

# Legal Protections for Debtors of Banks Providing Mortgage in Facing Execution Parates

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## **Legal Protections for Debtors of Banks Providing Mortgage in Facing Execution Parates**

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**ABSTRACT:** Legal protection can be interpreted as protection by law or protection by using legal institutions and means. Legal protection is the protection of dignity and worth, as well as the recognition of human rights owned by legal subjects based on legal provisions from arbitrariness. This current study reveals preventive and repressive legal protections for debtors of banks providing mortgage in facing execution parates, according to the Indonesian law (UUHT). The result shows that the preventive legal protections include: Rescheduling, Reconditioning, Restructuring, Combination, Takeover of debtor assets, and Credit conversion. On the other hand, the repressive legal protections include: Execution through public auction, Execution through underhand sales, and Execution via PUPN/BUPLN.

**KEYWORDS:** Legal protection, preventive legal protections, repressive legal protections

### **INTRODUCTION**

Legal protection can be interpreted as protection by law or protection by using legal institutions and means. Legal protection is everyone's right. Everyone has the right to legal protection. In terminology, legal protection can be interpreted as a regulation or custom that is officially considered binding, which is confirmed by the ruler or government.

Referring to this definition, legal protection can be interpreted as efforts to protect the government or authorities with a number of existing regulations (Badruzaman, 2001). In short, legal protection is a function of the law itself; providing protection.

Moving on from this simple definition, the Legal Dictionary defines legal protection as coercive regulations that determine human behavior in society (Bahsan, 2012; Indra, 1997). These regulations are made by the official regulatory bodies and any violation of these rules will result in action being taken.

There are many theories of legal protection expressed by experts. According to Hadjon (1987), legal protection is the protection of dignity and worth, as well as the recognition of human rights owned by legal subjects based on legal provisions from arbitrariness. Further, Hadjon (1987) classifies two forms of legal protection for the people based on the means, namely preventive and repressive protection.

The preventive protection means that the people are given the opportunity to give their opinions before the government's decision gets a definitive form, to prevent any potential disputes to occur. Meanwhile, the repressive protection aims to resolve disputes. Legal protection is a guarantee given by the state to all parties to be able to exercise their legal rights and interests in their capacity as legal subjects.

### **METHOD**

The approach used in this current research is the normative juridical method, which is an approach that is carried out by extensively reviewing the laws and regulations, as well as books related to the problems that occur. In connection with the type of research, namely normative juridical research, the approach used is a statutory approach and conceptual approach. Besides, the research also looks at the views and teachings of Law Scholars (doctrine) that develops in society.

Regarding the statutory approach, it is carried out by reviewing and analyzing various laws and regulations governing land security rights in their development until the enactment of Undang-Undang Hak atas Tanggungan (UUHT) or The Law on The Mortgage Right, especially regulations relating to parate executions. It is because there may be confusion in various regulations. There are inconsistencies, even conflicting norms (conflict of norms) between one norm with another, which regulates the execution of mortgage especially regarding parate execution (Poesoko, 2013; Kashadi, 2000).



The conceptual approach is carried out to explore the meaning of parate executive, according to the law or the opinion of experts, which allows for the development of the parate executive concept in its development in Indonesia.

## RESULTS AND DISCUSSION

### A. Preventive Legal Protection

In this case, preventive legal protection is an effort made for the debtor of the Bank providing the Mortgage prior to the Execution Parate to be carried out by the Bank. The point is that the debtor in this case is trying as much as possible so that a Parate Execution will not be carried out by the Bank on his credit guarantee in the form of a Mortgage Certificate, namely by making efforts to save credits considered bad (default), at the request of the debtor to the Bank as the creditor. The purpose is to avoid/prevent disputes, which are detrimental to the parties.

Settlement by saving credits is carried out through renegotiation between the Bank as creditor and debtor by easing the terms in the credit agreement. So, in this credit saving stage, legal institutions have not been utilized because the debtor is still cooperative and the business prospect is still feasible (Meliala, 1985).

Handling non-performing bank loans according to the provisions of Circular Letter of Bank Indonesia No. 23/12/ BPP, dated February 28, 1991, regarding efforts to overcome bad loans, in conjunction with the Decree of the Board of Directors of Bank Indonesia Number 31/150/KEP/DIR, dated November 12, 1998 regarding credit restructuring, the efforts that can be made by the Bank to debtors in order to save the debtors' credits are as follows:

#### 1. Rescheduling

That this Policy is related to the credit period, so that the relief provided can be in the form of:

- a. extending the term of credit,
- b. extending the interval of installments. For example, the initial installment is set every month for 8 (eight) years, then it is changed to every month for 10 (ten) years.
- c. A decrease in the amount for each installment resulting in an extension of the credit term.

#### 2. Reconditioning

In this case, the assistance provided is in the form of waivers or changes to credit terms, which include:

- a. Interest capitalization, i.e. interest is used as principal debt so that customers do not need to pay interest for a certain time, but later the principal debt can exceed the agreed ceiling. This means that credit facilities need to be improved. In addition, interest is calculated as compound interest which basically will be more burdensome for customers. This method is taken in case that customer's business prospect is good.
- b. Delay in payment of interest, i.e. interest is still calculated, but the collection or charge to the customer is not carried out until the customer has the ability. The interest owed is not subject to another interest and does not increase the credit ceiling.
- c. Decrease in interest rates, in the event that the customer is deemed to be able to pay interest on time, but the interest rate charged is too high for the level of activity and results of operations at that time. This method is taken when the results of the customer's operations show a surplus/profit and the liquidity allows them to pay interest.
- d. Exemption of interest, namely in the event that the customer/debtor is deemed unable to pay interest because the customer's business only reaches the break-even rate. This interest waiver can be temporarily, permanently, or the entire interest debt.
- e. Converting short-term credit into long-term credit with lighter terms.

#### 3. Restructuring

If the customer's business difficulties are caused by capital factors, the rescue effort is to review the situation and condition of capital, both funds for working capital and capital goods (machinery, equipment, and management).

Actions that can be taken in the context of restructuring are:

- a. Additional credit (injection/nursery operation)

If the customer lacks working capital, the bank as the creditor needs to consider additional credit for working capital investment, as well as in terms of investment, both expansion and additional investment.



b. Additional equity

If the additional credit burdens the customer in relation to the payment of interest, additional capital may be considered in the form of:

- 1) Additional capital from the bank by:
  - a) Addition/deposit of money (fresh money),
  - b) Conversion of customer/debtor debt, either interest payable, principal debt, or both.
- 2) Additional from the owner

If the customer is a Limited Liability Company, then this additional capital can come from shareholders or new shareholders or both.

**4. Combination**

Rescue actions can also be a combination, for example rescheduling with reconditioning, rescheduling with restructuring, and reconditioning with restructuring, as well as a combination of rescheduling, reconditioning and restructuring.

**5. Takeover of debtor assets in accordance with applicable regulations**

The takeover of the debtor's assets is in accordance with the provisions referring to the provisions of Article 12.A of Law Number 10 of 1998 concerning Amendments to Law Number 7 of 1992 concerning Banking, which regulates the possibility that Commercial Banks may purchase part or all of the collateral either through public sale or auction or outside the auction based on voluntary submission, but this facility is subject to restrictions by law, namely:

- a. Collateral that can be purchased by banks is collateral from bad loans,
- b. Collateral that has been purchased must be disbursed no later than 1 year.
- c. Within a period of 1 year the bank may suspend obligations related to the transfer of rights to the collateral in question in accordance with the prevailing laws and regulations.

**6. Credit conversion into temporary equity participation in debtor companies**

Reduction of arrears in interest and other businesses cannot be carried out, this step was taken after going through in-depth analysis and considering that there would be a change in the status of the bank towards the debtor. Credit conversion into temporary equity participation in debtor companies is only carried out if certain conditions are met, namely:

- a. Maximum investment period is 5 years or less than 5 years if the company has made a profit for 2 consecutive years,
- b. After 5 years it must be written off, and in this case the bank does not need a Bank Indonesia permit but must comply with the articles of association and policies of each bank. In addition, it must also pay attention to the Maximum Lending Limit (BMPK).

Credit conversion must be carried out by the remaining work units with credit granting work units and led by officials who have the authority to negotiate with debtors in the context of credit conversion.

**B. Repressive Legal Protection**

Repressive legal protection is an effort made for the debtor of the Bank providing the Mortgage when facing the Execution Parate carried out by the Bank as the recipient of the Mortgage (Poesoko, 2013). The point is that the debtor, in this case, is trying as much as possible to make efforts to suppress and supervise juridical, in dealing with the Execution Parate for his credit guarantee in the form of a Mortgage Certificate by the Bank, namely whether the Execution Parate carried out by the Bank has gone through a justified procedure (Satrio, 1992). by law/statutory regulations, or is a form of vigilante action or unilateral action (eigenrichting), and in this case, the debtor of the Mortgage-Providing Bank, when facing the Execution Parate conducted by the Bank, may also file objections with the take steps in accordance with applicable legal provisions.

The execution of the object of mortgage is regulated in Article 20 paragraph 1 of Law no. 4 of 1996 concerning Mortgage Rights (UUHT), which stipulates that if the debtor is in breach of contract, the object of the mortgage can be executed in two ways, namely Execution of Self-Power (Execution Parate) and Executional Power of Mortgage Certificate. Meanwhile, according to the provisions of Article 6 UUHT that the creditor holding the first mortgage has the right to sell the object of the mortgage on his own power through a public auction, from the results of the auction the creditor takes for the settlement of his receivables, or what is commonly referred to as "Execution Parate" (Santosa and Ali, 1982).





Settlement through these repressive measures is a step of juridical emphasis and control and is carried out in real terms when the Bank performs Mortgage Execution Parate on the debtor's credit guarantee in the form of the Mortgage Certificate, which must go through a procedure justified by law/statutory regulations. Referring to the provisions of Article 224 HIR./258 Rbg., it has been emphasized that in order to be said to have the same executive power as a court decision that has permanent legal force, an executorial title is needed so that a Mortgage Certificate is proof of the existence of a Mortgage. affixed with the words "For the sake of Justice Based on God Almighty", besides that the certificate of Mortgage is declared as Grosse Mortgage Deed insofar as it concerns land rights and execution using a mortgage institution as regulated in the provisions of Article 224 HIR./258 Rbg., As for the General Elucidation number 9 UUHT, Elucidation of Article 14 paragraph (2) and paragraph (3), and Article 26 UUHT is still subject to the provisions stipulated in Article 224 HIR./258 Rbg., where for the execution of Parate Execution must go through stipulation from the Chief Justice, thus Execution of Mortgage as the basis for its implementation (Subekti, 1976; Sofwan, 2001).

The General Elucidation of number 9 UUHT reads:

"One of the characteristics of a strong Mortgage is that it is easy and certain in its execution if the debtor breaks his promise. Although in general the provisions regarding executions have been regulated in the applicable Civil Procedure Code, it is deemed necessary to include specifically the provisions regarding the execution of Mortgage Rights in this Law, namely those governing parate executive institutions as referred to in Article 224 of the Updated Indonesian Regulations (*Het Herziene Indonesich Reglement*) and Article 258 of the Regulation of Legal Procedure for Regions Outside Java and Madura (*Reglement tot Regeling van het Rechtswezen in de Gewesten Buiten Java en Madura*),

In connection with that, the Mortgage Certificate, which functions as proof of the existence of Mortgage Rights, is affixed with the words "FOR JUSTICE BASED ON THE ALMIGHTY GOD", to provide the same executive power as court decisions that already have permanent legal force.

In addition, the Mortgage Certificate is declared as a substitute for the *grosse acte Hypotheek*, which for the execution of the Hypotheek on land is stipulated as a condition in carrying out the provisions of the two articles of the Regulation above (Assegaf et al., 2010).

In order to have a unified understanding and certainty regarding the use of these provisions, it is further emphasized in this law, that as long as there are no laws and regulations governing it, the regulations regarding the execution of the *Hypotheek* as regulated in the two Regulations shall apply to the execution of the Mortgage. "

The Elucidation of Article 14 Paragraph (2) and Paragraph (3) of the UUHT reads:

"*Irah-Irah* which is listed on the Mortgage certificate and in the provisions of this paragraph is intended to emphasize the existence of executive power on the Mortgage certificate, so that if the debtor is in breach of contract, it is ready to be executed as is the case with a court decision that has permanent legal force, through procedures and by using the Parate Executive institution in accordance with the Regulations

In UUHT there are two provisions for carrying out executions, namely as follows:

### **1. Execution through public auction**

This right is granted by Article 6 UUHT jo. Article 11 paragraph (2) e UUHT or based on the executorial title contained in the Mortgage Certificate (Article 14 paragraph (2) UUHT). Public sale (auction) is carried out if the debtor is in default and cooperation with the owner of the guarantee is no longer possible. In Article 20 paragraph (1) of UUHT, it is determined that if the debtor defaults, the creditor as the holder of the Mortgage has the right to sell the object of the Mortgage through a public auction according to the procedure specified in the laws and regulations for the settlement of the receivables of the Mortgage Right holder with the right to precede other creditors (Usman, 1999).

In theory, with a special power of attorney to sell collateral as stated in the Mortgage Certificate, creditors can immediately execute the collateral by asking the auction office for assistance without asking for an execution auction order from the Head of the District Court. However, in practice, this cannot be done. This is due to the provisions in Article 1211 of the Civil Code, namely for the auction to be carried out it is necessary to have a District Court stipulation letter containing an executive order which is supported



by the jurisprudence of the Supreme Court No. 3210 K.Pdt. 1984, which prohibits the auction office from conducting the execution, without a court order. Therefore, to conduct a public auction, a court order must first be obtained (Widjanarto. 1993).

Furthermore, the steps that need to be taken to conduct a guarantee auction in principle can be described as follows:

- a) Apply for determination (aanmaning). This stipulation is a warning to the debtor and/or the owner of the guarantee to carry out their obligations as stated in the Credit Agreement. The application for determination must be accompanied by relevant evidence such as a Credit Agreement, evidence stating that the debtor has defaulted, a certificate of Mortgage or Mortgage, the amount owed by the debtor.
- b) The District Court will issue a determination and summon the debtor and/or guarantor, if within the stipulated time the debtor and/or guarantor does not fulfill their obligations to the creditor, the Bank may apply for execution order.
- c) The application for the determination of execution is submitted to the Head of the District Court chosen from the area where the land is located or the District Court according to the legal domicile chosen in the credit agreement. Applications for determination of execution must be accompanied by supporting documents, such as Credit Agreements, Certificates of Mortgage / Mortgage, evidence of the amount owed, and so on.
- d) The District Court after examining the adequacy of the document and is of the opinion that the document has determined the confiscation of execution on the object of guarantee. The determination of the confiscation of execution will be followed by the making of a confiscation report (placement of the confiscation by the bailiff). (if any) to be reprimanded and carry out their obligations within a certain period of time (usually 8 days).
- e) If within the stipulated time the debtor and/or guarantor do not fulfill their obligations to the creditor, the Bank may apply for an execution determination.
- f) After that, it is followed by the determination of the auction, the announcement of the auction, and the implementation of the auction. The announcement of the auction must be announced twice fifteen days later in the newspaper published in the city where the land is located or the city adjacent to the land object to be auctioned. The debtor's obligation to pay off the debt lasts until the announcement for the auction is issued so that sales (execution) can be avoided.

## **2. Execution through underhand sales**

Based on the agreement of the grantor and the holder of the Mortgage (Article 20 paragraph 2), the sale of the object of the Mortgage can be carried out privately if in this way the highest price can be obtained that benefits all parties. The terms of the underhand sale are as follows:

- a) This is agreed upon by the giver and the holder of the Mortgage,
- b) The implementation of the sale can be carried out after 1 (one) month has passed since it has been notified in writing by the giver and/or holder of the Mortgage to interested parties,
- c) Announced in at least 2 (two) newspapers circulating in the area concerned and/or local mass media,
- d) There are no parties who express objections, the requirements referred to in this paragraph are to protect interested parties, for example, the holders of Mortgage Rights and providers of Mortgage.

## **3. Execution via PUPN/BUPLN**

If the creditor is a State-Owned Enterprise, then the one authorized to examine the breach of promise from the debtor is the State Receivable Affairs Committee/State Receivable and Auction Affairs Agency (PUPN/BUPLN) based on Law no. 49 Prp 1960.

The task of this institution is to manage state receivables or state debt whose amount is fixed according to law, but the debtor/debt guarantor does not pay off properly, as well as to supervise credit receivables that have been issued by the state/agencies. Country. Whereas what is meant by state receivables is the amount of money that must be paid to the state or agencies which are either directly or indirectly controlled by the state based on a regulation, agreement, or any cause.

PUPN/BUPLN has the right of execution parate which is authorized to carry out the executorial sale (executorial verkoop) as well as the authority of the District Court based on Article 197 HIR. The auction sale still refers to the provisions of the 1908 Staatsblad Auction Regulation No. 189 (Vendu Regulation).

Meanwhile, according to Yahya Harahap stated that the application process for creditors to be able to carry out grosse deed execution, in practice it must be carried out in the following ways:



- 1) The Bank shall submit a request for execution to the competent district court.
- 2) If it turns out that the debtor is not willing to carry out his obligations in the agreement voluntarily within a reasonable time, the right of the creditor automatically arises to request the implementation of the decision through execution to the Head of the District Court.
- 3) Within a few days or weeks after the application is submitted, a court hearing is held which is attended by the creditor as the applicant and the debtor as the respondent.
- 4) During the trial, the judge delivered a warning (aanmaning) to the debtor which contained:
  - a) Order the bailiff to deliver a security summons to attend the incidental hearing determined for that purpose,
  - b) Warn the debtor to implement the decision or the contents of the agreement within the specified period,
  - c) The maximum warning period is 8 (eight) days, if it is not fulfilled within that grace period voluntarily, then the District Court has the authority to carry out executions.
  - d) If the debtor is not present to fulfill the call for security for good reasons, then a recall will be carried out.
  - e) If the debtor does not attend without a valid reason, then:
    - (1) there is no need for a warning trial process;
    - (2) therefore, there is no need to be given a grace period of warning;
    - (3) on an ex officio basis, the Head of the District Court can immediately issue an execution order,
  - f) If the warning period is exceeded, the Head of the District Court issues a decision containing an execution order to the clerk (treasury).
5. If within 8 (eight) days the debtor still does not carry out his obligations, the creditor continues his business by continuing the request for confiscation of execution.
6. After receiving the decision to confiscate the execution, the bailiff of the District Court shall hold the execution confiscation of the said collateral.
7. Creditors receive the minutes of execution from the bailiff of the District Court.
8. Then the creditor submits an application to auction the collateral items and accepts the determination of the auction.
9. Based on the auction decision, the District Court shall contact the State Auction Office to conduct the auction. After the date has been determined, an "auction announcement" will be held in the newspapers at least 2 (two) times, with an interval of 2 (two) weeks which is usually handled by the clerk of the District Court concerned.
10. In carrying out the auction, the court is usually determined based on information from the village office (for example regarding land prices) and the tax office. The court can determine the minimum auction price in the implementation of the auction price.

If Preventive and Repressive legal protection has been carried out properly and correctly, and if the debtor of the Mortgage-Providing Bank objected to the steps taken by the Bank in carrying out Parate Execution or forced execution through the District Court, then according to the author, the debtor of the Bank may file objections by taking the following legal steps:

1. The debtor pays the debt and interest before or after the announcement of the auction of the object of the mortgage.

Before the auction is held, it must be announced twice in a row through newspapers within a grace period of 15 days (Article 200 paragraph (7) HIR). Prior to the announcement of the auction, the debtor is still allowed to pay off debt, fees, and interest (Article 20 paragraph 5 UUHT and its explanation). In practice, though the auction has been announced, it can be cancelled when the debtor has paid the debt along with interest.
2. Third party resistance (Derden verzet) and resistance by the debtor himself (Partij Verzet)

Whereas the HIR only regulates the resistance filed against confiscations that have been carried out by the District Court (in the form of conservatoire beslag, revindicatoire beslag, maritaal beslag, executie beslag). The implementation of the settlement of creditors' receivables carried out by the District Court is based on the executorial power of the Mortgage Certificate which is the implementation of Article 224 HIR, and in its implementation of course the court takes legal actions in the form of conservatoire beslag and executie beslag. Thus, resistance to the execution of the mortgage object is only possible against executions carried out based on the executorial power of the Mortgage Certificate (Article 20 paragraph (1)b UUHT) and cannot be carried out against the execution of mortgages based on the execution parate. This is because the execution parate in its implementation does not involve the District Court, then the execution of the mortgage object based on the execution parate (Article 20 paragraph (1)a UUHT) is not possible to be challenged, but filed through an ordinary lawsuit. Opposition to the





execution of the mortgage object based on the executorial power of the Mortgage Certificate can be carried out by a third party (derden verzet) or by the debtor himself (partij verzet). The two objections were submitted to the competent District Court, namely the District Court that confiscated the execution (Article 195 paragraph (6) HIR / Article 206 paragraph (6) RBg). Resistance by third parties (derden verzet) must be on the basis of property rights.

3. The debtor fights because the execution exceeds the principal debt stated in the deed because fines are calculated in it.

In practice there can also be resistance caused by a court decision or decision that causes losses that are not based on property rights, but based on Article 378 Rv, this can occur for example resistance that the execution of the mortgage object is invalid because the amount of debt requested for execution exceeds the principal. the debt stated in the deed because it includes a fine.

4. The debtor fights because the object of the Mortgage is sold through a public auction, at a price that is too cheap/below the fair market price (even though it has received permission/fiat from the Court).

On the one hand, the sale of the object of Mortgage can be an alternative in the settlement of bad loans which will greatly assist the bank in improving its financial performance and health and will indirectly contribute to state finances, but on the other hand, if the Bank sells the object of the Mortgage itself through a public auction with a price that is too cheap (even though it has received permission from the local District Court Chair), in practice it often happens that debtors can sue the mortgage holder or the bank, based on the claim that the mortgage holder commits an unlawful act.

5. The debtor makes his own fight (partij verzet), based on the reason that there is a formal or material defect attached to the Mortgage Certificate.

The opposition submitted by the debtor himself (partij verzet) is carried out based on the reasons for the existence of a formal or material defect attached to the Mortgage Certificate and does not involve the subject matter of the legal relationship between the debtor and the creditor. If the challenge that has been submitted is granted and the execution is rejected, and the settlement of debts is carried out by filing a lawsuit to the District Court, but if no formal or material defects are found, the resistance is rejected and the execution is continued until an auction is conducted to settle the debts.

6. The debtor makes his own fight (partij verzet), based on a rebuttal to the main agreement, on the grounds that there is a violation of important principles when the agreement is made.

That this resistance was carried out by the debtor on the basis of a rebuttal to the Principal Agreement, on the grounds that there was a violation of important principles in the agreement when the agreement was made, so that there was no legal balance in the agreement, as explained by the author in the previous Chapter II, as for the principles- The important principles in the agreement are:

- a) The principle of consensualism,
- b) The principle of freedom of contract,
- c) The principle of binding strength (pacta sunt servanda),
- d) Good Faith Principle (goede trouw),
- e) Proper Principle,
- f) Principle of Enforcement of an Agreement.

That the principles are alternative, where if there is one party who objected to the violation, (based on the provisions of Article 1265 jo 1320, jo 1337, jo 1339 of the Civil Code), then the party who objected to the objection could file a cancellation of the agreement to the local District Court.

As the Decision of the Supreme Court of the Republic of Indonesia, dated May 7, 1997, in Case Number 3909 K / Pdt /1994, the Legal Rules affirmed that "The absence of an agreement between the Plaintiff and the Defendant, both on the amount of debt and the collateral, including credit agreements, is legally flawed, according to article 1320 BW, the agreement is not valid.

And the Decision of the Supreme Court of the Republic of Indonesia dated September 11, 2002, in Case Number 3642 K/Pdt./2001 in its Legal Rules affirms that it is as follows:

- a) In the principle of freedom of contract, the judge has the authority to represent and declare that the position of the parties is in an unbalanced position so that the disputed parties are considered not free to express their freedom,
- b) In an open agreement, the legal values that live in a society in accordance with Property, Justice, and Humanity can be used as an effort to change the provisions agreed in the agreement.





The resistance submitted by the debtor himself (partij verzet) is carried out based on the reason for the objection to the credit agreement which, in this case, is the main agreement of the grosse deed of debt recognition, which by its nature the debt acknowledgment deed is an additional agreement from the credit agreement, the validity of which depends on the agreement. If the main agreement is canceled, the additional agreement will also be canceled, so that the execution cannot be carried out.

The explanations above are the steps that must be taken by the Bank in carrying out Parate Execution according to UUHT, as a consequence of the Execution of Mortgage Rights as the basis for its implementation. The preventive and repressive measures can legally be used as guidelines and protection for the interests of the debtor of the mortgage-giving bank in dealing with the execution parate.

### CONCLUSION

Legal protection can be interpreted as protection by law or protection by using legal institutions and means. Legal protection is the protection of dignity and worth, as well as the recognition of human rights owned by legal subjects based on legal provisions from arbitrariness. Based on the explanation above, it can be concluded that the preventive legal protections include: Rescheduling, Reconditioning, Restructuring, Combination, Takeover of debtor assets, and Credit conversion. On the other hand, the repressive legal protections include: Execution through public auction, Execution through underhand sales, and Execution via PUPN/BUPLN.

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