



Realization of Subsidized Housing Financing on Sharia Services

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ABSTRACT

The research location is at Bank Sulselbar Parepare Branch, which has a Sharia service unit, including subsidized housing finance services, especially in financing. This research focuses on the contracts used in its implementation. In addition, it will also focus on financing mechanisms for subsidized housing ownership in Sharia services. Islamic banks also issue similar products to conventional banks that make pawning a banking product. The presence of Sharia products is undoubtedly a relief for some people who care about religious law, which prohibits the use of usury in every transaction. This study will discuss the contracts and financing mechanisms for subsidized Sharia official housing. The study results in show that the arrangement used in the subsidized housing financing mechanism at Bank Sulselbar Syariah Services Parepare Branch is murabahah financing, namely buying and selling based on Islamic bank financial institutions applied to consumptive funding and actual financing.

Keywords: *subsidized housing, sharia service, financing mechanism.*

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INTRODUCTION

The increasing number of residents in a city makes it difficult to get decent housing (Klok dkk., 2020). The rising number of residents in big cities narrows the land for housing, so it triggers an increase in house prices (Uderhardt dkk., 2019). whereas in the 1945 Constitution, article 28H (1), it is stated that everyone has the right to have a place to live and a good and healthy environment. To realize this, the government has a funding relief program through the public housing ministry. (Sunarta & Dzulkifli, 2023) This is the form and purpose of maqasid sharia, which aims to

prosper humans, especially to have a decent house (Amin, 2022). The form of government intervention to realize this is by providing subsidies in the form of housing funding, especially for people who have low incomes.

This program is in demand by the community because there are many conveniences in the financing (Hudik, 2020). The community feels helped by the convenience of this home financing service (Livingston dkk., 2019). In addition to the convenience for the community and the government, other parties that participate are banks (Guo & Huan, 2020). Following the main principles of a bank is the collection and distribution of funds (Chawla & Joshi, 2019). Funds collected from various sources should be allocated to productive businesses to benefit the bank. Financing or financing is funding from one party to another party to support planned investments, either carried out alone or by an institution.

One of the efforts to gain profit for the bank is to provide credit, in this case, housing loans (KPR) (Hofman dkk., 2020). It is hoped that with this homeownership loan, the wishes of both parties will be achieved (Jenkins dkk., 2020). Communities can have a house with an installment system that can be adjusted according to their financial capabilities (Rendon & Schäkel, 2019). The bank can also benefit from the interest on the home loan.

The development of customer interest in taking mortgage housing is increasing yearly (Matoba dkk., 2019). It has increased based on existing data at Bank Sulsebar, especially in the Sharia mortgage section. (Christina dkk., 2020) The number of customers so far this year has reached more than 100 who have chosen Sharia mortgage financing (Garriga & Hedlund, 2020). The increase in the number that occurs every year is based on the increase in the construction of subsidized housing.

This homeownership loan was originally a conventional bank product. Along with the development of the Sharia economy that entered Indonesia in the early 1990s, many financial institutions (Kao dkk., 2019), both banks and non-banks, emerged with Sharia breath, one of which is an Islamic bank.

Like conventional banks, which make mortgages a banking product, Islamic banks also issue similar products (Crini dkk., 2019). The presence of Sharia mortgages is, of course, a relief for some people who care about religious law, which prohibits the use of usury in every transaction. This study will discuss the contract and financing mechanism for subsidized Sharia service housing.

RESEARCH METHODOLOGY

The type of research that the author uses is field research and based on the nature of the problem (Bratman dkk., 2019); this type of research is descriptive qualitative, that is, the data collected is in the form of words, pictures, behavior, not outlined in the form of numbers or statistical figures but in a qualitative form which has a richer meaning than just a number or frequency (Sundler dkk., 2019). All the data collected is likely to be the key to what has been researched (Hamilton & Finley, 2019). The research location is at Bank Sulsebar Parepare Branch, which has a Sharia service unit

including subsidized housing financing services

Especially in the financing, the research focuses on the contract used in its implementation. In addition (Hetz dkk., 2020), it will also focus on financing mechanisms for subsidized housing ownership on sharia services (Khalaf & Abdulsahib, 2021). The author made direct observations regarding the objects that became research material and saw them directly (Khatib dkk., 2021)—the process of financing the financing mechanism for subsidized housing by conducting direct interviews with related parties.

RESULT AND DISCUSSION

Realization of financing has several main objectives of providing financing loans, including Looking for profit (Yoon dkk., 2021) and looking for profit (profitability). A utility (value) (Pompili dkk., 2021). Furthermore, it can move goods from production to a place that requires these goods (Yang dkk., 2019). Increase the circulation of money. In this case, the channeled money will circulate from one region to another so that in an area that is short of money by obtaining financing (Pons dkk., 2019), the area will receive additional money from other regions (Li dkk., 2019). Generate business excitement The existence of Islamic banking and Islamic financing institutions will not cause anxiety for entrepreneurs (Rodriguez-Mateos dkk., 2019) because, with their presence, they can help entrepreneurs who lack funds in their businesses so that concerns about a lack of capital can be solved by Islamic banking or other Islamic financings.

Economic stability To suppress the occurrence of inflation and even more so for economic development efforts (Haubrock dkk., 2021), Islamic bank financing or financing plays a significant role. As a bridge to increase national income. Entrepreneurs obtain financing, of course, trying to improve their business. Increased business means increased profit. With the increase in the income of entrepreneurs, the higher the corporate tax that must be paid and distributed to the state, and the use of foreign exchange for consumption decreases, so that directly or indirectly, through financing, national income will also increase.

Homeownership credit (KPR) is a credit facility banks provide to individual customers who will buy or repair a house (Chen dkk., 2020). Sharia KPR is Sharia home ownership financing; the contract used in Sharia KPR is buying and selling confirmed for (Murabaha) (the Precise4Q consortium dkk., 2020), buying and selling with terms and construction (Krishna), lease ends continue to own (ijarah Rompiiya bit talk), joint venture decreases with rent (musyarakah muantanaqishah) . There are two types of mortgages, namely subsidized mortgages and non-subsidized mortgages. Subsidized KPRs are homeownership loans whose funding is assisted by the government or subsidized by the government, while non-subsidized KPRs are homeownership loans whose funding is not assisted or subsidized by the government.

This research focuses on the provisions of the mechanism in housing mortgage products at the Parepare Branch of Bank Sulselbar (Xiao & Jiang, 2019). As for its

application, the researcher refers to the elements contained in the DSN-MUI Fatwa regarding mortgage financing at the Parepare Branch Sulselbar Bank. One of the products is financing using the Murabahah system, namely the Graha Berkah iB Financing product. This financing is a mortgage financing facility with a Sharia pattern provided to individuals to buy a house or renovate/build a house, tailored to each applicant's financing needs and abilities.

Graha Berkah iB Financing is a financing facility with a Sharia pattern that is provided to individuals to buy a house or renovate/build a residence, tailored to each applicant's financing needs and capabilities. In murabahah financing (Belkhaoui dkk., 2020), buying and selling are based on Islamic bank financial institutions and applied in consumer and genuine financing. The intended consumptive financing is the financing of Home Owner Loans (KPR), which is actualized in the form of Graha iB Financing at Bank Sulselbar. In financing Graha iB, it uses Sharia principles. This is required because it is one of the Sharia business units owned by Bank Sulselbar. Every detail of this financing must refer to the Sharia foundation explained in the DSN-MUI fatwa. Namely, the bank and the customer must enter a Murabaha contract free from usury. Islamic Shari'ah does not prohibit the goods being traded.

Banks as providing goods needed by customers (Hofman dkk., 2020), namely in the form of houses. Banks buy from suppliers, then sell them to customers at a higher price than the purchase price made by Islamic banks. Financing with murabahah transactions can be done by paying all at once at maturity or making installments over an agreed period. The stages in KPR financing carried out by the Parepare Branch of Bank Sulselbar Syariah are as follows: Determine the Customer, Analysis Phase, Akad both parties.

Through the mortgage financing above, indicate the period and the number of installments to be paid. The installment period that the customer can choose is five years, ten years, 15 years, and 20 years. The table the author presents is a form of cooperation between the bank and government-subsidized housing. In this case, Bank Sulselbar Parepare acts as an intermediary that provides bailouts to customers to buy changes based on the customer's wishes. However, in terms of determining the period, the selection of the bank is based on the customer's ability. This determination is based on the results of an analysis conducted by the bank. The calculation is taken from the amount of fixed income minus the monthly installments that the customer must pay. The bank can provide five years if the customer has a high income. However, if the customer's salary, in this case, the standard of ability, is relatively minimal, the bank provides a policy of paying installments for 20 years.

Based on the principles of Islamic economics (VanderWeele, 2019), namely in Q.S At-Rahman paragraph 9, the SulselBar Parepare bank has carried out one of its principles, namely the principle of justice (Norström dkk., 2020). Justice, in this case, is creating equity and prosperity that does not only circulate to the rich but also those in need through the mortgage financing products they have (Behan dkk., 2019). So it can

be said, through KPR financing products, Bank Sulsebar has been able to carry out its functions as an institution that can help the community.

CONCLUSION

The mechanism for KPR financing at the Parepare branch of Bank Sulsebar, namely: Determining the customer, namely the community or debtor, who is the target of the financing they have. There are two stages of analysis, namely file analysis and sale object analysis. The contract of the two parties where the mechanism for determining the selling price lies in the procession of the contract, which must also follow the syar'i by not violating the value of justice. The contract used in the financing mechanism for subsidized housing at Bank Sulsebar Syariah Services Parepare Branch is murabahah financing, namely buying and selling based on Islamic bank financial institutions and applied in consumptive financing and actual financing.

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