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THE INFLUENCE OF CREDIT MONITORING AND DEBTOR CHARACTER ON BAD CREDITS AT BANK NAGARI, SUNGAI TAMBANG SUB-BRANCH

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ARTICLE INFO	ABSTRACT

One of the risks faced by every bank in running its business is credit risk. Credit risk is the risk that arises as a result of the debtor's failure to fulfill obligations. In general, two factors cause bad credit, namely internal factors and external factors. This research aims to determine Bad Credit which is influenced by Credit Monitoring and Debtor Character. This type of research is quantitative research with an associative (relationship) approach. The population of this research is all bad credit customers in 2018-2022 at Bank Nagari, Sungai Tambang Sub-Branch. The sampling technique used was total sampling. The data used is data on bad credit customers at Bank Nagari, Sungai Tambang Sub-Branch. The data sources in this research were obtained from direct observation, questionnaires and interviews with company employees and customers of Bank Nagari, Sungai Tambang Sub-Branch. Partially, the research results show that Credit Monitoring has no effect on Bad Credit and Debtor Character also has no effect on Bad Credit. Meanwhile, simultaneously, Credit Monitoring and Debtor Character influence Bad Credit. Based on the results of the coefficient of determination test, Bad Credit is influenced by Credit Monitoring and Debtor Character by 8.7%. And the remaining 91.3% is influenced by other variables outside of the variables used in this research.

Keywords:
Credit Monitoring;
Debtor Character
Bad Credit

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1. INTRODUCTION

The role of banking in the economic development of a nation is as vital as the heart in the human body. Banking can channel funds for economic activities so that healthy banks will strengthen a nation's economic activities. The development process held by a country requires quite a lot of money, this is also the case with the Indonesian state today, namely implementing a national development program with the aim of creating a just and prosperous society that is equally material and spiritual, both in terms of economic, social, cultural and defense and security [1]. In carrying out economic development and improvement, one of the main problems that is often faced is limited capital which concerns the problem of forming and distributing funds. For this reason, the government is taking steps to provide loans to the public in the form of credit, in the form of banking services. In this case, the party that functions as the credit provider is the bank and there is the party that functions as the credit recipient [2].

Based on Law No. 7 of 1992 concerning Banking [3], the main function of banking is to collect funds and distribute funds to the public in credit. And in the formulation of Law no. 10 of 1998 concerning Banking [4], article 1 number 11 and 12 states: "Credit is the provision of money or equivalent bills based on an agreement or loan agreement between the bank and another party which requires the borrower to pay off the debt after a certain period of time by providing flower".

Banks are financial institutions that work based on trust in the community, in their operational activities the bank collects funds from the community and distributes them back to the community in the form of credit. A bank is an intermediary financial institution which is generally established with the authority to accept money deposits, lend money and issue promissory notes. Meanwhile, according to banking law, a bank is a business entity that collects funds from the public in the form of savings and distributes them to the public in the form of credit and/or other forms in order to improve the standard of living of many people. In the world of finance, banks are one of the pillar institutions that guarantee the smooth circulation of money in society. Banks function as financial intermediaries, parties that can be trusted, and serve various financial interests of customers [5].

Bank Nagari manages funds obtained from customer savings in the form of savings (Sikoci) and deposits which are distributed in the form of small entrepreneurs who live in the country side because one of the common characteristics inherent in rural communities is weak capital [6]. This lack of capital limits the space for business activities carried out by village communities whose aim is to increase income. Ownership Limited funds and external financial sources that are difficult to obtain make village communities experience difficulties in trying to improve their standard of living. Bank Nagari Sungai Tambang Sub-Branch provides credit to borrowers, if the bank feels confident that the credit given to prospective customers will be received according to the time period and conditions agreed by both parties. If one or more debtors do not comply with these regulations, this could have repercussions in laterday, that is, the kupedes given does not correspond to the specified time or the payment will be in arrears.

In banking practice, bad credit is all credit that has a high risk because the debtor has failed to face problems in fulfilling predetermined obligations. Problematic Kupedes are non-performing loans with substandard, doubtful and non-performing collectibility [7]. One of the risks faced by every bank in running its business is risk credit. Risk Credit is a risk that arises as a result of the debtor's failure to fulfill obligations. Risk credit arising from the provision of credit is still very dominant because most bank activities are still in the credit sector. There is risk credit that threatens the bank must anticipated appropriately [8].

Ismail [9] stated that in general there are two factors that cause bad credit, namely internal factors and external factors. Internal bank factors such as guarantees provided by customers, inaccurate analysis, collusion between bank officials who handle credit and customers, limited knowledge of bank officials regarding the type of debtor's business, too much interference from related parties, weaknesses in do debtor credit guidance and monitoring, lack of supervision, etc. External factors consist of intentional elements carried out by customers and unintentional elements. The element of intent, for example, is that the customer deliberately does not make installment payments to the bank, the debtor expands too much, the use of funds is not in accordance with the objectives, etc. Meanwhile, unintentional elements such as the debtor's business being limited, the debtor's business not being able to compete with the market, changes in government policy, and natural disasters, and etc [10].

One of the factors causing bad credit is credit monitoring. Credit monitoring by banks is very important to carry out. This supervision includes supervision of the monthly credit payment process by debtors, outreach to customers regarding the risk of delays or not paying credit in accordance with predetermined provisions, and includes supervision of customers' business if necessary [11]. Good credit monitoring by banks can reduce the risk of bad credit. With credit monitoring by banks, it is hoped that debtors can pay credit on time and in accordance with predetermined provisions. If credit monitoring is good, the risk of bad credit will be reduced [12]. Thamrin's research [13] states that credit monitoring has a positive and significant effect on bad credit. This means that if bank supervision is poor, then bad credit will increase, and vice versa, if bank supervision is good, then the risk of bad credit occurring will decrease.

Apart from credit monitoring from banks, other factors that cause this come from outside the bank, such as from the debtor itself or other environmental factors. One of them is the debtor character himself. Each debtor has a different character, but broadly speaking, debtor character can be divided into two types of character, namely debtors who have good character and debtors who have less good character. Generally, debtors who have poor character tend not to make credit payments on time. This can of course trigger an increased risk of bad credit. On the other hand, debtors who have good character tend to pay credit on time every month and have good intentions to settle their credit. This can reduce bad credit in banks [14]. Thamrin's research [13] found that the debtor's character had a positive and significant effect on bad credit. This means that if the debtor's character is not good, bad credit will increase, and vice versa, if the debtor's character is good, bad credit will decrease.

Literature Review

Bank

According to Kuncoro [15], banks are financial institutions whose main business is collecting funds and channeling these funds back to the community in the form of credit and providing services in payment traffic and money circulation. Therefore, in carrying out daily business activities, banks must have funds to be able to provide credit to the public. These funds can be obtained from bank owners (shareholders), the government, Indonesian banks, parties abroad, and domestic communities. Funds from bank owners are in the form of capital deposits made at the time the bank was founded.

Credit

The definition of credit according to Law Number 10 of 1998 concerning Amendments to Law Number 1992 concerning Banking [4] is the provision of money or bills that can be equivalent to it, based on an agreement or loan agreement between the bank and another party which requires the borrower to pay off the debt after a certain period of time with interest. According to Veithzal Riva'i [16], credit is the delivery of goods, services or money from one creditor on the basis of trust to another party or debtor with a promise to pay from the credit recipient to the credit provider on a date agreed upon by both parties. From several definitions of credit that have been put forward by the experts above, the author can conclude that credit is the provision of money or bills, based on an agreement or agreement that the payment is made in accordance with the agreed time period along with the specified amount of interest.

Bad credit

Mahmoeddin [17], states that bad credit is credit where the debtor is unable to fulfill previously agreed requirements, for example requirements regarding interest payments, taking loan principal, increasing deposit margins, binding and increasing collateral, and etc. Subarjo [18], states that bad credit is where the principal and interest installments cannot be repaid for more than 2 installments plus 21 months, or credit settlement has been submitted to the court or state auction receivables agency or has been submitted. compensation to the credit insurance company. Mantayborbir, et al, [19] stated that a credit is said to be problematic because the debtor breaks his promise or does not complete his obligations in accordance with the agreement, both in amount and time, for example payment of interest calculations and principal debt.

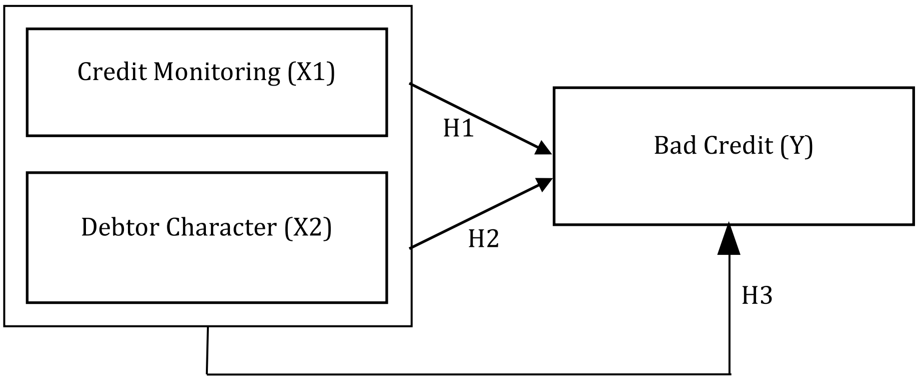
Credit Monitoring

Credit monitoring is one of the internal management functions his efforts to safeguarding and securing the management of bank assets towards better and more efficient credit in order to prevent irregularities by encouraging compliance with credit policies that have been implemented [20].

Debtor Character

Sampurnaningsih [21], states that character is a person's nature or disposition. The nature or character of a person who will be given credit must really be trusted. In this way, there will be no failure in providing financing. Meanwhile, the debtor is the party receiving debt obtained from the debt provider whose payment is determined by a pre-agreed repayment period [21]. Only the character (disposition/personality) of prospective debtors who have a good reputation can continue to consider their credit application. Bad debtor character is characterized by misuse of credit by customers so that it is not in accordance with the objectives of the bank's provision [6].

Figure 1 Conceptual Framework for Research



Research Hypothesis

The hypothesis in this research is as follows.

a. The Effect of Credit Monitoring on Bad Credit

Good credit monitoring by banks can reduce the risk of bad credit. With credit monitoring by banks, it is hoped that debtors can pay credit on time and in accordance with predetermined provisions. If credit monitoring is good, the risk of bad credit will be reduced [12]. Thamrin's research [13] states that credit monitoring has a positive and significant effect on bad credit. This means that if bank supervision is poor, then bad credit will increase, and vice versa, if bank supervision is good, then the risk of bad credit occurring will decrease. Based on this description, a hypothesis can be concluded first as follows:

H_1 : Credit Monitoring affects Bad Credit

b. The Influence of Debtor Character on Bad Credit

Character (character/personality) only prospective debtors who have a good reputation can continue to consider their credit application. Bad debtor character is characterized by misuse of credit by customers so that it is not in accordance with the objectives of the bank's provision [6]. The bank must recognize the nature and character of potential creditors, such as looking at the debtor's ability to fulfill their obligations to pay off credit. Apart from that, the bank must be able to understand the character of the prospective creditor, where the creditor or credit customer is someone who can be trusted. If the customer has good character, there is a good chance of repaying the loan and avoiding bad credit. Research conducted by Nursyahriana [22] found that the debtor character has a significant and negative effect on non-debtors performing loan or bad credit. Surdani's research [23] found that the debtor's character has a negative effect on bad credit. This result supported Ulfa's research [24] found that the debtor character has a positive and significant effect on bad credit. Mukhsinati's research [25] also found that the debtor's internal factors were C5 (Character, Capacity, Capital, Collateral and Condition), variables character influences the occurrence of bad credit. Based on this explanation, the second hypothesis is formulated as follows:

H_2 : The Debtor Character influences Bad Credit

c. The Influence of Credit Monitoring and Debtor Character on Bad Credit

Credit monitoring is one of the management functions in its efforts to safeguard and secure the management of bank assets towards better and more efficient credit in order to prevent irregularities by encouraging compliance with the credit policies that have been implemented. And Sampurnaningsih, stated The nature or character of a person who will be given credit must really be trusted. In this way, there will be no failure in providing financing [20].

H_3 : Credit Monitoring and Debtor Character influence Bad Credit

2. METHOD

The type of research used is quantitative research with an associative (relationship) approach. The type of data used in this research is data on bad credit customers at Bank Nagari, Sungai Tambang Sub-Branch. The data sources in this research were obtained from direct observation, questionnaires and interviews with company employees and customers of Bank Nagari, Sungai Tambang Sub-Branch. The population that is the object of research is all bad credit customers in 2018-2022 at Bank Nagari Sungai Tambang Sub-Branch. The sampling technique used in this research is total sampling. Thus, the sample in this research is all bad credit customers in 2018-2022 at Bank Nagari Sungai Tambang Sub-Branch. The variables used in this research include: 1) Dependent Variable, namely Bad Credit (Y); 2) Independent variables, namely Credit Monitoring (X_1) and Debtor Character (X_2).

Table 1 Definition of Operational Research

Research variable	Operational definition	Indicator	Measurement Scale
Credit Monitoring (X_1)	Credit Monitoring is one of the internal management functions his efforts to safeguarding and safeguarding the management of bank assets to credit direction better and more efficient in order to avoid deviations by encouraging compliance with policies credit policy which has been implemented [20].	1. Active Surveillance 2. Passive Surveillance [26]	Likert
Debtor Character (X_2)	The Debtor Character is the nature or character of a debt recipient that must truly be trusted, so that there is no failure in providing financing or granting credit, and so that the debt recipient can make repayment within a predetermined time period that has been previously agreed upon [21].	1. Customer's Intentions 2. Responsibility 3. Credit Use 4. The Nature of Openness [11]	Likert

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Research variable	Operational definition	Indicator	Measurement Scale
Bad Credit (Y)	Bad Credit is credit where there are arrears in principal and/or interest payments that have exceeded at least 3 time criteria, namely (1) 91 days to 180 days; (2) 181 days to 270 days; and (3) 271 days to 360 days [27]	1. Substandard (KL) 2. Doubtful (D) 3. Jam (M) [12]	Likert

This research data analysis uses the SPSS version 25 application. The data analysis technique in this research uses several techniques, namely as follows:

a. Data Quality Test
   This data quality test consists of 2 parts, namely: (1) Validity Test, used to measure whether a questionnaire is valid or not; and (2) Reliability Test, intended to measure a questionnaire which is an indicator of a variable.
b. Classic assumption test
   This test consists of 3 parts, namely: (1) Normality Test, aims to find out how much data is normally distributed in the variables used in this research [28]; (2) Multicollinearity Test, aims to test whether in the regression equation a correlation is found between the independent variables [28]; and (3) Heteroscedasticity Test, aims to test whether in the regression model there is inequality of variance from the residuals of one observation to another observation Ghozali [28].
c. Multiple Linear Regression Analysis
   According to Ghozali [28], analysis multiple linear regression is analysis about the relationship between one dependent variable and two or more independent variables. To determine the effect of the independent variable on the dependent variable, a multiple linear regression model is used with the following equation:

$$Y = a + b_1X_1 + b_2X_2 + e$$

Information :
Y : Bad credit
A : Constant
b1 : Credit Monitoring Coefficient
b2 : Debtor Character Coefficient
X1 : Credit Monitoring
X2 : Debtor Character
E : Error

d. Hypothesis testing
   This test consists of 2 parts, namely: (1) t test, intended to find out whether the independent variables individually have an influence on the dependent variable with the assumption that the other variables are constant [28]; and (2) F test, aims to test the influence of the independent variable on the dependent variable simultaneously or test together [28].
e. Coefficient of Determination Test (R^2)
   According to Ghozali [28], the coefficient of determination is used to determine how much the presentation of variation in the independent variables is able to clarify the variability of the dependent variable.

3. RESULT AND DISCUSSION

The sample in this study was bad credit debtors at Bank Nagari, Sungai Tambang Sub-Branch. The number of bad credit customers at Bank Nagari Sungai Tambang Sub-Branch is 63 people. The sampling technique in this research is total sampling, which means that the entire population can be used as a sample. The sampling period was carried out from 24 July 2023 to 31 August 2023. Respondents in this study were differentiated based on several characteristics which will be described as follows:

Table 2 Characteristics of Research Respondents

No.	Information	Quantity (People)	Percentage (%)
Gender			
1.	Man	14	22
2.	Woman	49	78
	Total	**63**	**100**
Age			

No.	Information	Quantity (People)	Percentage (%)
1.	25-30 Years	9	14
2.	31-35 Years	14	22
3.	36-40 Years	11	17
4.	41-45 Years	19	30
5.	46-50 Years	6	10
6.	51-55 Years	2	3
7.	56-60 Years	2	3
	Total	**63**	**100**
Level of education			
1.	SD	2	3
2.	SMP	20	32
3.	SMA	36	57
4.	S1	5	8
	Total	**63**	**100**
Type of business			
1.	Traders Buying and Selling Used Motorbikes	1	2
2.	Cosmetics Trader	4	6
3.	Cake Merchant	2	3
4.	Slop seller	19	30
5.	Tailoring Services	4	6
6.	Sandal Trader	2	3
7.	Mixed Trader	10	16
8.	Workshop	1	2
9.	Furniture	3	5
10.	Prepared Food Traders	4	6
11.	Watch Trader	1	2
12.	Fruit merchant	1	2
13.	Gold Buying and Selling Traders	1	2
14.	Goat Trader	1	2
15.	Gallon Water Merchant	2	3
16.	HP and Credit Traders	2	3
17.	Salon	1	2
18.	Chinaman	2	3
19.	Well Ring Merchant	1	2
20.	Toy Trader	1	2
	Total	**63**	**100**
Business Experience			
1.	1-5 Years	46	73
2.	6-10 Years	13	21
3.	11-15 Years	4	6
	Total	**63**	**100**

Analysis of Research Results
Data Quality Test
Validity test

Table 3 Validity Test Results

Variable	Indicator	r count	r table	Information
	$X_{1.1}$	0.362	0.05	Valid
	$X_{1.2}$	0.473	0.05	Valid
	$X_{1.3}$	0.535	0.05	Valid
Credit Monitoring (X1)	$X_{1.4}$	0.651	0.05	Valid
	$X_{1.5}$	0.559	0.05	Valid
	$X_{1.6}$	0.485	0.05	Valid
	$X_{1.7}$	0.681	0.05	Valid
Debtor Character (X2)	$X_{2.1}$	0.486	0.05	Valid

Variable	Indicator	r count	r table	Information
	$X_{2.2}$	0.385	0.05	Valid
	$X_{2.3}$	0.539	0.05	Valid
	$X_{2.4}$	0.49	0.05	Valid
	$X_{2.5}$	0.659	0.05	Valid
	$X_{2.6}$	0.703	0.05	Valid
	$X_{2.7}$	0.659	0.05	Valid
Bad Credit (Y)	Y.1	0.63	0.05	Valid
	Y.2	0.696	0.05	Valid
	Y.3	0.705	0.05	Valid
	Y.4	0.686	0.05	Valid
	Y.5	0.785	0.05	Valid
	Y.6	0.736	0.05	Valid
	Y.7	0.562	0.05	Valid

Based on the table of research results above, it can be stated that all statement items on the independent variables are declared valid, so that the overall score of the indicators can provide a good representation and can be used as an instrument in measuring the variables determined in this research.

Reliability Test

Table 4 Reliability Test Results

Variable	Cronbach's Alpha	Criteria	Information
Credit Monitoring (X1)	0.714	0.6	Reliable
Debtor Character (X2)	0.725	0.6	Reliable
Bad Credit (Y)	0.77	0.6	Reliable

Based on the table above, the results of the reliability test for each variable above, it can be seen that the three variables have a Cronbach's Alpha value greater than 0.60. Based on the provisions above, the indicators in this research are said to be reliable.

Classic assumption test

Normality test

Table 5 Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residuals
N		63
Normal Parameters, b	Means	,0000000
	std. Deviation	3.22673661
Most Extreme Differences	absolutely	,196
	Positive	,099
	Negative	-,196
Test Statistics		,196
Asymp. Sig. (2-tailed)		,139c,d

Based on the results of data processing in the table abovecanIf you see that the significance value is 0.139 > 0.05, then you can concluded that the data is normally distributed.

Multicollinearity Test

Table 6 Multicollinearity Test Results

Coefficients[a]

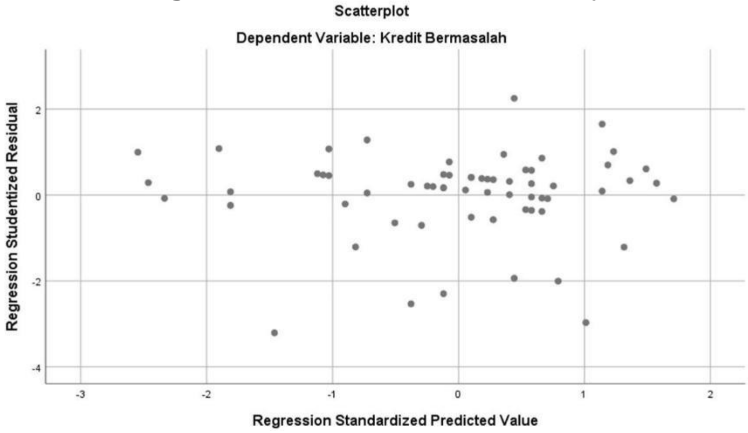
Model		Collinearity Statistics Tolerance	VIF
1	Credit Monitoring	,875	1,143
	Debtor Character	,875	1,143

a. Dependent Variable: Problematic Credit

The table shows that the VIF value of all independent variables in this study is less than 10, while the tolerance value of all independent variables is more than 10%, which means that there is no correlation between the independent variables' values, thus it can be concluded that there are no symptoms of multicollinearity between the independent variables. in the regression model.

Heteroscedasticity Test

Figure 2 Test results Heteroscedasticity



If there is a certain pattern, such as points that form a certain regular pattern (wavy, widening, then narrowing) then this indicates heteroscedasticity has occurred. On the other hand, if there is no clear pattern, and the points are spread above and below number 0 on the Y axis, then heteroscedasticity does not occur. Based on graph above seen that point-the points spread randomly, do not form a certain pattern and spread out, it can be concluded that heteroscedasticity does not occur in the regression model.

Multiple Linear Regression Analysis

Table 7 Results of Multiple Linear Regression Analysis

Coefficients[a]				
Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta
1	(Constant)	10,295	4,366	
	Credit Monitoring	,174	,178	,129
	Debtor Character	,303	,178	,224

a. Dependent Variable: Problematic Credit

Based on the table above, the following regression equation model is obtained:

$$Y = 10{,}295 + 0{,}174\,X_1 + 0{,}303X_2 + e$$

Based on the equation above, it can be analyzed as follows:

a. A constant value of 10.295 indicates that if the independent variables, namely Credit Monitoring (X_1) and Debtor Character (X_2) have a value of zero, then the Bad Credit (Y) value is 10.295.

b. The coefficient value of the Credit Monitoring variable (X_1) is positive at 0.174. This shows that if Credit Monitoring (X_1) has increased by 1 unit, then Bad Credit (Y) will go up of 0.174, assuming that the Debtor Character (X_2) is zero.

c. The coefficient value of the Debtor Character variable (X_2) is positive at 0.303. This shows that if the Debtor Character (X_2) value increases by 1 unit, then Bad Credit (Y) will increase by 3.303, assuming variable Credit Monitoring (X_1) is zero.

Hypothesis testing

t test

Table 8 t Test Results (Partial)

Coefficients[a]			
Model		t	Sig.
1	(Constant)	2,358	,022
	Credit Monitoring	,982	,330
	Debtor Character	1,700	,0.94

a. Dependent Variable: Problematic Credit

Based on the table above, it can be concluded as follows:

The Effect of Credit Monitoring on Bad Credit

From the results of data analysis for the Credit Monitoring variable (X_1), the calculated t value was 0.982 and the significance was 0.330. Table t values show the number 2,000, thus the calculated t value is smaller than the t table value (0.982 < 2,000) and the significance value is 0.330 > 0.05, so it can be concluded that the Credit Monitoring variable (X_1) has no significant effect on the Bad Credit variable (Y). So the first hypothesis (H_1) states that Credit Monitoring (X_1) has an effect on Bad Credit (Y) being rejected.

Influence of Debtor Character on Bad Credit

From the results of data analysis for the Debtor Character variable (X_2), the calculated t value was 1.700 and the significance was 0.094. The t table value shows the number 2,000, thus the calculated t value is small from the t table value (1,700 < 2,000) and the significance value is 0.094 > 0.05, so it can be concluded that the Debtor Character variable (X_2) has no significant effect on the Bad Credit variable (Y). So the second hypothesis (H_2) which states that the Debtor's Character (X_2) influences Bad Credit (Y) is rejected.

F test

Table 9 F Test Results (Simultaneous)

ANOVA[a]			
	Model	F	Sig.
1	Regression	3,255	,044[b]
	residuals		
	Total		

a. Dependent Variable: Problematic Credit
b. Predictors: (Constant), Credit Monitoring, Debtor Character

Testing the third hypothesis (H_3) of this research can be seen from the F value and variable significance value. From the results of the data analysis above, the calculated F value is 3.255 with a significance value of 0.044. The F table value is 3.15. Thus, the calculated F value is greater than the F table (3.255 > 3.15) and the significance value is 0.044 < 0.05, so it can be concluded that there is a significant influence between the Credit Monitoring (X_1) and Debtor Character (X_2) simultaneously or together against Bad Credit (Y).

Coefficient of Determination Test (R^2)

Table 10 Test results Coefficient Determination

Summary Model b				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	,296[a]	,087	,057	3,280

a. Predictors: (Constant), Credit Monitoring; Debtor Character
b. Dependent Variable: Problematic Credit

It can be seen in the table above that the R Square value is 0.087 or 8.7%. This indicates that around 8.7% of the factors causing Bad Credit (Y) are independent variables in this research, namely Credit Monitoring (X_1) and Debtor Character (X_2), while the remaining 91.4%caused by other factors not examined in this research such as the value of credit collateral, the debtor's type of business and the debtor's income.

Discussion of Research Results

The Influence of Credit Monitoring on Bad Credit

From the results of data analysis, it was concluded that the Credit Monitoring variable (X_1) had no significant effect on the Bad Credit (Y). So the first hypothesis (H_1) which states that Credit Monitoring (X1) has an effect on Bad Credit (Y) is rejected. Credit Monitoring is one of the management functions in its efforts to safeguard and secure the management of bank assets towards better and more efficient credit in order to prevent irregularities by encouraging compliance with the credit policies that have been implemented. Good credit monitoring by banks can reduce the risk of bad credit. With credit monitoring by banks, it is hoped that debtors can pay credit on time and in accordance with predetermined provisions. If credit monitoring is good, the risk of bad credit will be reduced. However, with a lack of human resources and system owned by a bank, the credit monitoring carried out will certainly not affect bad credit or in other words not capable reducing the level of bad loans in a bank.

The Influence of Debtor Character on Bad Credit

From the results of data analysis, it was concluded that the Debtor Character (X_2) had no significant effect on the Bad Credit (Y). So the second hypothesis (H_2) which states that the Debtor's Character (X_2) influences Bad Credit (Y) is rejected. The Debtor Character is the nature or character of a debt recipient that must truly be trusted, so that there is no failure in providing financing or granting credit, and so that the debt recipient can make repayment within a predetermined time period that has been previously agreed upon. The debtor's bad character is characterized by misuse of credit by the customer so that it is not in accordance with the aim of the bank's provision. The bank must recognize the nature and character of potential creditors, such as looking at the debtor's ability to fulfill their obligations to pay off credit. Apart from that, the bank must be able to understand the character of the prospective creditor, where the creditor or credit customer is someone who can be trusted. If the customer has good character, there is a good chance of repaying the loan and avoiding bad credit. The nature or character of the customer is not can easily analyzed need human resources and time long enough to conclude the customer's character. By therefore, then character the debtor cannot be the main causal factor credit congested.

The Influence of Credit Monitoring and Debtor Character on Bad Credit

From the results of the data analysis above, it can be concluded that there is a significant influence between Credit Monitoring (X_1) and Debtor Character (X_2) simultaneously or together against Bad Credit (Y). So the third hypothesis (H_3) which states that Credit Monitoring (X_1) and Debtor Character (X_2) simultaneously influence Bad Credit (Y) is accepted. Credit monitoring and the debtor character are several factors that cause bad credit. Credit monitoring is ability management owned by the bank within analyze and monitor the credit process. However, because there are many credit disbursement processes, credit monitoring activities are certainly no longer optimal and this is certainly one of the factors causing bad credit at a bank. Meanwhile, the debtor character certainly requires qualified human resources in that field get maximum results, but not all banks have these human resources and it takes quite a long time. However, the debtor character himself can be seen through general, such as previous credit history, BI checking related debtors, information from people closest to you and other analyses. For example, a debtor who has a previous credit history that is less than smooth may be eligible for credit next own history the same one. If the debtor remains given credit, of course the can become wrong one cause of bad credit at banks concerned.

4. CONCLUSION

Based on the results of the discussion, the following conclusions can be drawn. From the results of data analysis for the Credit Monitoring (X_1), the calculated t value was 0.982 and the significance was 0.330. Table t values show the number 2,000, thus the calculated t value is smaller than the t table value ($0.982 < 2{,}000$) and the significance value is $0.330 > 0.05$, so it can be concluded that the Credit Monitoring (X_1) has no significant effect on the Bad Credit variable (Y). So the first hypothesis (H_1) which states that Credit Monitoring (X_1) has an effect on Bad Credit (Y) is rejected. From the results of data analysis for the Debtor Character (X_2), the calculated t value was 1.700 and the significance was 0.094. Table t values show the number 2,000, thus the calculated t value is small from the t table value ($1{,}700 < 2{,}000$) and the significance value is $0.094 > 0.05$, so it can be concluded that the Debtor Character variable (X_2) has no significant effect on the Bad Credit variable (Y). So the second hypothesis (H_2) which states that the Debtor's Character (X_2) influences Bad Credit (Y) is rejected. Testing the third hypothesis (H_3) of this research can be seen from the F value and variable significance value. From the results of the data analysis above, the calculated F value is 3.255 with a significance value of 0.044. The F table value is 3.15. Thus, the calculated F value is greater than the F table ($3.255 > 3.15$) and the significance value is $0.044 < 0.05$, so it can be concluded that there is a significant influence between the Credit Monitoring (X_1) and Debtor Character (X_2) simultaneously or together against Bad Credit (Y).

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