

## ABSTRACT

Wahid, Mohammad Nur. 09220049. **The Settlement of Murabahah Financing Bad Debt in Managing Debtors' Decreasing Ability to Pay in BPRS Jabal Tsur Pandaan.** Thesis. Department of Islamic Business Law. Faculty of Sharia. Maulana Malik Ibrahim Islamic State University, Malang.

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Keywords: Settlement, Murabahah, and Bad Debt

BPRS Jabal Tsur is a sharia financial institution which grows very quickly. It is able to compete with its competitors in the business due to the support of the effective and innovative system in the institution.

This research is a qualitative research with descriptive approach. The tools of data collection used by the researcher are observation, interview, and documentation then reexamination with triangulation method by comparing and rechecking the obtained data with the reality in the field.

From the results, it is concluded that the decreasing ability is due to internal (the bank) and external (the debtor) factors. Based on the policy, BPRS Jabal Tsur make some innovative efforts. They are the combination of conventional ways and spiritual approach, financial restructuring: rescheduling, recondition and write-off. In the practice, BPRS often makes rescheduling of installment payment and prays for bad debtors' wealth. The policy taken by BPRS Jabal Tsur is in accordance with existing regulations, such as PBI Number 10/18 of 2008 and DSN Instruction concerning the entire Murabahah products.