
Analysis of the Effectiveness of Credit Granting Procedures in the Homestay Business Sector Fostered by KSP Kopdit Obor Mas

Karolina Aprila Dua Meak¹, Henrikus Herdi², Siktania Maria Diliansa³, Yuliana Anggreani Dua Delang Kolit⁴

^{1,2,3,4} Faculty of Economics and Business, Nusa Nipa University, Maumere, Indonesia

Article Information

Article History

Received, 5 February, 2025

Revised, 25 February, 2025

Accepted, 1 March, 2025

Published, 1 March, 2025

Corresponding Author:

Henrikus Herdi, Faculty of Economics and Business, Nusa Nipa University, Maumere, Indonesia
Email: henrikusherdi@gmail.com

ABSTRACT

This study aims to determine the effectiveness of credit granting procedures in the homestay business field assisted by KSP Kopdit Obor Mas. It uses a qualitative descriptive approach with case studies. The data in this study were obtained through primary data sources. The data collection methods are interviews and observations. The data needed in this study is the credit report of KSP Kopdit Obor Mas Ngada Main Branch. The results show that the 5 C Method implemented by KSP Kopdit Obor Mas effectively assesses the feasibility of providing credit to members, ensuring that loans are only given to members who meet the set criteria. Compliance with credit application procedures at KSP Kopdit Obor Mas Ngada Main Branch helps minimize the risk of non-performing loans and increases transparency in the credit granting process. The level of compliance of borrower members in credit repayment shows that the provision of credit to the Homestay Vernando business is effective, with stable returns and good business management.

Keywords: effectiveness, credit granting procedures, credit cooperatives

1. INTRODUCTION

Cooperatives as an economic unit in the development and development of Indonesia's national economic movement, where the government's task is to create cooperatives that are professionally managed based on the principles of openness, transparency, and accountability that can be recognized, trusted, and accepted by the community. One of the indicators of the application of these principles is the implementation of cooperative accounting that is orderly and by standards. One aspect of good cooperative governance is transparency and accountability. Where cooperatives are asked to prioritize the principle of transparency in financial management, operations, and

decision-making. Relevant and accurate information must be available to all members.

Savings and loan cooperatives (KSP) are a type of cooperative that functions to distribute loans to their members. Loans provided by cooperatives are usually intended for members who need money in the short term with easy terms and low interest. In addition to distributing loans, KSP also has other functions, such as: 1) collecting funds from members in the form of deposits and savings, 2) providing additional business capital for members, and serving the purchase and sale of goods, both cash and credit.

Cooperatives often offer more flexibility in terms of loan amounts, application terms, and payment terms compared to banks. The purpose of cooperatives in general is to advance the welfare of members and the community, as well as to participate in building the national economic order. In addition, cooperatives are also required to be responsible to members in financial management and reporting, as well as overall performance results. In general, effective is the root word of the word effectiveness, which means success in achieving a predetermined goal. The relationship between expectations and achievement is always related to effectiveness. In addition to this definition, effectiveness also contains the meaning of effectiveness (effectiveness) which means the influence or effect of a success.

In this case, it can be concluded that Effectiveness is a measure of whether or not an organization achieves its goals. If an organization achieves its goals, then it has run effectively. Thus, it can be concluded that Effectiveness Analysis is a process to measure the extent to which a target or goal has been achieved. This analysis is often used in evaluation or activity planning.

Investment credit in the trade, hotel, and restaurant segments began to show positive activity after 1.5 years of contraction. This increase marks the revival of investment credit in the tourism sector, which in recent years has been affected by the Covid-19 pandemic. BI noted that credit in the sector has contracted since June 2020. Since then, investment credit disbursements for trade, hotels, and restaurants have continued to decline with the largest decline occurring in March 2021, which was minus 6.6 percent. Senior Faculty of the Indonesian Banking Development Institute (LPPI) Amin Nurdin assessed that growth in the trade, hotel, and restaurant sectors is inseparable from the government's efforts to encourage the recovery of the tourism sector in Indonesia. Nevertheless, according to Amin, banks will still be very careful and selective in distributing credit to the sector.

Table 1 Homestay Business Member Loan Data and the amount of Member Loan Repayment Rate in 2024 January - November

No	Member Name	Credit Ceiling (IDR)	Credit Term	Loan Balance until Dec 2023 (IDR)	Large Returns in 2024 (Jan-November) (IDR)	Latest balance as of November 2024 (IDR)
1	Maria V. Manda	75.000.000	48 bulan	68.625.000	14.550.000	54.075.000
2	Maria Yasinta Woe	100.000.000	50 bulan	61.771.700	8.349.600	53.422.100

Source: KSP. Kopdit Obor Mas Cab. Ngada, 2024.

Based on loan data for homestay business members, Maria V. Manda has a credit

ceiling of IDR 75,000,000., with a term of 48 months. As of December 2023, the remaining loan balance is IDR 68,625,000, and from January to November 2024, Maria V. Manda managed to return IDR 14,550,000. Thus, the last balance in November 2024 was recorded at IDR 54, during 2024 reached 21.20%, indicating a fairly good return effort, although the remaining balance is still significant.

Meanwhile, Maria Yasinta Woe has a credit ceiling of IDR 100,000,000 with a term of 50 months. Until December 2023, the remaining loan balance is IDR 61,771,700, and from January to November 2024, Maria Yasinta returned IDR 8,349,600. The last balance in November 2024 was recorded at IDR 53,422,100, which is equivalent to 53.42% of the credit ceiling. The rate of return during 2024 reached 13.52%, indicating that the return is lower than that of Maria V. Manda. The loans circulating to these members also experienced problems, namely bad loans. This bad credit occurred to a member on behalf of Maria Yasinta Woe. Here is the bad credit data:

Table 2 Bad credit data of members

Member Name: Maria Yasinta Woe	Arrears Month	Arrears Value
Year 2021	1 month	Rp. 2.000.000.,
Year 2022	4 months	Rp. 8.000.000.,
Year 2023	5 months	Rp.10.000.000.,
Year 2024	2 months	Rp. 4.000.000.,

Source: KSP. Kopdit Obor Mas Cab. Ngada, 2024.

Based on data, Maria Yasinta Woe experienced a significant increase in bad loans from 2021 to 2024. In 2021, arrears were recorded at Rp.2,000,000 for 1 month and increased to Rp.8,000,000 with 4 months of arrears in 2022. In 2023, the amount of arrears will reach IDR 10,000,000 for 5 months, while in 2024 there will be arrears of IDR 4,000,000 for 2 months. This trend shows consistent payment issues, although there is a slight improvement in 2024. This requires serious attention, including a re-evaluation of members' solvency capabilities, credit restructuring, and an intensive approach to resolving arrears.

The obstacle faced in analyzing the effectiveness of credit provision at KSP Kopdit Obor Mas is the still unstable level of tourist visits to Ngada Regency (Bajawa City) since the existence of COVID-19. This causes unstable installments or monthly returns so that there are often direct collections to the field due to payment arrears. In addition to the COVID-19 problem, other problems are weak business management and weak financial literacy among members so that income from the business is misused for other purposes.

This study has been researched a lot, one of which is a study conducted by T. Kurnia Irohim (2024) entitled Analysis of the Effectiveness of Credit Provision in PD. Bank Perkreditan Rakyat Rokan Hilir Rimba Melintang Branch and the results of the study showed that PD. BPR Rokan Hilir Rimba Melintang Branch is still not effective in providing credit. This statement is marked by the high number of bad loans at the bank. According to Bank Indonesia regulations, a bank is categorized as healthy if its non-performing loan rate is below 5%. However, the high bad credit rate in PD. BPR Rokan Hilir Rimba Melintang Branch shows that the bank has not met these standards. High bad loans are an indication of the credit-granting process in PD. BPR Rokan Hilir Rimba Melintang Branch is not running effectively. Bad credit on PD. BPR Rokan Hilir Rimba Melintang Branch is caused by internal and external factors. Internal factors are as follows: weak accounting and supervisory information systems when granting credit, survey analysis results that are not accurate and effective, and the intervention of bank employees in credit decisions. Meanwhile, external factors are as follows: the decline in debtor income from palm oil crops and the increase in the needs of debtors such as

children's school fees and daily consumption costs, the absence of good faith from the debtor in credit payments, at the time of applying for credit, prospective debtors are not by the Bank's SOPs.

In another study by Kisrawati Asjudalastri (2018) with the title Effectiveness of Internal Control in Granting Credit: A Case Study on PT. Bank BRI (PERSERO) TBK. Daeng Sirua Makassar Unit Based on the results of the study and discussion conducted by the author at PT. Bank BRI Unit Daeng Sirua Makassar, the author concluded that the implementation of internal control over credit provision carried out by PT Bank BRI Unit Daeng Sirua in supporting credit granting procedures is quite effective. This can be seen from the existence of a good enough control environment so that personnel can implement the internal control that has been determined by the company, the existence of control activities in each implementation of credit granting, as well as the existence of supervision for further enforcement of control activities carried out and the purpose of the implementation of internal control of credit granting.

The author took this study to discuss the Analysis of the Effectiveness of Credit Granting Procedures in the field of assisted Homestay business at KSP Kopdit Obor Mas in the Ngada Main Branch, because it sees that Ngada district, especially Bajawa City, is a very strategic area in terms of tourism routes or stopovers because it is located in the middle of or in 2 other tourism cities, namely the city of Ende and Labuan Bajo. Where visitors or tourists who arrive or travel for official trips or tourism in the city of Ende then continue their tourist journey to Labuan Bajo and vice versa, will temporarily rest in the city of Bajawa. Also in the city of Bajawa itself, several beautiful tourist attractions are visited by visitors or tourists, so they need temporary lodging facilities that are clean and affordable. Homestay business in the city of Bajawa is very promising because of the high number of tourists and is the right choice because it is a guest house or temporary halfway house whose price is much cheaper than the price of other lodging such as hotels.

The homestay business has an important role in supporting the local tourism sector. By analyzing the effectiveness of credit granting procedures, this study can provide insights into how KSP can more effectively support the development of homestay businesses, which in turn will have a positive impact on the local economy. This research is relevant in empowering MSMEs through effective access to financing. By understanding the effectiveness of credit granting procedures, KSP can increase its effectiveness in supporting the growth of MSMEs. The effectiveness of credit procedures also has a direct impact on the performance of KSP. By analyzing these procedures, this study can provide recommendations to improve the operational efficiency and effectiveness of KSP, reduce the risk of bad loans, and increase profitability.

The homestay sector is experiencing rapid growth, especially in areas with high tourism potential. Therefore, it is important to ensure that the credit-granting procedures that support the industry are effective and efficient. MSME actors, including homestay owners, often face challenges in accessing financing from formal financial institutions. This research is urgent to identify how KSPs can fill this gap and provide better access to financing.

2. LITERATURE REVIEW

Grand Theory

Agency Theory is a theory that explains the relationship that occurs between the company's management as an agent and the owner of the company as the principal. The

concept of agency theory is a relationship or contract between the principal and the agent (Anthony and Govindarajan, 2010). The principal is the party that gives orders to other parties, namely the agent, to carry out all activities on behalf of the principal. The owner of the company, namely the principal, always wants to know all information about the company's activities, including management activities in terms of the operation of funds invested in the company. The principal-agent theory analyzes the contractual arrangement between two or more individuals, groups, or organizations.

This study uses agency theory to explain the relationship between KSP Kopdit Obor Mas as a principal and business actors who are members of supporting cooperatives as agents. Cooperatives have delegated the authority to manage financing to business actors through the provision of credit in the hope of supporting business development, especially in the homestay sector. However, agency theory identifies potential problems in these relationships, including information asymmetry. Cooperatives may not have complete information about the use of loan funds, it is possible that business actors do not use loan funds as intended. So to overcome this problem, cooperatives implement mechanisms such as making clear contracts, monitoring, evaluation, mentoring, and providing training so that the empowerment program of business actors can run more effectively and sustainably.

Cooperation

The term cooperative comes from the English word "Co-Operation" where the word Co means together and Operation means business. So Cooperatives can be interpreted as joint efforts. Based on Law Number 25 of 1992, it is explained that a cooperative is a business entity consisting of individuals or a cooperative legal entity based on activities based on the principle of cooperatives as well as a people's economic movement based on the principle of kinship.

According to Indriani (2018), a cooperative is a business entity whose goal is to improve the standard of living of the community, especially its members by organizing the use and utilization of economic resources. According to Hurairah (2020), a cooperative is a person who establishes an organization voluntarily uniting itself through business activities that are democratically owned and controlled to improve economic welfare by utilizing and empowering the economic resources of its members together. Based on the above understanding, it can be concluded that a cooperative is an organization or business entity established by people who have a common goal, namely to improve the economic welfare of the community, especially its own members.

Credit

In Latin, credit is called "credere" which means to believe. This means that the lender believes in the recipient of the credit and that the credit he distributes will be returned according to the agreement. Meanwhile, for the recipient of the credit, it means receiving trust, so it must repay the loan according to the terms. According to Law Number 10 of 1998: "Credit is the provision of money or bills that can be equated with it, based on an agreement or lending agreement between the bank and another party that obliges the borrower to pay off its debt after a certain period by providing interest".

According to Kasmir (2019:73), "Credit is the provision of money or bills that can be equated with it, based on an agreement or agreement between the bank and another party that obliges the financed party to return the money or bill after a certain period in exchange or profit sharing". Credit or financing can be money or bills whose value is measured by money. An example is in the form of bills (goods credit), for example, a bank finances credit for the purchase of a house or car. This credit means that the customer does

not get money but a house, because the bank pays directly to the developer and the customer only pays the installment of the house every month. Then there is an agreement between the bank (the creditor) and the creditee customer (the debtor), that they agree to the agreement that has been made. The credit agreement covers the rights and obligations of each party, including the terms and interest that are set together. Similarly, with the issue of sanctions if the debtor breaks his promise to the agreement that has been made together.

According to Kasmir (2018:96), the provision of credit/distribution is the disbursement or withdrawal of money from the account as a credit realization from the provision of credit and can be taken according to the provisions and objectives of the credit, namely at once or gradually. From this understanding, it can be concluded that distribution is the provision of money or bills based on the agreement for a loan agreement between banks and other parties that obliges the borrower to pay off its obligations after a certain period.

Thinking Framework

The analysis of the effectiveness of credit provision at KSP Kopdit Obor Mas Ngada Main Branch Office focuses on the loan service process, especially for assisted homestays. This process starts from the initial stage of loan services which includes distributing funds to members according to business needs. Fostered homestays are one of the forms of productive businesses that receive financing support through credit schemes. The main purpose of providing credit is to help members' business development while ensuring that loan repayments run well and on time. The effectiveness of credit provision is highly dependent on the creditworthiness analysis process and regular monitoring of the use of funds by members.

The indicators used to measure the effectiveness of credit provision in this study include two important aspects, namely the rate of credit repayment and the ratio of non-performing loans. The credit return rate shows the extent to which members can repay the loan according to the predetermined time frame so that it can be a benchmark for members' compliance in fulfilling their obligations. Meanwhile, the non-performing loan ratio is used to assess the amount of loans that cannot be repaid on time by members, potentially disrupting the sustainability of the credit program. Using these two indicators, the effectiveness of credit provision can be measured objectively, thus providing an overview of the quality of credit disbursed and the risks faced by cooperative institutions.

3. RESEARCH METHOD

This study uses a qualitative descriptive approach with case studies, namely by conducting an analytical study, in this case, the application of the Analysis of the Effectiveness of Credit Granting Procedures in the Homestay Business Field. The data in this study were obtained through primary data sources. The data collection method is by interviews and observations. The data needed in this study is the credit report of KSP Kopdit Obor Mas Ngada Main Branch.

Data analysis techniques are efforts made by working with data, organizing data, sorting it into units that can be managed, synthesizing it, searching and finding patterns, and determining what can be reported to others (Moleong, 2016: 248). The data analysis method in this study is qualitative based on secondary data from the financial statements of KSP Kopdit Obor Mas. Processing the data with the obtained financial data is then analyzed with the following stages (Miles et al., 2014):

- a. Looking for data on providing loans from KSP Kopdit Obor Mas in 2024.
- b. Analyze the application of effectiveness analysis.
- c. Analyzing the results of KSP Kopdit Obor Mas loans
- d. Making conclusions from data analysis

4. RESULTS AND ANALYSIS

The homestay business in the city of Bajawa is very promising because of the high number of tourist visits. Bajawa City is located between 2 vital tourist attractions on the island of Flores, namely, Komodo National Park and Kelimutu National Park. The city of Bajawa is a good transit city because of the cold and cool air and the cost of living (lodging, eating, transportation) is cheap. The high level of tourist visits is the basis for many lodgings such as Hotels, Homestays, and Guest Houses in Bajawa City. Lodging such as Homestays is more targeted at middle-to-lower tourists, for example: backpacker guests, goods sales, and tourists who are looking for lodging with a minimal budget.

In this study, the author discusses the problem of the effectiveness of credit provision, general, individual, selective, and fair-interest credit that aims to develop or increase viable micro businesses. The indicators used are the accuracy of credit targets, procedures and compliance with credit applications, and members' compliance in credit repayment.

a. Accuracy of Kedit Goals

The accuracy of the credit target is the ability of KSP Kopdit Obor Mas management to distribute loans to members by the criteria, namely potential private members, Civil Servants (PNS), and Micro, Small, and Medium Enterprises (MSMEs) who have decent business prospects and meet the conditions given. This is in line with the results of the interview conducted with Mr. Leonardus Frediyanto Moat Lering as General Manager of KSP Kopdit Obor Mas. The following is an excerpt of the interview results:

"KSP Kopdit Obor Mas prioritizes the provision of loan services to members who have a productive business to increase members' businesses, have good character, and also can return loan installments on time and in the right amount."

The assessment of the accuracy of the credit provision targets at KSP Kopdit Obor Mas is carried out using the 5 Cs method, namely:

1). Character

The initial interview process is an important stage to get to know the borrower members. The credit officer explained that the character assessment is carried out by looking at the member's track record in fulfilling obligations, both in the form of savings and loans. In addition, digging up additional information from the surrounding community is done to ensure that the prospective borrower members are reputable. About effectiveness, member reputation searches are carried out to prevent bad loans.

2). Capacity to Pay

Before deciding on loan approval, credit officers review the income of prospective borrower members to measure the ability of prospective borrower members to pay credit based on regular income or business income. This analysis includes an evaluation of the potential borrower's cash flow, financial statements, or payslips. The effectiveness of providing credit can be seen in how cooperatives evaluate members' income from homestay businesses. When the homestay business runs smoothly, the member's income increases thus the member can pay.

3). Capital

Capital valuation is carried out by assessing the financial condition of prospective borrower members, such as the amount of assets, investments, or capital owned. This ensures that prospective borrower members have sufficient financial capacity to support the business. The credit officer ensures that the existing business capital is strong enough to support the sustainability of the member's business so that the loans provided are only used for the development of the member's business.

4). Collateral

KSP Kopdit Obor Mas sets collateral as the main condition for certain loans. This is done to ensure that there are collateral (goods or assets) that can be used to reduce the risk of bad loans. This guarantee includes land certificates, vehicles, or other assets that have clear economic value and legality.

5). Condition of Economy

The credit officer explained that the economic condition of prospective borrowers and the business sectors they are engaged in, including market stability, growth potential, and external risks such as policy changes or price fluctuations are part of the observation to be analyzed. In the context of homestays, this aspect includes the level of tourist visits, market competition, and operational costs.

By applying the 5 Cs method, KSP Kopdit Obor Mas can ensure that loans are given to members who have good character, ability to pay, sufficient capital, adequate collateral, and promising businesses in supportive economic conditions. This plays an important role in maintaining the health of the credit portfolio and supporting the economic growth of its members.

This 5 Cs method can support the effectiveness of credit granting procedures by providing a comprehensive and systematic evaluation framework in assessing the eligibility of prospective borrower members. By examining the character, capacity to pay, capital, collateral, and economic condition of the business, KSP Kopdit Obor Mas Ngada Main Branch can identify potential risks from the outset and ensure that loans are only given to members who meet the set criteria. This helps reduce the possibility of bad loans, ensures the sustainability of members' businesses, and supports stable economic growth. The implementation of this method also allows cooperatives to be more selective in distributing credit, increasing the success rate of loan payments, and maintaining the financial stability of cooperatives.

b. Credit Application Procedures and Compliance

Based on the results of the interview, KSP Kopdit Obor Mas Ngada Main Branch consistently carries out the procedures that have been set in the credit application. To make it easier for members to access this business capital, KSP Kopdit Obor Mas has set concrete steps as the basis for implementation so that members get convenience, namely assisting members in terms of taking care of administrative completeness or credit application requirements by the SOP for loan services. This is in line with the results of an interview conducted with Mr. Leonardus Frediyanto Moat Lering as General Manager of KSP Kopdit Obor Mas. The following is an excerpt from the interview:

"The role of cooperatives is very important in serving members. Concrete steps

taken by the management in helping to facilitate loan access are to help members take care of loan administration requirements, carry out all stages by the loan service SOP, and continue to accompany members until the loan is disbursed."

Credit Application Procedures and Compliance have a positive impact on the effectiveness of credit provision at KSP Kopdit Obor Mas Ngada Main Branch. Compliance with procedures, including feasibility analysis and field surveys, helps KSP minimize the provision of credit to potential defaulting borrowers, Cooperative members feel safer and trust a transparent and accountable system, so more are interested in becoming active members, Structured processes ensure the use of cooperative resources becomes more efficient, both in terms of time and operational costs, with a good credit return rate, in addition, KSP has sufficient liquidity to provide loans to other members and carry out cooperative operations on a sustainable basis.

The compliance of KSP Kopdit Obor Mas Ngada Main Branch in carrying out credit application procedures not only ensures compliance with the rules, but also supports the effectiveness of credit granting. This creates a system that is effective to support cooperative members in accessing responsible financing.

c. Member compliance in credit repayment.

The existence of access to financing provided by KSP Kopdit Obor Mas, members feel very helped. By obtaining business capital financing through this productive loan, members' businesses can run well and can increase family economic income. In addition, there is education and regular monthly meetings of the Obor Mas friends group as well as a pick-up service so that it makes it easier for members in terms of timely loan installments. This is in line with the results of an interview conducted by Maria Veronika Manda's mother as a member of the KSP Kopdit Obor Mas. Here is an excerpt from the interview:

"I feel helped. By getting this financing, my business can run well and can increase family income. There is a monthly meeting of the Friends group, where at the time of our group meeting members attend and make deposit and loan transactions. I also feel helped because Kopdit Obor Mas carries out a pick-up service every day for me to save Rp 100,000 per day in the SIBUHAR Savings Account (because every day there must be guests who stay, at least 1 room must be there who stay for 150,000, -per night, so the income from the inn must be there every day), so at the end of the month I was helped by the withdrawal of the Sibuhar Savings to help with additional installments of my loan at Kopdit."

The management of KSP Kopdit Obor Mas also creates and implements education and mentoring programs for members that aim to increase understanding of cooperatives and improve the quality of members' businesses in coordination with the management and management in the implementation of these education and mentoring activities. This is in line with the results of an interview with the KSP Kopdit Obor Mas Management. Here are the results of the interview:

"Management provides basic cooperative education, Financial Literacy education whose facilitators are Administrators or Branch Managers in Sahabat Obor Mas groups. Also, the management, in this case, is that LO staff routinely conducts monthly group meetings, direct visits to members' homes or places of business, reminds members by SMS/chat/telephone, and also assists members' businesses so that the business can run well so that it can increase members' business income which will affect the smooth running of credit installments."

The analysis of the compliance of borrower members in credit repayment is based on the following data:

Table 3 Loan data of homestay business members

No	Member Name	Credit Ceiling (IDR)	Credit Term	Loan Balance as of Dec 2023 (IDR)	Large Return in 2024 (Jan-November) (IDR)	Latest balance as of November 2024 (IDR)
1	Maria V. Manda	75.000.000	48 bulan	68.625.000	14.550.000	54.075.000
2	Maria Yasinta Woe	100.000.000	50 bulan	61.771.700	8.349.600	53.422.100

Source: KSP. Kopdit Obor Mas Cab. Ngada, 2024.

Based on the data obtained, the level of compliance of borrower members in credit repayment can be seen from two borrower members, namely Maria V. Manda (Homestay Vernando) and Maria Yasinta Woe (Christian Homestay).

1). Maria V. Manda (Homestay Vernando)

Maria V. Manda has a return rate of 21.20% of the credit ceiling during 2024. The last balance of IDR 54,075,000 reflects 72.10% of the credit ceiling. This shows that Maria V. Manda is quite committed to the repayment of the loan, although the remaining balance is still significant. This stable rate of return reflects the effectiveness of the management of the homestay business by Maria V. Manda.

2). Maria Yasinta Woe (Homestay Kristian)

Maria Yasinta Woe has a return rate of 13.52% of the credit ceiling during 2024. The last balance of IDR 53,422,100 reflects 53.42% of the credit ceiling. The lower rate of return compared to Maria V. Manda shows that Maria Yasinta Woe faces greater challenges in meeting loan repayment obligations. This means that Maria Yasinta Woe has a bad credit problem.

Table 3 Bad credit data of Maria Yasinta Woe member

Year	Arrears Month	Arrears Value
Year 2021	1 Month	IDR.2.000.000.,
Year 2022	4 Months	IDR.8.000.000.,
Year 2023	5 Months	IDR.10.000.000.,
Year 2024	2 Months	IDR.4.000.000.,

Source: KSP. Kopdit Obor Mas Cab. Ngada, 2024.

Maria Yasinta Woe's bad credit trend increased until 2023 and decreased slightly in 2024. The decrease in arrears in 2024 indicates that there are improvement efforts, but this is still not enough to compensate for the arrears that have accumulated. This problem reflects the ineffectiveness in the management of credit payments.

The effectiveness of credit granting is greatly influenced by the level of compliance of members in credit repayment. In the case of borrower Maria V. Manda, the stable rate of return indicates that the provision of credit to the Homestay Vernando business can be considered effective because it is supported by good business management and a commitment to repay the loan. On the other hand, the problem of bad credit experienced by borrower member Maria Yasinta Woe reflects that the provision of credit to the Christian Homestay business is less effective.

5. CONCLUSION

Based on the results of the analysis and discussion in the previous chapter, the conclusions in this study are: (1) The 5 C method applied by KSP Kopdit Obor Mas is effective in assessing the feasibility of providing credit to members, ensuring that loans are only given to members who meet the set criteria. This contributes to better financing success, reduces the risk of bad loans, and supports members' economic growth. (2) Compliance with credit application procedures at KSP Kopdit Obor Mas Ngada Main Branch helps minimize the risk of non-performing loans and increases transparency in the credit granting process. This strengthens the trust of cooperative members, improves operational efficiency, and supports the sustainability of cooperative businesses. (3) The level of compliance of borrower members in credit repayment shows that the provision of credit to the Homestay Vernando business is effective, with stable returns and good business management. On the other hand, the problem of bad credit at Christian Homestay shows that there is an ineffectiveness in providing credit to the member.

The suggestions related to the conclusion of this study are: (1) KSP Kopdit Obor Mas Ngada Main Branch needs to be more selective in providing credit, by paying attention to the payment history of members and business ability in managing loans. In addition, cooperatives need to provide education and assistance to members who are having difficulties in repaying loans to prevent greater bad credit problems. (2) For homestay owners who are having difficulty in repaying loans, such as Christian Homestays, it is important to improve financial management and better plan for credit repayment. Optimizing business potential and finding solutions to increase revenue can help improve loan repayment capabilities. (3) The researcher can then conduct a more in-depth study of the factors that affect the ability to repay loans, as well as analyze external factors such as market conditions and business competition that may affect the success rate of credit repayment in the homestay business.

REFERENCES

- Beding, Y. B. ., Herdi, H., Jaeng, W. M. Y. ., & Bosko, M. D. . (2025). The Role of Savings and Loan Cooperatives in Efforts to Develop Micro, Small, And Medium Enterprises (MSMEs), Especially in Fostered Vegetable Business Field KSP Kopdit Hiro Heling. *Neo Journal of Economy and Social Humanities*, 3(3), 205–220. <https://doi.org/10.56403/nejesh.v3i3.221>
- Buu, A. L., Dekrita, Y. A., & Rangga, Y. D. P. (2024). Implementasi Pemberian Kredit Usaha Rakyat (KUR) pada KSP Kopdit Obor Mas Cabang Pasar Tingkat. *Jurnal Simki Economic*, 7(1), 156-167. <https://doi.org/10.29407/jse.v7i1.563>
- Chuesta, R. N. B., Sanga, K. P., & Gheta, A. P. (2024). Peran agency theory terkait manajemen risiko kredit dalam upaya meminimalisir kredit bermasalah pada KSP Kopdit Obor Mas Kanca Pasar Alok. *Budgeting: Journal of Business. Management and Accounting*, 5(2), 1354-1359.
- Da Rato, E. Y., Dekrita, Y. A., & Aek, K. R. (2024). Analisis perencanaan laba dengan penerapan titik impas pada Perumda Air Wair Pu'an Kabupaten Sikka. *Jurnal Akuntansi dan Pajak*, 25(2).
- Da Silva, Y. O., Temu, T. J., & Lamawitak, P. L. (2024). Knowledge Management-Based Efforts To Improve MSME Performance (Credit Union Intervention for MSME Actors in Sikka Regency). *Dinasti International Journal of Education Management And Social Science*, 5(4), 429-434.
- Dekrita, Y., Mitan, W., & Ramlah, S. (2024). Persepsi Manajer Terhadap Implementasi Akuntansi Keberlanjutan Pada Koperasi Simpan Pinjam (Pendekatan Naratif). *Tangible Journal*, 9(2), 367-379. <https://doi.org/10.53654/tangible.v9i2.556>
- Diliana, S. M., Aurelia, P. N., Mitan, W., & Sumiyati, H. (2022). Pengaruh Ketaatan Aturan

- Akuntansi dan Keefektifan Pengendalian Internal terhadap Kecenderungan Kecurangan Akuntansi pada KSP Kopdit Suru Pudi Koting. *Edukatif: Jurnal Ilmu Pendidikan*, 4(4), 6218-6230.
- Dince, M. N. ., & Desy, H. N. . (2023). Pengaruh Kualitas Pelayanan, Pemeriksaan Pajak dan Sanksi Pajak terhadap Kepatuhan Wajib Pajak pada KPP Pratama Maumere. *Jurnal Pendidikan Tambusai*, 7(1), 2036–2044. <https://doi.org/10.31004/jptam.v7i1.5521>
- Dince, M. N. ., & Desy, H. N. (2023). Pengaruh Kualitas Pelayanan, Pemeriksaan Pajak dan Sanksi Pajak terhadap Kepatuhan Wajib Pajak pada KPP Pratama Maumere. *Jurnal pendidikan tambusai*, 7(1), 2036-2044.
- Febi, M. A. N., Mitan, W., & De Romario, F. (2024). Penerapan Akuntansi dalam Rumah Tangga: Studi Fenomenologi pada Ibu-ibu Rumah Tangga di Desa Maulo'o Kecamatan Paga Kabupaten Sikka. *Journal of Business, Finance, and Economics (JBFE)*, 5(2), 14-26.
- Goo, E. E., Herdi, H., & Rusmawati, L. (2023). Analysis of Implementation of SAK ETAP in Presentation of Financial Reports KSP KOPDIT Tuke Jung Head Office. *INTERNATIONAL JOURNAL OF ECONOMICS, MANAGEMENT, BUSINESS, AND SOCIAL SCIENCE (IJEMBIS)*, 3, 129-139.
- Herdi, H., & Riharjo, I. B. (2022). IMPACT AND MITIGATION OF CREDIT RISK ON CREDIT UNION. *ICOBUSS*, 1412-1420.
- Jawa, S. K., Herdi, H., Lamawitak, P. L., & Patty, T. F. Q. (2024). Improving the Economic Welfare of Members through Productive Loan Services at KSP Kopdit Guru Kelubagolit. *Neo Journal of economy and social humanities*, 3(3), 221-235.
- Lamawitak, P. L., Mitan, W., Dilliana, S. M., & Aurelia, P. N. (2023). ENVIRONMENTAL ACCOUNTING: AN EFFORT TO MAKE SUSTAINABLE BUSINESS. *Jurnal Ekonomi*, 12(04), 1748-1754.
- Mitan, W., Dilliana, S. M., & Meyer, R. T. (2021). Pengaruh Fraud Diamond Terhadap Kecenderungan Kecurangan Laporan Keuangan pada Koperasi Kredit Sube Huter. *Jurnal Ilmiah Wahana Pendidikan*, 7(5), 212-227.
- Mitan, W., Herdi, H., & Sanga, K. P. (2024). The Effect Of Professionalism On The Prevention Of Fraud In Cooperatives With Anti-Fraud Awareness As A Moderation Variable. *Jurnal Ekonomi*, 13(04), 141-150.
- Miles, M. B., Huberman, A. M., & Saldana, J. (2014). *Qualitative Data Analysis, A Methods Sourcebook* (3rd ed.). USA: Sage Publications.
- Moleong, L. J. (2016). *Metodologi Penelitian Kualitatif* (35th ed.). PT Remaja Rosdakarya.
- Moron, L. M., Herdi, H., & Rangga, Y. D. P. (2023). Pengaruh budaya kerja terhadap kinerja karyawan Koperasi Simpan Pinjam Ikamala. *Jurnal Kompetitif*, 12(1), 1-14.
- Noeng, A. Y., & Nuwa, C. A. W. (2024). Pengaruh Quality of Work Life dan Beban Kerja Terhadap Kinerja Karyawan KSP Kopdit Pintu Air Cabang Maumere. *Jurnal Akuntansi dan Pajak*, 25(2).
- Pana, K., Mitan, W., & Lamawitak, P. L. (2024). The Influence of Digital Economy Development on the Income of Micro, Small, and Medium Enterprises in East Alok District. *Neo Journal of economy and social humanities*, 3(2), 145-159.
- Patty, T. F. Q., Aurelia, P. N., & Dilliana, S. M. (2023). Application of Good Corporate Governance Principles to the Quality of Financial Statements. *Neo Journal of economy and social humanities*, 2(2), 89-99.
- Rejeki, E. S., Dilliana, S. M., & Lewar, M. V. N. (2024). PENGARUH PENDAPATAN BUNGA PINJAMAN TERHADAP PROFITABILITAS KOPERASI PADA KSP KOPDIT PINTU AIR CABANG BAJAWA. *OIKOS: Jurnal Kajian Pendidikan Ekonomi dan Ilmu Ekonomi*, 9(1).
- Sanga, K. P. ., & Dince, M. N. . (2022). Pengaruh Partisipasi Pengguna, Kemampuan Teknik Personal, Program Pelatihan dan Pendidikan dan Dukungan Manajemen Puncak terhadap Kinerja Sistem Informasi Akuntansi Pada Credit Union (CU) Bahtera Sejahtera. *Jurnal Pendidikan Tambusai*, 6(2), 9357–9365. <https://doi.org/10.31004/jptam.v6i2.3892>

- Sanga, K. P., & Jaeng, W. M. Y. (2023). Analisis Kemandirian Keuangan Daerah Kabupaten Flores Timur. *Journal On Education*, 5(2), 2721-2728.
- Siga, Y., Herdi, H., & Dekrita, Y. A. (2024). The Role of Internal Audit on the Effectiveness of the Internal Control System at KSP Kopdit Pintu Air. *Neo Journal of economy and social humanities*, 3(3), 262-275.
- Toyo, F. P., Aurelia, P. N., & Patty, T. F. Q. (2024). Analisis Penerapan Akuntansi Koperasi Simpan Pinjam Menurut SAK ETAP Pada Koperasi Suru Pudi Koting. *OIKOS: Jurnal Kajian Pendidikan Ekonomi dan Ilmu Ekonomi*, 8(2).
- Transilvanus, V. E., Tonce, Y., Juru, P., Dince, M. N., & Sea, M. N. (2023). Pengaruh disiplin kerja dan motivasi kerja terhadap kinerja penyuluh pertanian lapangan (PPL) di Dinas Pertanian Kabupaten Sikka. *Management Studies and Entrepreneurship Journal (MSEJ)*, 4(1), 35-42.