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Risk Management of Non-bank Home Ownership Financing

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Abstract

The Ministry of Public Works and Housing through General Directorate of Housing Financing (2016) estimated that housing demand by 2025 will reach more than 30 million units, so that this demand of new housing estimated will reach 1,2 million unit per year. This condition shows that the demand of houses is an important need for society. On the other hand, the amount of moslem in Indonesia per 2010, according to BPS, has reached 85%. Both of these conditions show that there is a demand of houses by applying Islamic values which one of them is by using istishna’ financing scheme. But, the implementation of Islamic housing in Indonesia does not have standardized system yet in general, so that it causes some risks that need to find out. Therefore, this research is meant to find out the risk management of non-bank-house ownership financing by Sabrina Azzura.

Keywords: Risk management, syariah housing, Sabrina Azzura, istishna’ financing

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1. Introduction

A house is a pillar for good family growth in terms of welfare, health and social aspects. Hence, the availability of housing is an important part of the progress of a country. According to data obtained from the Ministry of Public Works and Public Housing through the Directorate General of Housing Financing (2016), the demand for housing by 2025 is estimated to reach more than 30 million units, because of that the demand for new housing is estimated to be 1.2 million units per year.

The discrepancy between the number of houses built and the number of houses needed by the people is called the home backlog. Home backlogs can be measured from two perspectives, both in terms of occupancy and ownership. The government needs to map the lack of housing supply due to the accumulation of requests (backlogs) in each province as a first step to house the people (Housing Finance Fund Management

Center, 2015). The number of home backlogs in Indonesia is claimed by the government to have declined to 11.4 million units. Based on the Central Statistics Agency (2015), it shows that around 82.8 percent of Indonesians already have their own homes, while the remaining 17.2 percent still rent, live with parents, and even do not have a house.

Director of the Institute for Development of Economics and Finance (INDEF), Enny Sri Hartati (2017) stated, in recent years Indonesia is experiencing a decline in purchasing power, although Bank Indonesia (BI) claims national inflation is at a low stable level. This decline in public purchasing power is evident from the decline in the growth of the business sector such as property, retail and the food and beverage industry.

Financing can be an alternative solution to increase the purchasing power of homes for the community. According to Firdaus and Ariyanti (2009: 5), financing has one function which is advocating the flow of exchange of goods and services. Financing can be channeled by bank financial institutions and non-bank financial institutions. As one of the pillars of the financial sector in carrying out the functions of financial services in the field of financing, financial institutions are expected to help the community meet the needs of home ownership. Funding for the purchase of a house or commonly referred to as House Ownership Financing (PPR) is one of the products of the financing from the financial institutions.

In addition to PPR, there are alternative solutions for people to own a house with a non-cash payment system. It is a non-bank PPR by the developer that is given directly to consumers. Non-bank PPR by developers is independent or without a third party in a home ownership financing transaction.

Sabrina Azzura is one of the developers who provide non-bank PPR to consumers. Sabrina Azzura, who is located in East Bekasi, stated that the practice of buying and selling houses is done in a bankless way, usury, fines, and confiscation.

Non-bank PPRs by developers will of course face risks. Risks in various forms and levels are inseparable components. Therefore, developers as providers of non-bank PPR are required to be able to effectively manage the risks they face. Risk management is an important aspect in the continuity of this financing model. Application of risk management, will protect the developer from losses incurred and maintain the level of risk in accordance with previous predictions.

2. Literature Review

According to the Indonesian Dictionary (KBBI), financing means everything related to costs. Definition of financing according to Antonio (2001: 160), is the ability of funding facilities to meet the needs of the parties who constitute a deficit. According to Kasmir (2003: 102), the provision of money or claims that can be equated with it, is based on an agreement between the company and another party that requires the financed party to return the money or bill after a certain period of time with a reward or profit sharing.

Financing according to Siamat (2004: 192) explains that the distribution of funds is called financing if in the distribution of funds the bank must be guided by the principle of prudence. In connection with this, banks are required to carefully examine prospective recipients of funds based on sound financing principles so that the income received can be optimal. Meanwhile, according to Muhammad (2005: 17), financing is funding provided by a party to another party to support the investment that has been planned, either by itself or by an institution.

Regarding financing issues, Islam considers that the financing law is permissible, as is muamalah. However, there are certain conditions in Islam regarding the practice of muamalah including financing. Among the conditions that must be fulfilled is to be free from the elements of *maisir, aniaya, gharar, haram, riba, iktinaz, ikhtikar* and *bathil* (Saleh, 2011: 21-35).

Financing practices that often occur in society, generally include two things, namely on borrowing and buying and selling. Financing in lending and borrowing is usually called credit, which is related to a certain amount of money. The money borrowed by the borrower, when returned is not in cash either deferred or paidin installments, then there is an addition which makes it greater than the money borrowed before. The addition is in Islam, that practice is forbidden (haram) because it contains elements of interest or usury. As the word of *Allah Subhanahu wa Ta'ala* in QS. Al-Baqarah: 275

Meaning: "The people who eat (take) usury cannot stand but like the standing of people who are possessed by devils because of (pressure) madness. Their condition is like that, because they say (argue), actually buying and selling is the same as usury, whereas Allah Subhanahu wa Ta'alat has justified buying and selling and forbid usury. Those who have reached him the prohibition from their Lord, then continue to stop (from taking usury), then for Him what he has taken first (before the ban comes); and his affairs (up to) to Allah Subhanahu wa Ta'ala. One who returns (takes usury), then that person is the inhabitants of hell; they dwell therein "(Maghfirah Library, 2006)

The people who eat and take usury are additional in *muamalah* with money and food ingredients (both about the amount and the time), not rising from their graves except like the rise of people who are possessed by evil due to insane diseases that attack them. *Minal massi* is related to *yaqumuna.* That is because they say that buying and selling is like usury in the matter of being allowed. The following is the opposite of the similarities they say, then Allah *Subhanahu wa Ta'ala* refuses in His word*, "In fact, Allah justifies the sale and prohibition of usury. Whoever learns a lesson or advice from his Lord then stops him and does not take usury anymore, so for him what has passed before the ban comes and he is not asked to return it. His business in forgiving is up to Allah. The people who repeatly eat it and still equate it with buying and selling about the law, then they are the inhabitants of hell. They are eternal in it.*

"(*Jalalain* interpretation).

In general, financing objectives are grouped into financing at the macro and micro level.

According to Asiyah (2014: 4-5) on macro causes:

1. Improving the economy of the people, meaning that the financing proposed by the community can be used to develop their business or only for consumption needs. So with this financing, the community can be helped economically.

2. Availability of funds for business improvement, meaning that for business development requires additional funds. These additional funds can be obtained through financing activities. The surplus party distributes to the deficit party.

3. Increasing productivity, meaning that financing provides opportunities for the community to be able to increase the production capacity of its business.

4. Opening new jobs, meaning that through additional funding, the business sector can absorb labor.

5. The occurrence of income distribution means that the productive business community is able to carry out work activities, meaning that they will get income from the results of their business.

As for micro, financing aims to:

1. Efforts to maximize profits. Every business established must have a goal to obtain maximum profit. To obtain maximum profit, the entrepreneur needs funds to maximize production or business operations.

2. Efforts to minimize risk. Efforts made to be able to generate maximum profits, the entrepreneur must be able to minimize the risks that may arise. The risk of lack of business capital can be minimized by financing.

3. Utilization of economic resources. Every effort requires economic resources, such as natural resources, human resources and capital resources. Without the existence of capital resources, surely business activities will not run, then the solution to the problem is to do financing to be able to obtain business capital.

4. Distribution of excess funds. It is a bridge in balancing and channeling surplus funds from surplus to deficit

In general, PPR includes consumer financing, namely financing activities for housing procurement based on the needs of consumers with payments in installments, with collateral made by banks or non-bank financial institutions in the form of finance companies. The definition of Sharia PPR is generally not different from the Housing Ownership Credit (KPR) in general, although it still has differences. The most obvious difference between the two is the existence of rules governing the application of Sharia PPR namely Islamic economic rules. So it can be concluded that Sharia PPR is a financing used to buy a house according to sharia rules. (Idris, 2014)

The rules or conditions in Sharia PPR are first, not detrimental to each other, meaning that as long as the buyer does not object to the installments determined by the customer, the financing is permitted. But on the contrary if it actually adds to the burden on the homeowner, then such financing is not allowed by religion. Second, the financing does not contain elements that are prohibited by Islamic law (such as: *Maisir, Gharar,* and *Riba*). Third, in financing there is no intention from one of the parties to harm or make a loss to the other party (Akhmadi, 2004: 275).

PPR financing products used in financing institutions have various kinds of rules and contracts that are tailored to the needs of the community. The rules concerning the principal provisions for the operationalization of IPR PPR as stipulated in Bank Indonesia Circular Letter (SE BI) number 14/33 / DPBS, the contract generally applied in Sharia PPR is the *murabahah, Istishna 'contract, Ijarah Muntahiya Bittamlik (IMBT),* and *Musyarakah Mutanaqisah (MMQ).*

1. Murabahah contract

   Murabahah contract based on DSN Fatwa No. 04 / DSN-MUI / IV / 2000 concerning general provisions of murabahah are parties who provide financing to buy goods needed by customers on behalf of their own financing providers, and these purchases must be legal and free of usury. The party providing financing then sells the item to the customer (ordering) with a selling price worth the purchase price plus the profit. In this connection, the financing provider must honestly inform the customer of the cost of goods and the necessary costs.

2. *Istishna'* contract

   DSN-MUI Fatwa (2003: 17) explains that Istishna buying and selling is a sale and purchase agreement in the form of ordering certain goods with certain criteria and conditions agreed between the buyer and seller.

   In principle, Istishna financing is a sale and purchase transaction by paying in installments that are almost the same as murabahah. The difference lies in the delivery of goods that are the object of the transaction. In the murabahah contract, goods are delivered upfront, while in Istishna, the goods are delivered after, ie at the end of the financing period.

3. *Ijarah Muntahiyyah Bittamlik (IMBT)* contract

   The product of *Ijarah muntahiyyah bittamlik* is appropriate and does not violate the provisions of sharia as evidenced by the existence of a Fatwa from the National Sharia Council of the Indonesian Ulema Council. In Fatwa Number 27 / DSN / MUI / III / 2002, it is stated that in the community there has been a general practice of buying leases, namely the lease agreement which is accompanied by the option of transferring ownership rights to the object rented to the tenant after the lease period. In connection therewith, DSN-MUI in the fatwa mentioned above stipulates a fatwa concerning the purchase lease that is in accordance with sharia, namely the IMBT contract.

4. *Musyarakah Mutanaqisah (MMQ)* contract

   The third contract is the MMQ contract. MMQ agreement is a contract that is formed because of the collaboration between parties that provide financing and home buyers, who share ownership rights of a house, followed by payment of ownership every month and transfer of ownership in accordance with the proportion already paid. So this *mutanaqisah musyarakah* agreement is said to be a contract with a reduced partnership concept.

MMQ financing has advantages in togetherness and justice, both in sharing profits and risk of loss, so that it can be an alternative in the process of ownership of assets (goods) or capital. In the National Syari'ah Council Fatwa No.73 / DSNMUI / XI / 2008 concerning mutanaqisah musyarakah, what is meant by mutanaqisah musyarakah is musyarakah or syirkah whose ownership of assets (goods) or capital of one party (syarik) is reduced due to gradual purchases by parties others.

Sharia Property Developer is a community or association which consists of property developer entrepreneurs from various cities in Indonesia. DPSI carries a new concept in the property world in terms of developer capital and consumer financing without banks, without usury, without a problem contract.

The concept of the establishment of a Sharia Property Developer which is to provide solutions in solving problems of the people without worrying about being trapped in usury, especially in financing housing. Like other Islamic financial institutions, here the Sharia Property Developer in carrying out its activities is not solely pursuing profit oriented, but in tandem with *falah* oriented to pursue prosperity in the world and in the hereafter. (Puspitasari, 2017). DPSI in carrying out its business strives to conform to the concept of sharia which is represented in all aspects. Especially the financing and transaction side by eliminating the role of banking. Transaction financing for home purchases using the *Istishna* contract (Dandi, 2016).

According to Ascarya (2007: 79) the merger of the *Istishna* contract 'which must be fulfilled in the transaction is, the first perpetrator of the contract, namely *mustashni'* (buyer) is the party who needs and orders the goods and *shani* '(the seller) is the party producing the ordered goods. Both objects contract or goods or services *(mashnu)* with specifications and prices (*tsaman),* and third, *Shighat*, which is *ijab* and *qobul.*

The Istishna buying and selling pillars are the orderers (mustashni), sellers or makers of goods (shani '), items or objects of contract (masnu') and sighat (ijab and Kabul). Provisions or conditions related to parties with the same understanding as the applicable provisions in buying and selling. According to Antonio (2001: 114), the pillars of Istishna are as follows:

1. *Al-mustashni* (buyer or orderer)
   (a) Must specify the type, shape and nature of the order.
   (b) Can not sell goods before accepting them.
   (c) In the event that there is a defect or the item is not in accordance with the agreement, the buyer has the right of voter to continue or cancel the contract.
2. *As-shani (*seller)
   (a) May sell goods made by other people who have the quality and quantity desired by the buyer.
   (b) It is not possible to exchange goods except for similar items in accordance with the agreement of goods ordered.
3. *Al-mashu* (goods sold)
   (a) The characteristics must be clear.

(b) The items ordered should be items that are usually sold in orders by many people.
(c) The specifications must be able to be explained.
(d) Submission was made later.
(e) The time and place of delivery of goods must be determined by agreement.
(f) Materials for making goods should be from the seller.

4. Price
   (a) The price of the ordered item can be paid at the time of the contract.
   (b) The price of goods ordered can be paid at the time of delivery of the goods.
   (c) In installments according to the agreement.
   (d) Payments can not be in the form of debt write-off.
5. *Sighat* (ijab kabul)
   (a) Most scholars require the submission of the item to be postponed at a later time, but the syafi'i sect allows immediate delivery.
   (b) May specify future date of day for delivery of goods.
   (c) Place of submission.

Dewan National Sharia Board through Fatwa National Sharia Council No. 06 / DSN-MUI / IV / 2000 Concerning Sale and Purchase of Istishna 'has set several provisions regarding Istishna buying and selling' as follows:

1. Payment Terms:
   (a) The payment instrument must be known in terms of amount and form, whether in the form of money, goods, or benefits.
   (b) Payments are made in accordance with the agreement.
   (c) Payments can not be in the form of debt write-off.
2. Provisions on Goods:
   (a) Characteristics must be clear and can be recognized as liability.
   (b) The specifications must be explained.
   (c) Submission was made later.
   (d) The time and place of delivery of goods must be determined by agreement.

(e) The buyer can not sell the goods before accepting them.

(f) It is not possible to change the goods, except with similar items in accordance with the agreement.

(g) In the event that there is a defect or the item is not in accordance with the agreement, the buyer has *khiyar* rights (the right to vote) to continue or cancel the contract.

3. Other Conditions:

(a) In the event that the order has been carried out in accordance with the agreement, the law is binding.

(b) All provisions in buying and selling s*alam* that are not mentioned above apply also to the sale and purchase of *Istishna*.

(c) If one party does not fulfill its obligations or if a dispute between the two parties, then the settlement is carried out through the Sharia Arbitration Board after an agreement is not reached through deliberation.

Financing Risks

Financing risk is the risk caused by counterparty failure in fulfilling obligations. Financing covers risks related to products according to Zulkifli (2007: 16-20) in general, the *tijarah* transaction consists of two types, namely Natural Certainty Contracts (NCC) and Natural Uncertainty Contracts (NUC).

1. Risk of Natural Certainty Contracts-Based Financing

   NCC-Based Financing is a type of transaction contract in a business that has certainty of profit and income, both in terms of amount and time of delivery. What is meant by having certainty is that each party involved can predict the payment and the time of payment. Thus the nature of the transaction is fixed and predetermined (the amount can be determined and fixed) (Zulkifli, 2003). NCC-based Financing Risk Analysis is identifying and analyzing the impact of all customer risks so that the financing decisions taken have taken into account the risks of NCC-based financing, such as *murabahah, ijarah, ijarah muntia bit tamlik, salam* and *Istishna'.*

2. Risk of Natural Uncertainty Contracts Based Financing

   NUC-based financing is a transaction contract in a business that does not have certainty of profits and income, both in terms of the amount and time of delivery.

> This is because this transaction is closely related to the conditions in the future, which cannot be determined. In other words, these transactions are not fixed and predetermined (Zulkifli, 2003).

Risk Analysis of Natural Uncertainty Contracts Based Financing is identifying and analyzing the impact of all customer risks so that the financing decisions taken have taken into account the existing risks of Natural Uncertainty Contracts-based financing, such as *mudaraba* and *musharaka.*

Istishna's financing channeled exposes the financing provider to a specific counterparty risk according to Ismail (2011), namely the default risk on the buyer's side is natural, or often referred to as failure to pay in full and on time.

Istishna 'financing carried out by the seller and the buyer has the potential risk according to Badri's opinion (2015), namely istishna' contract as one of the binding contracts so that when the delivery of goods is due, and the producer succeeds in making the goods according to the order, there is no the right for the subscriber to resign from his order. As a producer is not entitled to sell their products to other people.

3. Research Methodology

This study uses a qualitative approach which means researchers have an important role in data collection, analysis and interpretation. Moleong (2010: 6) defines a qualitative approach as a research approach that intends to understand the phenomenon of what is experienced by research subjects such as behavior, perceptions, motivations, actions, etc., which are carried out holistically, by means of descriptions in the form of words. words and language, in a special natural context and by utilizing various scientific methods. Referring to the background of the problem, this study aims to answer the problem formulation.

The appropriate method in this study is a case study. According to Yin (2003: 4) research with a case study method or approach that concentrates intensively on a particular object that studies it is a descriptive qualitative research. Case study data can be obtained from all parties concerned, in other words the data in this study were collected from various sources (Nawawi, 2003).

The type of case study used in this study is descriptive study which aims to provide a detailed description of the background, characteristics, and characteristics typical of a case. In addition, according to Yin's explanation (2014: 1) that the "how" and "why" questions will be directed to a series of contemporary events, where the researcher only has very little chance or no chance at all to control the event.

This research is intended to answer the formulation of the problem, namely how the risk management of non-bank PPR by sharia property developer Sabrina Azzura who uses the Islamic contract '. The formulation of the problem becomes a reference and limitation for researchers in determining the scope of this research. The limitation or scope of this research focuses on the risk management of non-bank PPRs provided by sharia property developer Sabrina Azzura. According to Yin (2013) the unit of analysis is a fundamental component related to the problem of determining what is meant by "cases" in a study. The unit of analysis in this study consisted of Director, Finance Director, Financial Officer and marketing staff Sabrina Azzura. Researchers chose Sabrina Azzura because the financing scheme no longer used cooperation with Bank KPR.

The type of data used in this study is primary and secondary data. Primary data is data obtained from sources, either individuals or individuals and documents. Primary data in this study were obtained from interviews with the president director, director and staff at Sabrina Azzura. Sources of data in this study are interviews with resources, direct observation and documentation.

In this study researchers used interviews and other supporting data collection to collect the data needed. The data needed in this study are primary data. Technical data collection conducted during the field research in Sabrina Azzura was using passive participatory observation, interviews, and documentation. Data that has been obtained during the research in the field then carried out data validity so that data is more valid by using data source triangulation techniques. Valid data is then analyzed. Data analysis is done by first doing data reduction in order to collect data relevant to the research, then the data will go to the next stage which is drawing conclusions.

This research uses triangulation with data sources, by digging sources and checking both the degree of reliability of data that has been obtained through several sources. In this research, source triangulation is done by comparing the results of interviews with the contents of a related document in order to obtain linkages between data.

This study researchers used pattern matching analysis techniques as expressed by Yin (2013), the logic of pattern matching is comparing patterns based on empirical patterns predicted.

4. Discussion

The background of the establishment of Sabrina Azzura is because it wants to be a solution for people in home ownership in a non-cash way without denying Allah's *Subhanahu Wa Ta'ala's* command, considering that one to two decades of home purchase industry on credit is controlled by the usury system. Another reason behind the establishment of Sabrina Azzura is to seek the pleasure of Allah *Subhanahu Wa Ta'ala* in making transactions. Sabrina Azzura is one of the sharia property developers who provide direct financing to customers without banks or third parties. Sabrina Azzura has the principle to run a PPR scheme without a bank, confiscation, usury and fines.

Located in the East Bekasi area, this sharia housing has sunnah facilities such as a prayer room, making religious study programs, and making routine medical activities. In addition to instilling Islamic values in home financing transactions, Sabrina Azzura also instills Islamic values in the housing environment such as not being able to use clothes that do not cover *aurat*. The procedure for financing the purchase of a house in Sabrina Azzura includes requirements, among others, completing the required documents, conducting an interview, completing a sale and purchase agreement, making payments and completing a financing installment.

1. Complete the Required Documents

   Documents that need to be completed by prospective buyers are supporting documents stating the identity and financial condition of the prospective buyer. Without going through BI checking, documents that need to be completed by prospective buyers are KTP, KK, marriage books, checking accounts, financial statements; balance sheet, income statement, daily sales and purchase records, as well as other accounting data (for entrepreneurs), salary slips and certificates of employment from the company (for employees).

2. Interview

   The developer will conduct an interview with the aim of knowing more deeply the prospective buyers both in terms of financial ability and the psychological side of the buyer. At this stage the developer can ask questions about the life of the prospective buyer such as how many wives, how many children, how much monthly expenses, how many monthly installments, what items (collateral) will be guaranteed, what motivation to have a house and so on.

3. Fill in the Sales and Purchase Agreement

After the developer conducts an analysis of the document and the results of the interview, the developer makes a decision on the granting of financing for the purchase of a home. If a prospective buyer can make a financing then the next stage is the developer, the buyer and the witness meet to do the contract by signing the sale and purchase agreement with istishna 'contract. This agreement is binding on both parties to carry out its obligations and to obtain the rights of each party to sign this agreement.

4. Payment methods

The payment methods set by Sabrina Azzura can be cash and not cash. The price set for one housing unit by way of cash payment is cheaper than the price of one housing unit with non-cash payment. The period of time set by Sabrina Azzuran in installment payments is 60 months and 120 months. Sabrina Azzura determined the price to be paid by the buyer who made the non-cash payment was 30% of the price of the house that the buyer wanted to buy with details of paying a booking fee of Rp 5,000,000 first and the rest could be repaid periodically. When the buyer has paid down the payment of 30% of the house price, the developer starts building the house.

The price difference set by cash payment and not cash is something that is not against the Shari'a law. According to Tarmizi (20016: 421-422), if someone is in dire need of an item and is expected to be able to pay it off, it is permissible for him to buy goods without cash even if the price is more expensive than the cash price if other requirements are met. As was once exemplified by the Messenger of Allaah alaihi wa salam, he owed him to cover his basic needs of getting food for himself and his family, not for luxury goods. Non-cash buying and selling is permissible in Islam as the result of Majma 'Al Fiqh Al Islami's decision (fiqh OKI division), no. 51 (2/6) in 1990 which reads "It is possible to overestimate the price of goods sold without cash rather than being sold in cash... and the price is paid in installments within a specified period.". Also the fatwa of the royal council of Saudi Arabia with the fatwa number 1178 that buying and selling credit is included in the sale and sale of which is legal. This is not contrary to the word of Allah in Surah Al-Baqarah verse 275. This is also the fatwa of Shaykh Abdul Aziz bin Baz rahimahullah, the mufti of the kingdom of Saudi Arabia in his time, he said that the sale and purchase of legal credit is permissible, provided that the length of the installment and the amount installments are clearly known at the time of the contract, even though buying and selling not cash is usually more expensive than cash buying and selling. This is permissible because both parties benefit from non-cash buying and selling; The seller gets a profit because the price of the item is more expensive and the buyer gets a profit because he gets the payment due date.

5. Complete Financing Installments

   In the financing settlement process, the buyer is expected to be on time in monthly installments in accordance with the agreement signed by both parties. If there is a delay, the developer Sabrina Azzura will give a warning to the buyer. Sabrina Azzura gave up to three months of time. If the party given the financing does not give the news for three consecutive months, the Sabrina Azzura party will confiscate the house but not in a dzalim way. The understanding of not confiscating a house in a wrong way is that the house was taken over by Sabrina Azzura and then sold back to another party and the proceeds from the sale to pay the debt to Sabrina Azzura then the remainder of the sale was given to the homeowner.

Istishna's financing exposes the financing provider to a specific counterparty risk according to Ismail (2011), namely the default risk on the buyer's side is natural, or often referred to as failure to pay in full and on time.

Istishna 'financing carried out by the seller and the buyer has the potential risk according to Badri's opinion (2015), which is istishna' contract as one of the binding contracts so that when the delivery of goods is due, and the producer succeeds in making the goods according to the order, there is no right for the other party to resign from his order, as a producer is not entitled to sell their products to other people. The risk of istishna financing 'which is potentially detrimental to developers is like the following statement by Mr. Reza Muslim. Muslim (2017) which states that if there is a delay in payment from the buyer, the handover becomes longer while material prices can rise. However, we have anticipated this by taking into account the increase in the price of the material.

The statement from Mr. Reza Muslim can explain that delays in buyers can slow down cash flow but do not make a big loss.

5. Conclusion

From the results of the above research, the authors took several conclusions regarding the istishna financing risk management process' at the Sabrina Azzura Housing (PT Azzura Griya Utama). These conclusions include:

1. Non-bank home ownership risk management (PPR) by Sabrina Azzura is using interview techniques to see prospective buyers' wishes before Sabrina Azzura provides financing. During the interview process, Sabrina Azzura will ask questions such as number of wives, number of children, and number of dependents each month.
2. Sabrina Azzura carried out the risk mitigation process by avoiding, preventing losses and reducing losses. After doing the process of analyzing the results of documents and interviewing prospective buyers, Sabrina Azzura contacted prospective buyers who would be given financing for home purchases.
3. Pembiayaan Istishna Financing 'Non-Bank Home Ownership Financing by Developer The procedure for financing the purchase of a house in Sabrina Azzura includes requirements including completing the required documents, conducting interviews, completing a sale and purchase agreement, making payments and completing financing installments.
4. The risk of non-bank home ownership financing by developer Sabrina Azzura is the use of a different scheme, namely by eliminating the role of the bank because the role is replaced by the developer itself. Hence, the risk inherent in this financing is the risk of default and the risk of being tied to the contract.

5.1. Recommendations

1. For Sabrina Azzura
    (a) Hiring a psychologist in an interview given that most of the financing feasibility assessment activities were conducted through interviews.
    (b) Using a stable financing feasibility assessment system. This is done because the financing feasibility assessment system carried out by Sabrina Azzura has not been stable and prone to fraud because it only relies on interviews.
2. For future research
    (a) Subsequent researchers should conduct the same research related to risk management with different objects because the Islamic housing financing scheme does not yet have rigid standards.
    (b) In addition to conducting interviews, they should do an apprenticeship on the object of research so that they know more about the *istishna* financing risk management process.

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