium Enterprises in the form of establishing BMT. Baitul Maal Waa Tamwil plays a role in empowering zakat funds, infaq shadaqah and waqf (ZISWAF) which aims to help the basic consumption needs of mustahik (people whose economic conditions are disrupted) and assistance for protective equipment for medical personnel. Meanwhile, Waqf Institutions also help in the form of labor-intensive services, to absorb labor, and provide assistance in the form of providing employment opportunities for business owners of Micro, Small and Medium Enterprises.

And provide loan disbursement by providing leniency in cooperation contacts by providing assistance to the community in carrying out their micro-businesses. So, BMT and MSMEs have a very sustainable relationship. (Sabatini, 2020)

Then, POJK regulation No 11/POJK.03/2020 of 2020 concerning National Economic Stimulation as a Countercyclical Policy for the Impact of the Spread of Coronavirus Disease 2019. This policy is for banks that support the stimulation of economic development to debtors who are experiencing the impact of the spread of COVID-19, including MSME debtors. Although the Financial Services Authority provides POJK regulation No. 11/POJK.03/2020 of 2020 by regulating credit restructuring, this regulation is shown for banks and leasing instead of BMT (Ucu, 2021).

MATERIALS AND METHOD

This research uses qualitative descriptive approach under a field research model where the research object is associated with events or phenomena that occur in the community (Arikunto, 2013). The phenomenon of interest is BMT policy for clients of financing facilities affected by the COVID-19 pandemic. Sources of data in this study consisted of two types, namely primary and secondary data. Primary data was obtained through direct interviews with the BMT Financing Manager and members who work in BMT, especially in the Finance Department. Researchers will ask questions related to the BMT policy towards users of financing facilities during COVID-19 and the response of users of financing facilities to the BMT Amanah Ummah policy. As for secondary data, it can be obtained through a search of various literatures such as journals in the Google Scholar database, books, research reports, survey results from official bodies, theses or theses for the last 10 years, magazine or newspaper articles, and various other literature related to policy. The location of the research was conducted at BMT Amanah Ummah, Sukoharjo Regency, Central Java.

RESULTS AND DISCUSSION

Overviews on BMT Amanah Ummah

BMT Amanah Ummah was established on October 5, 1999, inaugurated by Mr. Firman Sofyan, Director of BMI Semarang Branch, accompanied by Mr. Prof. Drs. H. Dochak Latief Chancellor of the University of Muhammadiyah Surakarta. This BMT was founded with the background of several ideas from lecturers of the Faculty of Islamic Religion at Muhammadiyah University of Surakarta who have a desire to have an Islamic banking laboratory, as a means to learn and practice Islamic banking practices because the Faculty of Islamic Religion has several sharia departments.

In its development, the idea received support from the rectorate, deans from other faculties within UMS as well as community leaders and Muslim entrepreneurs outside UMS. From this idea, a BMT was formed which was named BMT UMS, as the development of BMT UMS later changed its name to BMT Amanah Ummah. BMT Amanah Ummah is an autonomous institution that regulates its own steps and is a cooperative legal entity and becomes a laboratory for sharia financial institutions, especially for the Faculty of Islamic Religion. The very close relationship between BMT Amanah Ummah and Universitas

Muhammadiyah Surakarta has caused BMT Amanah Ummah to be better known as BMT UMS.

There are two types of BMT Amanah Ummah products, namely savings and financing, the qualifications are as follows:

1. Saving Products (BMT Amanah Ummah, 2016)
 - a. Hajj Mabruur Savings, is a type of savings that uses the principle of investment (profit sharing) and is specifically intended to perform the pilgrimage using the Mudharabah Mutlaqah Agreement.
 - b. Umrah Savings, is a type of savings that uses the principle of investment (profit sharing) and is specifically intended to perform the Umrah Worship.
 - c. Sharia Multipurpose Deposit, is a type of deposit that uses the principle of investment (profit sharing) with regular monthly payments and can be withdrawn at maturity in accordance with the agreed time period. Sharia Multipurpose Savings (SMS) using Mudharabah Mutlaqah Agreement.
 - d. Wadiah Savings, is a type of deposit that uses the principle of entrusting without any profit sharing using the Wadiah Yad Dhamanah contract
 - e. Mudharabah Investment Deposit, is a type of deposit using the investment principle (profit sharing) and can be withdrawn at any time with a minimum deposit balance in accordance with the provisions. This deposit uses a Mudharabah Mutlaqah contract.
 - f. Qurban Savings, is a type of savings that uses the principle of investment (profit sharing) and is specifically intended for Qurban worship using Mudharabah Mutlaqah Contracts.
 - g. Mudharabah Plus Deposit, is a type of deposit that uses the investment principle (profit sharing) and can be withdrawn at any time with a minimum deposit balance in accordance with the provisions.
 - h. Mudharabah Futures Deposits are types of deposits made on the principle of investment (profit sharing) with a predetermined period of time using Mudharabah Mutlaq contract.
2. Financing Products (BMT Amanah Ummah, 2016)
 - a. Murabahah is a type of contract for the sale and purchase of goods, where BMT Amanah Ummah explains that the selling price consists of the cost of goods and the level of profit (margin) on the goods, where the selling price is approved by the members. This sale and purchase is done by handing over the goods directly and paying in installments. In this contract, BMT Amanah Ummah handed over goods instead of money.
 - b. Istishna is a contract type of sale and purchase transaction in ordering goods, where there is a sales contract between the buyer and the maker of the goods. In its application, the goods maker (BMT Amanah Ummah) receives orders from buyers (members) then the goods manufacturers (BMT Amanah Ummah) orders goods through other people to make or buy goods according to agreed specifications and sell them to the final buyer (members). Furthermore, both

parties agree on a price and payment system that can be made with prepaid payments, in installments or deferred payments at a time in the future.

- c. Mudharabah is a cooperation agreement in which BMT Amanah Ummah and members, where BMT Amanah Ummah provides all the capital while members run a business. The business profits are divided according to the agreement between the two parties and stated in the contract.
- d. Ijarah is a rental contract that involves an item (as a price) with services or other service benefits. Like renting a shop, and renting a boarding house.
- e. Ijarah Muntahiya Bittamlik is a transfer of ownership of the goods, where there is a tenant (member) who gives the option to own the goods being leased when the lease is completed. The lease agreement that occurs in this case the rental installment includes the principal installment of the price of the goods.

To obtain complete information and data, the authors conducted direct interviews with the BMT Amanah Ummah Sukoharjo Branch and its financing members. Researchers interviewed 1 respondent from the BMT Amanah Ummah Sukoharjo Branch and 5 respondents from financing members who volunteered to provide information. The identity table can be seen as follow:

Table 1: Identity of BMT Staff as Respondent

No	Name	Position
1.	Hamzah Saifuddin	Financing Director

Table 2: Identity of BMT's Client as Respondent

No	Name	Products Used	Occupation
1	Danang Haryadi	Murabahah	Stock Farmer
2	Umi Yuniasih	Mudharabah	Merchant
3	Nahrowi	Murabahah	Labor
4	Ratna	Istishna	Entrepreneur
5	Ilham Fajri	Murabahah	Entrepreneur

The author does not only use primary data, but uses secondary data to support the completeness of data such as brochures, websites, pictures and so on to support the completeness of research data.

Policy on Financing Clients Affected by COVID-19

Based on the results of the interview, the author tries to analyze what policies are given by the BMT Amanah Ummah to facility users during the COVID-19 pandemic.

In the opinion of Mr. Hamzah Syaifuddin as the Financing Manager, he said that the development of BMT before and after the COVID-19 pandemic was also affected. The impact of the pandemic, among others, was that at the beginning of the COVID-19

pandemic, in terms of savings and financing, BMT experienced a slight disruption, precisely in terms of financing in April, May, and June. Then around August BMT experienced an increase, but it could not be said to be stable as before the COVID-19 pandemic. The BMT provides facilities to affected financing members, the assistance includes, among others, basic necessities and in the form of restructuring to members who have financing problems.

Assistance for members of the BMT Amanah Ummah financing is accompanied by an AO (Account Officer) who has 4 staff, each staff assists approximately 200 members, out of a total of approximately 900 members. AO staff took to the field to see firsthand and offer various facilities to financing members. Due to the absence of sanctions and no fines from the BMT, if there are members who are late in paying installments, then the BMT issues a policy in the form of financing restructuring for financing members in need. However, during the COVID-19 pandemic, this financing restructuring was given to all financing members with the terms and qualifications set by BMT.

For this study the author will discuss the terms of restructuring, the form of restructuring, the process of restructuring and the objectives of restructuring that are applied by BMT Amanah Ummah. First, as for the terms of Financing Relaxation During Pandemic, there are several requirements. The requirements for implementing the financing restructuring by BMT Amanah Ummah are as follows:

- a. Financing members who made contracts before the pandemic
- b. A financing member who smoothly pays installments and is really affected, for example if there is a financing member who is late in paying installments for 2-4 months before the COVID-19 pandemic, then they cannot apply for financing restructuring.
- c. Members have good business prospects so that they are considered capable of paying off their obligations after being restructured.

According to a statement from the financing manager, Hamzah Syaifuddin explained that those who received financing restructuring were members who had businesses such as restaurants, food stalls, farms, tailors, basic food stalls, bridal make-up services, or members who bought motorbikes and cars through BMT Amanah Ummah.

Around 50 members of the financing have now received financing restructuring from the Sukoharjo branch, then for the structure of the BMT Amanah Ummah branch, about 70-80 people have received restructuring. However, there were financing members who proposed restructuring but were not approved by the BMT because they only joined in, even though the financing members were not affected by the COVID-19 pandemic. While financing members who do not meet the requirements as above, then the application for financing restructuring will not be approved by the BMT Amanah Ummah.

BMT Amanah Ummah applies two forms of Financing Relaxation during Pandemic which are rescheduling and restructuring.

1. Rescheduling

According to Zainal Asikin, he gives an understanding that rescheduling is a form of effort in changing several terms of the agreement, such as changes in the repayment schedule and changes in the number of installments (Zainal Asikin, 2016). The rescheduling procedure is carried out by extending the maturity period without changing the customer's remaining obligations to be paid to the bank. The amount of customer installment payments is lighter because the amount is reduced from the previous installment (Wangsawidjaja,

2012). Rescheduling is intended to make changes to the financing schedule by financing members or call for an extended time to pay the installments. In essence, BMT will offer to extend the installment period, so that it can be repaid on time. Changes in financing terms can be extended to reduce installments. In addition, the amount of installments can also be adjusted according to the ability of members to pay. The following is an example of rescheduling by extending the installment period:

Table 3: Example of Rescheduling

Number of Installment	Principal	Margin	Total	Balance
0	0	0	0	24.000.000
1	2.000.000	384.000	2.384.000	22.000.000
2	2.000.000	384.000	2.384.000	20.000.000
3	2.000.000	384.000	2.384.000	18.000.000
4	1.500.000	288.000	1.788.000	16.500.000
5	1.500.000	288.000	1.788.000	15.000.000
6	1.500.000	288.000	1.788.000	13.500.000
7	1.500.000	288.000	1.788.000	12.000.000
8	1.500.000	288.000	1.788.000	10.500.000
9	1.500.000	288.000	1.788.000	9.000.000
10	1.500.000	288.000	1.788.000	7.500.000
11	1.500.000	288.000	1.788.000	6.000.000
12	1.500.000	288.000	1.788.000	4.500.000
13	1.500.000	288.000	1.788.000	3.000.000
14	1.500.000	288.000	1.788.000	1.500.000
15	1.500.000	288.000	1.788.000	0
Total	24.000.000	4.608.000	28.608.000	

The example above is the case of Mr. Rozi buying a motorbike through BMT Amanah Ummah with a motorbike price of Rp. 34,000,000.00, by providing an advance of Rp. 10,000,000.00 million, the total loan amount is Rp. 24,000,000.00 million and a margin 1.6% over a 12 month period. However, in the 4th month, Mr. Rozi applied for restructuring and was able to pay Rp. 1,500,000.00 per month, then the remaining principal in the 3rd month was Rp. 18,000,000.00 and then divided into 12 more months. Therefore, the initial installment was within a period of 12 months to 15 months.

2. Reconditioning

Reconditioning is a change in part or all of the terms of financing, including changes in the payment schedule, the number of installments, the time period, and the provision of discounts as long as it does not add to the customer's remaining liabilities.[28] For reconditioning the financing restructuring of BMT Amanah Ummah is divided into 2 types, namely:

- a. Principal Payment Delay

Delay in paying principal is rescheduling installments or bills without an extension of time, and margins are paid as usual according to the amount, by delaying paying the principal for several months and being paid at the end according to the agreement between the two parties. The following are examples of deferred principal payments:

Table 4: Calculation Example of Payment Delay

Number of Installment	Principal	Margin	Total	Balance
0	0	0	0	24.000.000
1	2.000.000	384.000	2.384.000	22.000.000
2	2.000.000	384.000	2.384.000	20.000.000
3	2.000.000	384.000	2.384.000	18.000.000
4	-	384.000	384.000	-
5	-	384.000	384.000	-
6	-	384.000	384.000	-
7	-	384.000	384.000	-
8	-	384.000	384.000	-
9	-	384.000	384.000	-
10	2.000.000	384.000	2.384.000	16.000.000
11	2.000.000	384.000	2.384.000	14.000.000
12	14.000.000	384.000	14.384.000	0
Total	24.000.000	4.608.000	28.608.000	

For example, the case of Mr. Rozi buying a motorbike through BMT Amanah Ummah with a motorbike price of Rp. 34,000,000 million, by providing an advance of Rp. 10,000,000 million, the total loan amount is Rp. 24,000,000 million and a margin of 1.6%. within a period of 12 months. However, in the 4th month, Mr. Rozi proposed restructuring to delay paying the principal until the 9th month, then the remaining arrears in the 4th-9th months were deferred in the 12th month and the 10th and 11th months were paid as usual in the amount of Rp. 2,000,000. So the total amount of 12 months to be paid is Rp. 14,000,000

b. Delay in Paying Principal and Margin

Delay in payment of principal and margin is rescheduling of installments or bills without an extension of time, but the delay of bills on principal and margin is postponed for several months and the rest is paid in a month that has been determined between the two parties. The following are examples of deferral of principal and margin payments :

Table 5: Calculation Example of Delaying the Installment of Principal and Margin

Number of Installment	Principal	Margin	Total	Balance
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0	0	0	0	24.000.000
1	2.000.000	384.000	2.384.000	22.000.000
2	2.000.000	384.000	2.384.000	20.000.000
3	2.000.000	384.000	2.384.000	18.000.000
4	-	-	-	-
5	-	-	-	-
6	-	-	-	-
7	3.000.000	576.000	3.576.000	15.000.000
8	3.000.000	576.000	3.576.000	12.000.000
9	3.000.000	576.000	3.576.000	9.000.000
10	3.000.000	576.000	3.576.000	6.000.000
11	2.000.000	576.000	2.576.000	4.000.000
12	4.000.000	576.000	4.576.000	0
Total	24.000.000	4.608.000	28.608.000	

For example, the case of Mr. Rozi buying a motorbike through BMT Amanah Ummah with a motorbike price of Rp. 34,000,000.00, by providing an advance of Rp. 10,000,000.00, the total loan amount is Rp. 24,000,000.00 million and a margin of 1, 6% within 12 months. However, in the 4th month Mr. Rozi proposed restructuring to delay paying the principal and margin until the 6th month of the 7-10th month, so Mr. Rozi was able to pay per month worth Rp. 3,000,000.00 and margin of Rp. 576,000.00 until the 12th month, then in the 11th month paying Rp. 2,000,000.00 and in the 12th month paying Rp. 4,000,000.00.

All the relaxations mentioned above must go through some processes so that the request of relaxation can be granted. The process can be describes as follows.

- a. There is a written request from the customer concerned to apply for a financing restructuring, in the letter the member states the reasons why a financing restructuring is proposed.
- b. The financing member immediately completes the documents for the financing restructuring required.
- c. After all the files are completed, the applicant submits the files to the BMT Amanah Ummah office
- d. AO (Account Officer) conducts direct field investigations.
- e. After the application letter and the results of the investigation are appropriate, the BMT will continue the next process.
- f. The next process is to conduct an analysis by the AO (Account Officer) and the Financing Manager
- g. If the results of the analysis from the AO (Account Officer) and the Financing Manager are approved, the contract will contain changes to the schedule of time periods and changes in the amount of installments.

BMT Amanah Ummah set up the relaxation policy for the client affected by COVID-19 for several purposes which include:

- a. To save the business of financing members so that they can be healthy again

- b. So that members can fulfill their obligations to the BMT
- c. To save BMT funds distributed to members
- d. To maintain family relations with members, because BMT is a partner of members in the business.

Clients' Respond on the Relaxation Policy amidst COVID-19

Researchers received several responses from sources regarding the response to using financing facilities and BMT Amanah Ummah policies during the COVID-19 pandemic. There are five sources from various regions who have been interviewed by the researcher, the following are the results of the interviews, including:

- a. The first resource person named Danang Haryadi, he has been a member of the financing for 10 years at BMT Amanah Ummah. The products he uses are murabaha products. When interviewed about the use of financing facilities and policies from BMT Amanah Ummah, he said that he used a form of restructuring, reconditioning, the type of deferral of principal and margin payments during the COVID-19 pandemic. His response was very good and he felt helped by the policy of this facility from BMT Amanah Ummah
- b. The second guest speaker is Mrs. Umi Yuniasih, located in the area Jebres Surakarta, he was already a member of the financing has been five years in BMT Amanah ummah. When interviewed about the use of the financing facilities and policies of BMT Amanah Ummah, he said that he was aware of information during the pandemic restructuring policy COVID-19 by the BMT Amanah Ummah. She also knows about the terms of what is needed for the restructuring offered by BMT, he was satisfied and pleased with these policies, but he did not propose the restructuring was because he felt quite capable of financing installments during a pandemic COVID-19 ,
- c. The third guest speaker Mrs. Nahrowi which is located in the area of Grogol, Solobaru. He said taking murabaha contract, to buy a motorcycle. When interviewed about the use of the financing facilities and policies BMT Amanah Ummah, he said that the shape pembiayaan restructuring which is taking kind of rescheduling of cutting installments. His response was very pleased and excited with the help of financing from BMT Amanah leeway Ummah.
- d. The fourth resource person is Mrs. Ratna, whose address is in the Kartasura area. When interviewed about the use of the financing facilities and BMT policies from Amanah Ummah, he said that he was aware of the information regarding the restructuring policy during the pandemic by the BMT Amanah Ummah, but he did not propose restructuring for certain reasons.
- e. The last resource person is Mr. Ilham Fajri, whose address is in the Cemani area, he has been a member for 7 years at BMT Amanah Ummah. When interviewed regarding the use of financing facilities and the BMT policy of Amanah Ummah, he said that the form of financing restructuring taken was in the form of reconditioning

the type of delay in paying principal and margin. He explained that he was very satisfied and happy with the help from BMT Amanah Ummah.

Based on the results of interviews with the five sources, it can be concluded that two members of BMT Amanah Ummah use the form of restructuring reconditioning , one member uses the form of restructuring rescheduling and two members do not apply for a restructuring of financing facilities that have been informed by BMT Amanah Ummah. However, the members of BMT Amanah Ummah were quite happy and enthusiastic about the policies offered by the BMT Amanah Ummah.

CONCLUSION

In this discussion, authors conduct research on how BMT deals with the surging financial hardship among its clients during pandemic. In the end, authors come to the conclusion that BMT Amanah Ummah policy towards users of financing facilities during Covid-19 is to provide financing relaxation facilities. The forms of relaxation implemented by BMT Amanah Ummah are rescheduling in the form of an extension of the installment period and reconditioning in the form of delaying principal payments as well as delaying principal payments and margins. It is important to note that restructuring is not used or is not applied in BMT Amanah Ummah. Furthermore, in the financing restructuring process, the financing member can apply for restructuring with a written request and the management will conduct an investigation to follow up on the written request. The implementation of the financing restructuring at the Amanah Ummah BMT aims to enable the financing members to fulfill their obligations to the BMT and to save the financing member's business so that they can be healthy again and to maintain the relationship of member partners with BMT remains well established.

As for the respond, it is found that there were two clients of BMT Amanah Ummah using the form reconditioning as financial relaxation while there were one member using the rescheduling as his financial relaxation. In the other hand, the other two didn't apply for the relaxation facility. However, the members of BMT Amanah Ummah were quite happy and enthusiastic about the policies offered by BMT Amanah Ummah.

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