

LEGAL IMPACT OF DEBT DEFAULT IN FATWA DSN-MUI NO. 11/2000 (CASE STUDY OF MICRO WAQF BANK MAWARIDUSSALAM)

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ABSTRACT

The purpose of this study is to determine the legal impact of debt default in the DSN-MUI fatwa. 11/2000. This research will discuss the legal regulation of debt coverage agreements according to the provisions of DSN-MUI Fatwa No. 11 of 2000. Then the legal answer due to the default in the debt coverage agreement and the legal impact of debt coverage on the provision of capital through the Mawaridussalam Micro Waqf Bank. This research uses a normative legal approach. The data used as the basis for this research is secondary data, which consists of various sources such as books, scientific journals, and academic articles. The results of the research show that the legal regulation of debt coverage agreements according to the provisions of DSN-MUI Fatwa No. 11 of 2000 is that later the bank will get service rewards or fees for kafalah financing carried out based on sharia principles and if the guarantor does not carry out its obligations that have been due, it must pay compensation. Legal liability due to default in the debt coverage agreement is The position of the individual insurer as the guarantor of the debtor's debt has an obligation to fulfill the payment of debts owned by the debtor when the debtor is unable to pay off his debt. If the insurer consists of more than one person, then the liability of the debtors, each of which is bound for all debts or known as the term bearing. The consequences of the Debt Coverage Law on the provision of capital through the Mawaridussalam Micro Waqf Bank are the role of the Mawaridussalam Islamic boarding school in the economic empowerment of the community through the business unit of the Islamic boarding school of the Sharia Micro Waqf Bank, namely: Getting loan assistance in the form of money for capital to continue the business and business development; Releasing the public from loan sharks and financial institutions with an interest or riba system; Experiencing an increase in daily income and an increase in religious knowledge. From the results of interviews with resource persons who are customers of the Sharia Micro Waqf Bank at the Mawaridussalam Islamic Boarding School.

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INTRODUCTION

In Islam, it is explained that muamalah activities, one of which is financing. As explained about the reward of the person who gives a loan to another. As Allah says in QS. al-Hadid 57:11

مَنْ ذَا الَّذِي يُقْرِضُ اللَّهَ قَرْضًا حَسَنًا فَيُضَاعِفَهُ لَهُ وَلَهُ أَجْرٌ كَرِيمٌ

11. Who is it that would loan Allah a goodly loan so He will multiply it for him and he will have a noble reward?

And also in Q.S al-Miadah 5: 2

.....وَتَعَاوَنُوا عَلَى الْبِرِّ وَالتَّقْوَىٰ وَلَا تَعَاوَنُوا عَلَى الْإِثْمِ وَالْعُدْوَانِ وَاتَّقُوا اللَّهَ إِنَّ اللَّهَ شَدِيدُ الْعِقَابِ

And cooperate in righteousness and piety, but do not cooperate in sin and aggression. And fear Allah; indeed, Allah is severe in penalty.

According to the verse, please help in doing virtue, that is, everything that brings worldly and ukhrawi goodness, and also help in piety, which is everything that can prevent worldly and ukhrawi disasters, even with people who are not of the same religion as us. In addition, do not help in committing sins and transgressions (Shihab 2012). In shari'ah, the help contract is referred to as the *tabarru'* contract, which is an agreement or transaction that does not aim to obtain profit (non-profit transaction). Examples of *tabarru'* contracts include lending money (qardh, rahn, hiwalah), lending services (wakalah, wadiah), and giving something (grants, waqaf, alms, etc.) (Nurhasanah and Yuniarti 2019). In fiqh muamalah, joint liability is a transaction that both guarantees or bears one or more people for obligations to a certain party; however, the scope is broader than joint liability. If the insured party is unable to fulfill its obligations, the insurer handles the insured's obligations (Hamid 2016).

In general, institutions that serve microfinance are Microfinance Institutions (MFIs). MFIs are one of the most important tools to improve the community's economy. In the Islamic financial system, the implementation and operation of Microfinance Institutions can not only be done by means of savings and loans, but also by means of profit sharing (Andri 2009). Micro Waqf Bank is one of many Sharia Microfinance Institutions that operate in accordance with Sharia principles and focus on providing credit and other services in the payment process and money circulation. Bank Waqf Mikro is an Islamic microfinance institution established by the Financial Services Authority with the aim of providing business capital loans to small communities. It was established through a pesantren that has received a permit from the Financial Services Authority, and which was established at the Mawaridussalam Islamic Boarding School in the province of North Sumatra. Qard financing with the Joint Responsibility system is given to customers of the Mawaridussalam Micro Waqf Bank, Batang Kuis District, Deli Serdang Regency in the form of several loan repayment meetings called Halmi. Halmi is a weekly meeting or Halaqah, and in each Halmi there are several Kumpi, which are community business groups around Indonesian Islamic boarding schools.

The Mawaridussalam Islamic Boarding School was established on Jalan Pringgane in Tumpatan Nibung village, Batang Kuis district, Deli Serdang Regency, in 2010. The village economy has developed indirectly since the establishment of the Islamic boarding school. Better economic opportunities are provided by the Mawaridussalam Islamic Boarding School. The village began to be known by many people. Especially parents who send their children to Islamic boarding schools. Pesantren is one of the oldest educational institutions in Indonesia. One of the efforts made to empower the economy of the pesantren and the surrounding community is the program carried out by the government through the cooperation of Bank Indonesia and the Ministry of Religion of the Republic of Indonesia which focuses on 3 (three) main programs, namely; the economic independence of Islamic boarding schools; entrepreneurship, and pioneering entrepreneurship of students and alumni. This program is intended to provide government support for efforts to build independence and economic empowerment of Islamic boarding schools.

The mechanism of the Micro Waqf Bank Joint Responsibility System is as follows: Weekly halaqah meetings are held once a week by supervisors to increase cohesiveness between customers and to take loan installments. Customers of Bank Waqf Mikro Mawaridussalam, Batang Kuis District, Deli Serdang Regency consist of several groups of Halmi customers, and if one of these customer groups does not attend the weekly halaqah meeting, they will be asked to pay them. In this study, we will discuss the legal regulation of debt coverage agreements according

to the provisions of DSN-MUI Fatwa No. 11 of 2000. Then the legal answer due to default in the debt coverage agreement and the legal impact of debt liability on the provision of capital through Bank Waqf Mikro Mawaridussalam.

METHOD

This type of research is normative legal research. This normative legal method will analyze the Legal Impact of Debt Burden Default in Fatwa DSN-MUI NO. 11/2000 Study on Macro Waqf Banks at Mawaridussalam Islamic Boarding School. There are two sources in this study, the first is a primary source or primary source and the second is a secondary source. Primary data refers to the personnel of Responsible Customers at the Micro Waqf Bank in Mawaridussalam and the view of DSN MUI No. 11 of 2000. Then the secondary source is the journal of scientific articles. Data collection techniques in the form of observation, interviews, documentation studies and triangulation.

RESULTS AND DISCUSSION

Legal Regulation of Debt Assumption Agreements According to the Provisions of DSN-MUI Fatwa No. 11 of 2000

According to the Fatwa of the National Sharia Council Number 11/DSN-MUI/IV/2000 concerning *kafalah*, there are General and Harmonious Provisions and Kafalah Requirements. The general decree contains the statement of *ijab* and *qabul* must be stated by the parties to show their will in entering into a contract (*akad*). In the *kafalah* contract, the guarantor can receive a reward (*fee*) as long as it is not burdensome. *Kafalah* in return is binding and cannot be cancelled unilaterally. The Pillars and Conditions of *Kafalah* are the guarantor (*Kafail*), Puberty (adult), sensible, fully entitled to take legal action in matters of their property and willing (*ridha*) with the dependents of the *kafalah*. Then the debtor (*ashiil*, *makfuul 'anhu*) is able to hand over his dependents (receivables) to the guarantor, known by the guarantor. The party of the debtor (*makfuul lahu*) is known to have his identity, must be present at the time of the contract or give a power of attorney, and has common sense. The object of the guarantee (*Makful Bihi*) is the responsibility of the debtor / person, whether in the form of money, objects, or work, can be carried out by the guarantor, must be a binding receivable (usual), which cannot be erased unless it is paid or released, must be clear in value, amount and specification and not contrary to sharia (*haram*).

The National Sharia Council Fatwa No. II/DSN-MUI/IV/2000 explains the provisions of *kafalah* in financial institution transactions, including sharia banking. The fatwa states that in order to run a business, a person often needs guarantees from other parties through *kafalah* contracts, which are guarantees provided by the insurer (*kafil*) to a third party to fulfill the obligations of the second party or that the Sharia Financial Institution (LKS) must provide a guarantee scheme, or *kafalah*, based on sharia principles to meet the needs of the business. Therefore, DSN believes that a fatwa on *kafalah* must be made so that LKS can carry out the *kafalah* activities in accordance with Islamic teachings. From the perspective of Islamic law, this *kafalah* guarantee is justified because it provides many benefits for the community in transactions. The conditions of Islamic law determine the validity of *kafalah* (Qutsi 2024).

Scholars of madzhab fiqh allow both types of *kafalah*, both self and goods. Technically, a *kafalah* contract is an agreement between a person who provides guarantees to a person who gives a debt to someone, where the debt will be repaid by the guarantor if he does not pay his debt. In the practice of bank guarantees as stipulated in the SE Dir BI Number: 23/7/UKU, dated March 18, 1991 is a written statement from the bank to bind itself to the guarantor if in the future the guarantor does not fulfill its obligations to the guarantor in accordance with the specified period and conditions. In the fatwa, it is clear that the function of *kafalah* is to provide guarantees by the bank for related parties to run their business more safely and securely, so that there is certainty in doing business/transactions, because with this guarantee the bank means that it will take over the risk/obligations of the customer, if the customer defaults/is negligent in fulfilling his obligations.

However, the reward in the *kafalah* is binding and cannot be canceled unilaterally. Therefore, the object of guaranteeing *kafalah* must be clear in its value, amount, and specifications so that it does not contradict Islamic law.

As an institution that provides this guarantee, banks will also benefit from increased income from the wages they receive in return for the services they provide. This will help increase their income (Adam 2017). Kafalah issued by Islamic banks in Indonesia must be subject to the provisions contained in the Civil Code, namely Book III Chapter XVII Articles 1820 to 1850. These articles regulate the issue of coverage, both in general nature, the consequences that arise for both parties and the abolition of this agreement. In this section, it will provide protection for the parties who make it, namely the bank or the guaranteed party. Because kafalah is included in the *accessoir* engagement, there is a third party involved in it, namely the guarantor party. The existence of this third party is protected by Articles 1314 and 1340 of the Civil Code. In addition to having to comply with the provisions of the Civil Code, the granting of this kafalah must also be subject to Law No. 7 of 1992 Jo Law No. 10 of 1998 concerning Banking, the Decree of the Board of Directors of Bank Indonesia on the provision of bank guarantees and the Circular Letter of Bank Indonesia on the provision of bank guarantees.

In the DSN-MUI Fatwa Number 11/DSN-MUI/VI/2000 concerning kafalah, the Third Provision states "If one of the parties does not fulfill its obligations or if there is a dispute between the parties, then the settlement will be carried out through the Sharia Arbitration Board after no agreement is reached through deliberation". Based on the fatwa, it is further strengthened that later the bank will get a reward for services or fees for kafalah financing carried out based on sharia principles and if the guarantor does not carry out its obligations that have matured, it must pay compensation. And the compensation must be made immediately within the time determined by the bank and the parties should bring together both parties to take a middle way, namely by deliberation. If the deliberation cannot be resolved, the party who feels aggrieved can submit to the sharia arbitration body in accordance with the fatwa above.

Apart from the DSN MUI Fatwa Number 11/DSN-MUI/IV/2000 concerning kafalah, the author also analyzes this problem using DSN-MUI Fatwa Number 74/DSN-MUI/I/2009 concerning Sharia Guarantee which determines that Sharia Guarantee is a guarantee between the parties based on sharia principles. In this guarantee, the *kafalah bil ujah* contract is used. In the fatwa, it is determined that *the kafalah service fee* is a fee for the use of guarantee facilities for financing based on sharia principles (*kafalah bil ujah*), *Ta'widh* is compensation for costs incurred by the guarantor due to the delay of the secured party in its obligations that have matured, Late charge is a fine due to late payment of obligations that will be recognized entirely as a social fund.

The settlement of the existing agreement with this fatwa is in the fifth part of the provisions of *ta'widh* and fines. Where in the provision it reads: *Ta'widh* The guaranteed party can be subject to *ta'widh*, as stipulated in the fatwa of DSN-MUI Number 43/DSN-MUI/VIII/2004 concerning Compensation (*Ta'widh*). *Ta'zir* The secured party can be subject to *ta'zir*, as stipulated in the fatwa DSN-MUI Number 43/DSN-MUI/VIII/2004 concerning Compensation (*Ta'widh*). Based on the fatwa, it is further strengthened that later the bank will get a reward for services or fees for kafalah financing carried out based on sharia principles and if the guarantor does not carry out its obligations that have matured, it must pay compensation. Because this guarantee also uses the *kafalah bil ujah contract*, in the DSN-MUI Fatwa Number 74/DSN-MUI/I/2009 concerning Sharia Guarantee Part Six of the Closing Provisions it is stated: "If there is a dispute between the parties, then the settlement is carried out based on the applicable laws and regulations and in accordance with sharia principles after no agreement is reached through deliberation."

Legal Liability for the Impact of Default in Debt Coverage Agreements

Default is a legal term used to describe a situation where one of the parties to a contract fails to fulfill its obligations in accordance with the agreement that has been agreed upon. The concept of default has a serious impact on contract law because it involves a breach of an agreement that has been made by the parties. In contract law, there are several forms of default that can occur. First, default can occur if one of the parties fails to perform the obligations that have been stipulated in the contract. For example, if a person does not pay the amount of money that has been agreed in the contract for the purchase of goods or services, it is considered a default. Second, default can also occur if one of the parties does things that are contrary to the content of the contract, such as abusing or damaging the rented goods. In most cases, the consequences of default include an obligation to pay damages to the aggrieved party, either in the form of direct or indirect losses. In addition, the party who violates the contract may also be subject to legal sanctions, such as cancellation of the contract or demands to fulfill obligations set forth in the contract.

To avoid default, the parties to the contract must make clear and unequivocal terms in the contract, ensuring that all parties understand and agree to the content of the contract. In addition, these parties must communicate well and openly during the performance of the contract to address any issues or difficulties that may arise before the default occurs. Therefore, understanding the concept of default and how to prevent it is essential to maintain trust and stability in business and contractual relationships.

Default and summons are closely related. Default is the inability to meet or fail to meet obligations set forth in the agreement between creditors and debtors. In other words, default is the inability to meet or fail to meet obligations set forth in an agreement that binds both parties; In other words, one of the parties will be harmed even if it is not in a coercive state. The rights of creditors and debtors are protected by law in any agreement or legal relationship. Thus, if the debtor does not legally fulfill the creditor's rights set forth in the agreement, it can be considered a default, and the creditor can sue by filing a lawsuit in court.

According to Dermina Dalimunthe, the form of agreement that must be fulfilled must be linked to the agreement where the debtor committed default, which consists of three (3) categories; *First*, an agreement to hand over a material thing. In this agreement, the debtor is responsible for handing over the goods in question and taking good care of them until their handover. According to Article 1236 of the Civil Code, a debtor is considered negligent if he does not fulfill his obligations. This means that if the debtor has brought himself to a state of inability to hand over the property, or has not taken proper care of it to save it, the debtor is obliged to compensate the debtor, loss, and interest. *Agreements* to do something, such as building houses, bridges, paintings, and so on, can cause the debtor to be compensated over time. *Third*, the agreement to do nothing. This agreement, for example, prohibits the construction of walls between houses. Article 1239 of the Civil Code reads as follows: "Every obligation to do something or not to do something if the debtor does not fulfill his obligations, gets settlement in the obligation to provide reimbursement of costs, losses, and interest." The essence of this article is that the debtor is negligent if he is unable to fulfill his obligations, even though his obligation is to do something.

Coverage guarantee is another term for joint liability. Guarantee of coverage if the debtor receives credit. Article 1820 of the Civil Code regulates insurance coverage as a form of guarantee given to individuals. According to this article, coverage is an agreement by which a third party binds himself to fulfill the debtor's promise for the benefit of the debtor even though the debtor himself does not fulfill it. The insurer acts as the guarantor of the debtor's debts; If the debtor is unable to pay off his or her own debts, the guarantee of coverage will be used for the execution of the debtor's security assets. The position of the individual insurer as the guarantor of the debtor's debt has an obligation to fulfill the payment of debts owned by the debtor when the debtor is unable to pay off his debt. If the insurer consists of more than one person, then the liability of the debtors, each of whom is bound for all debts or known as the term liability (Bagenda et al. 2023). The insurer's obligation will only appear if the creditor has collected the debtor and executed the debtor's guarantee (Imamuddin 2023).

In addition to obligations, the insurer also acquires rights to its position as an insurer. These rights include the insurer's right to request back from the debtor in the form of debt repayment or reimbursement of all losses that may be suffered by the insurer as a result of the debtor's non-fulfillment of obligations. The insurer can reclaim the debtor's debt that it has paid to the creditor (Dalimunthe 2017). In the provisions of the Civil Code Article 1839 which affirms that "the insurer who has paid, can claim it back from the principal debtor, whether the coverage has been held with or without the knowledge of the principal debtor." In addition, the position of the insurer is only a companion to the debtor, namely helping the debtor to pay off the debt when the debtor defaults. This is in line with the provisions of Article 1831 of the Civil Code, which states that "The insurer is not obliged to pay the debtor, except if the debtor is negligent, while the debtor's objects must first be confiscated and sold to pay off the debt." In this article, it is explained that the insurer who has paid his debt can reclaim from the debtor who committed the default.

Legal Impact of Debt Coverage on Capital Provision through Bank Waqf Micro Mawaridussalam

The geographical location of the Mawaridussalam Islamic Boarding School around the cottage is near the Kualanamu Airport area, toll roads and industrial areas and rice fields and livestock. Which makes the government

move to cooperate with Islamic boarding schools to help the surrounding poor in economic equality such as small traders around the cottage environment and craftsmen. The Islamic boarding school is located on Jalan Pringgahan hamlet III, Tumpatan Nibung Village, Batang Kuis district, Deli Serdang regency, North Sumatra Province. The Sharia Micro Waqf Bank in the pesantren was established with the license of the Ministry of Cooperatives with the number 009934/BH/M.KUKM.2/X/2018 and the OJK license with the number KEP-9/KR.05/2018. The establishment of the Micro Waqf Bank was established on October 2 and officially began operating on the same day. However, it was only inaugurated by President Jokowi on October 8, 2018. The economic potential around the cottage is mostly the livelihood of small traders, farmers and construction workers. The potential for road access is quite good in economic activities so it was chosen to establish a Sharia Micro Waqf Bank.

With a strategy of providing convenience and benefits for the community around the Islamic Boarding School in the search for business capital, growing the economy of the surrounding community and providing education about Islamic finance, breaking the chain of loan shark transactions in the Islamic boarding school environment. Currently, the number of customers undergoing financing is 125 people. And those who have completed participating in the financing are 10 people. The current number of customers is quite sufficient to meet the government's requirements for the continued operation of the Sharia Micro Waqf Bank. Sharia Micro Waqf Bank Operational System. As the slogan of Bank Waqf Micro Syariah improves the standard of living of the people, has several benefits: Business capital financing, a 3% profit sharing margin system, no interest, training and business assistance, avoiding loan sharks without collateral and implementing a pick-up system. Before entering the operational system of Bank Waqf Micro Syariah, first know the requirements to become a customer as follows: Have been married (mothers), the location of the house is approximately 5 km from the Bank Waqf Micro Syariah office, have a group of 5 people, take part in mandatory training (PWK) for 5 days, Photocopy of ID card, marriage book, family card, and photo pass.

The operation of Bank Waqf Micro as an Islamic Financial Institution, fund support as basic capital for Bank Waqf Micro in carrying out its role as an institution that provides microfinance to the community around Islamic boarding schools comes from donor funds derived from charitable funds collected by LAZ BSM. In addition to providing capital support to Micro Waqf Bank, LAZ BSM also provides assistance to Micro Waqf Bank customers. The assistance is carried out periodically through business assistance, household economic management assistance, and religious assistance. The funds from LAZ BSM are used by Bank Waqf Mikro to distribute financing to the community around the Islamic boarding school in the form of cash of IDR 1,000,000 (one million rupiah) per customer with a margin burden borne by the customer of 3% per year charged for operational purposes. So, for example, a customer borrows IDR 1,000,000 (one million rupiah), then the margin burden is IDR 30,000 (thirty thousand rupiah) which must be paid for 12 months. So the additional fee that must be paid each month outside of installments is only Rp2,500 (two thousand five hundred rupiah).

Before getting financing, bank officers first ask for the personal data of prospective customers. To identify those who have met the criteria or are right according to the goals of this program. Also to find out the distance of the place of residence, type and place of business of prospective customers. The financing mechanism must be reciprocal between members. Prospective customers who are then designated as customers must create a group association called "Kumpi". Kumpi stands for Community Business Group around Islamic Boarding School. One Kumpi has 5 members and one of the members is appointed as the chairman who is a financing customer of the Micro Waqf Bank. Kumpi was formed when prospective customers applied for financing which was then approved by Bank Waqf Mikro.

The bank officers ensure the correctness of the family data that has been obtained from the initial identification, as well as to select to the next stage. By way of direct visits to the home and interviews to find out more details about the house, income, ownership and others. The kumpi that has been formed, then holds a Weekly Halaqah called "Halimi". Halimi is a meeting between KUMPI (3-5 Kumpi). In the Halimi, financing funds were disbursed to each member of Kumpi. Halimi can be done at the home of one of the members or at the office of Bank Waqf Micro Syariah where the accompanying officer provides assistance in the form of business assistance, family economic management assistance, and religious education assistance. When they become customers of Sharia Micro Waqf

Bank, they do not use guarantees at all. However, in deciding whether or not it is feasible to become a customer, it is assessed starting from the first time following halmi. All prospective customers are required to follow the halmi and are not allowed to be late. Because here seriousness and obedience can be assessed during the payment process. And if one of the KUMPI members is not present. Then the financing will be held until the group is fully present. It can even be terminated or canceled if only one member is absent.

Halmi is carried out every week for one year with a total of 50 Halmi. In the Halmi, disbursement and installments are also carried out for financing provided by the Micro Waqf Bank. So the actual financing is done outside the office. The office is more of a place of operation for the administrators, although sometimes they occasionally make transactions for those who do not come when they are ready. After explaining the operational system of the Sharia Micro Waqf Bank, and also related to the title of the research, the researcher will present the results of interviews with resource persons who are customers of Sharia Micro Waqf Bank at the Mawaridussalam Islamic Boarding School. During the process of undergoing financing with the Sharia Micro Waqf Bank, they have begun to feel or not the economic empowerment of the community which is the initial goal of holding the program from the government.

The results of the researcher's interview with the General Manager of the Sharia Micro Waqf Bank at the Mawaridussalam Islamic boarding school, Mr. Radiansyah, about the challenges during the Bank's run. Lack of Human Resources (HR). It was said that with dual positions, then Mr. Radiansyah said, "we (the officers of the Sharia Micro Waqf Bank) here are all concurrently positions. On the one hand we teach and on the other hand we also have to take care of this waqf bank. Yes, we are not complaining, at least the management can be added and that should be the policy of the center. So we had a bit of a hard time adjusting to the time". The daily work of the officers of the Sharia Micro Waqf Bank is to teach at the Mawaridussalam Islamic boarding school in addition to serving the community. The life system in the pesantren itself is one time and twenty-four hours. So they have to maximize time in such a way when they have to coach with customers or shave their hands due to a lack of officers. "That's why when there are children who are doing internships, those we tell to fill in the halmi replace us. So it feels like the internship directly faces the community and we are also helped". So he explained.

The existence of interns alone is very helpful for the work of bank officers. So it would be nice if bank officers were added to make their work easier. Each administrator must be certified. Each administrator must have a certificate from the OJK. Still an interview with the General Manager Mr. Radiansyah. When asked about the challenges in running a Micro Waqf Bank as community empowerment, he answered. "Now that it is to be enforced, the management must have a certificate from the OJK," then the researcher asked again, "what is the certificate, sir?" he replied, "so all those who are bank administrators must have a certificate from the OJK. So we have to take care of it again, while in terms of time we have maximized as much as possible, plus we have to take care of the certificates again, we are a bit difficult," he said.

Certificates in the future will be enforced as a requirement to become officers at Sharia Micro Waqf Bank. This is quite difficult for bank officers. They must take care of the certificate in accordance with the government's policy. The officers of the Sharia Micro Waqf Bank are already overwhelmed to divide their time, plus they have to take care of the certificate again. The community of prospective customers lacks religious knowledge. The condition that can become a customer is the poor who are productive. The conditions for the establishment of Sharia Micro Waqf Banks around Islamic boarding schools so that the poor are not only helped materially but also get religious knowledge. Because most of the people who exist in the area who are targeted by the government to equalize the economy are indeed from the middle and lower classes and also have a lack of religion.

The bank has to provide conditions for wearing skirts to customers' mothers when participating in halmi. What should no longer be required but an obligation or provision of such women's clothing. However, because of their lack of religious knowledge, even such a small thing must be reminded. As Mr. Radiansyah said. "Ladies and gentlemen, these customers are sorry for the lack of religious knowledge. You don't have to go far to pray, it doesn't necessarily mean they do it, let alone others. We are here to require that when following the halmi we must wear a skirt. Because if they don't, they won't know what to do later."

Lack of discipline of customers. This challenge itself was known to researchers during the halmi. Mr. Radiansyah said that many customers had to be postponed or even canceled because they did not want to be disciplined in following the rules. "Even though they only follow halmi, they often and always there are those who do not come. We are forced to postpone or yes we cancel the financing. We don't ask them for any guarantees. From there, we see whether they are consistent or not when they have to pay loan installments later". This challenge is also felt by customers. The answer from the customers who were present at that time when Halmi on average said that they were happy to follow Halmi, but there was still one of the customers who rarely participated which was one of the requirements to get financing from the Sharia Micro Waqf Bank.

Other challenges or difficulties were obtained from the officers of the Sharia Micro Waqf Bank and from the customers of the Sharia Micro Waqf Bank. The questions asked by the researchers to the customers also provided answers to the challenges felt from their side.

The customers themselves also complained a lot about the lack of discipline of one of the KUMPI members. Because if one of them is not present, the other member still has to pay payment installments. Like the business nature of the Sharia Micro Waqf Bank program, it is joint liability. This is as Nur Cahaya expressed, "the obstacle is that it always does not come and prevents payment". This indiscipline is detrimental to many parties. The same thing was also expressed by Samsiah regarding customer members who were not present. "The obstacle is sometimes there are friends who lack awareness of fulfilling obligations". There is no time to attend halmi. This challenge was expressed from only two customers. It is known that both work in the same field, namely laundry or in terms of washing or scrubbing clothes. Asmanidar wrote: "Sometimes you can't attend when you have a lot of work"

Siti Fatimah is another customer who has difficulty about time. He answered about the obstacles or challenges while participating in the financing process from the Sharia Micro Waqf Bank at the Mawaridussalam Islamic boarding school: "The constraint is time." Not having a vehicle. The last challenge was obtained by the researcher from the answer of the Sharia Micro Waqf Bank. The customers who were the resource persons said that there was no vehicle when they had to pay installments when they had to pay to the Sharia Micro Waqf Bank located at the Mawaridussalam Islamic Boarding School. The role of the Sharia Micro Waqf Bank of the Mawaridussalam Islamic boarding school that is felt by customers after receiving empowerment in the form of financing and coaching is to get loan assistance in the form of money for capital to continue business and business development. Thanks to the loans provided, they have the ability to continue their business or cover the lack of capital. The coaching provided controls the business and provides assistance to the difficulties they face in terms of the economy.

The Sharia Micro Waqf Bank program is basically dedicated to providing financing in the form of money to continue business on a small micro scale. Customers feel helped by the existence of a Sharia Micro Waqf Bank at the Mawaridussalam Islamic boarding school so that they can increase the cost to continue their business. They are even interested in borrowing back if allowed. Coaching is also provided by the Sharia Micro Waqf Bank to monitor the extent of the business. Provide guidance on household economics to control every daily economic expenditure. Apart from the Loan Shark and Flower Traps. The community around the pesantren used to borrow from loan sharks or other institutions that had interest if they could not borrow from neighbors or relatives. The community has begun to switch since the existence of the Sharia Micro Waqf Bank at the Mawaridussalam Islamic boarding school without interest. Interest is known to be financially helpful at the beginning but over time it becomes more difficult for the economy because the amount continues to grow. The last challenge was obtained by the researcher from the answer of the Sharia Micro Waqf Bank. The customers who were the resource persons said that there was no vehicle when they had to pay installments when they had to pay to the Sharia Micro Waqf Bank located at the Mawaridussalam Islamic Boarding School.

CONCLUSION

The legal regulation of debt coverage agreements according to the provisions of Fatwa DSN-MUI No. 11 of 2000 is that later the bank will get a service reward or fee for kafalah financing carried out based on sharia principles and if the guarantor does not carry out its obligations that have been due, it must pay compensation. Because this

guarantee also uses the *kafalah bil ujah contract*, in the DSN-MUI Fatwa Number 74/DSN-MUI/1/2009 concerning Sharia Guarantee Part Six Closing Provisions it is stated: "If there is a dispute between the parties, then the settlement is carried out based on the applicable laws and regulations and in accordance with sharia principles after no agreement is reached through deliberation." Legal liability due to default in the debt coverage agreement is The position of the individual insurer as the guarantor of the debtor's debt has an obligation to fulfill the payment of debts owned by the debtor when the debtor is unable to pay off his debt. If the insurer consists of more than one person, then the liability of the debtors, each of which is bound for all debts or known as the term bearing. The insurer's liability will only appear if the creditor has collected the debtor and executed the debtor's guarantee.

The consequences of the Debt Coverage Law on the provision of capital through the Mawaridussalam Micro Waqf Bank are the role of the Mawaridussalam Islamic boarding school in the economic empowerment of the community through the business unit of the Islamic boarding school of the Sharia Micro Waqf Bank, namely: Getting loan assistance in the form of money for capital to continue the business and business development; Releasing the public from loan sharks and financial institutions with an interest or *riba* system; Experiencing an increase in daily income and an increase in religious knowledge. From the results of interviews with resource persons who are customers of Sharia Micro Waqf Bank at the Mawaridussalam Islamic Boarding School. During the process of undergoing financing with the Sharia Micro Waqf Bank, they have begun to feel or not the economic empowerment of the community which is the initial goal of holding the program from the government. When they become customers of Sharia Micro Waqf Bank, they do not use guarantees at all. However, in deciding whether or not it is feasible to become a customer, it is assessed starting from the first time following *halmi*. All prospective customers are required to follow the *halmi* and are not allowed to be late. Because here seriousness and obedience can be assessed during the payment process. And if one of the KUMPI members is not present. Then the financing will be held until the group is fully present. It can even be terminated or canceled if only one member is absent.

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