



**SHARIA PAWN MECHANISM (RAHN) ON BMT MAWADDAH
PALENGAAN BRANCH****Mat Bahri¹****Institut Agama Islam Al-Khairat Pamekasan, Pamekasan, Indonesia**
matbahri@alkhairat.ac.id**Ernawati²****Institut Agama Islam Al-Khairat Pamekasan, Pamekasan, Indonesia**
erinrena7@gmail.com**Dwi Novita Agustin³****Institut Agama Islam Al-Khairat Pamekasan, Pamekasan, Indonesia**
noviitaagustin@gmail.com

Abstract

This study aims to determine the contract used by BMT Mawaddah cabang Palengaan in running a sharia pawnshop business (rahn). By using the descriptive method with the approach. The findings of this study are based on the Sharia Pawn (Rahn) mechanism in Baitul Maal Wa Tamwil BMT Mawaddah cabang Palengaan, First, the pawn contracts used are rahn and ijarah contracts. Second, the customer disbursement process will be subject to administrative and ujah fees. Third, there is a process of determining the loan ceiling that will be given to customers. Fourth, the repayment process applies 2 ways, namely, the installment model and repayment at the 3 month maturity date. Fifth, if there are customers who are unable to pay off loans according to maturity, there are 2 ways of handling them, namely, taking a direct approach to provide settlement solutions and the auction process. Academic recommendations from this research, there is a need for further research with a wider unit of analysis.

Keywords: Sharia Pawn, Rahn, BMT



INTRODUCTION

Banking Financial Institutions are financial institutions that are tasked with collecting funds from the public and channeling them back to the community in order to meet the funding needs of those in need, both for productive and consumptive activities. Banking institutions in Indonesia are divided into two types, namely conventional banks and sharia banks. At this time, not only in Sharia pawnshops and Islamic banks, the public can carry out Sharia pawn transactions, in non-bank Sharia financial institutions, the public can also carry out Sharia pawn transactions like Baitul Mal Wa Tamwil (BMT).

A pledge is one of the categories of debt agreements, which is a trust from the debtor, so the debtor pawns his goods as collateral for the debt. The *rahn* contract aims to make the lender trust the debtor more. Maintenance and storage of pawned goods are essentially the obligations of the pawning party (*rahn*), but they can also be carried out by the party receiving the pawned goods (*murtahin*) and the costs must be borne by *rahin*. The amount of this fee should not be determined based on the loan amount. In *rahn*, pawned goods do not automatically become the property of the party receiving the pledge (the party giving the loan) as a substitute for the receivables. In other words, the function of *Rahn* in the hands of the *murtahin* (debtor) only serves as collateral for the debt from *Rahin* (the person who owes the debt). However, the mortgaged goods still belong to the debtor.

Baitul Mal Wat Tamwil (BMT) is a financial institution, namely an integrated independent business center whose contents are bayt al-mal wa al-tamwil with activities to develop productive and investment businesses to improve the quality of economic activities of small-scale entrepreneurs and by



encouraging saving activities. and support the financing of its economic activities.

The existence of BMT can be seen as having the first two functions, namely as a media channel for empowering the use of worship assets, and the second function besides functioning as a financial institution is tasked with collecting funds from the public and channeling them back to the community who are given loans by BMT (Rizky, 2009).

Increasingly tight economic competition makes it difficult for people to make ends meet. Given that the condition of Palengaan is dominated by a rural environment, many of them become traders, breeders, and small home businesses (Kunaifi, 2020). The obstacle in building community businesses is their insufficient additional capital for the development of the businesses they have run. With the emergence of the BMT Mawaddah Palengaan Branch, it is hoped that it can help to overcome their capital problems. With the increase in capital, it can handle all types of businesses, as well as small traders in the village.

BMT Mawaddah Palengaan Branch has a variety of products offered to BMT members and the general public, one of the various products available at BMT Mawaddah Palengaan Branch is *rahn* product. The *rahn* product at BMT Mawaddah Palengaan Branch is Pawn Sharia. *Rahn* is a financing facility with collateral in the form of gold, and motorized vehicles, this is an alternative to obtaining cash quickly and easily, so the emergence of this phenomenon prompted researchers to raise the title Sharia Pawn Mechanism (*rahn*) at BMT Mawaddah Palengaan Pamekasan Branch. This study aims to determine the contract used by BMT Mawaddah Palengaan Pamekasan Branch in running the



Sharia pawn business (*rahn*) and the Sharia Pawn Mechanism (*rahn*) at BMT Mawaddah Palengaan Pamekasan Branch.

LITERATURE REVIEW

Fundraising

In order for USPPS to develop and maintain its existence, administrators must have a strategy for finding sources of funds. This source of funds can be obtained through members, loans, and funds originating from grants or donations.

a. Sources of Funds

The sources of these funds can be classified as follows (Azmi, 2021):

1. Principal Savings, namely the initial capital of members given to KSPPS where the amount of capital is the same and does not differentiate between one member and another. Principal savings are paid only once when you first become a member using a *musyarakah* contract, where transactions from two or more parties have funds for a sharia-compliant business with the division of business by all parties and losses borne by all parties in accordance with the initial agreement. The concept of establishing KSPPS uses the concept of *syirkah mufawadhah*, which is a business activity jointly established by two or more parties with each party providing the same capital and working in the same portion with profits and losses shared (Buchori, 2012).
2. Compulsory savings, namely cooperative capital, where the obligations are decided based on the results of the members' deliberations and make continuous deposits every month until the member is declared out of



KSPPS. The contract used is the same as the principal savings but the difference is that the payment is made every month until the member declares that he is leaving his membership. Meanwhile, the principal deposit is only a one-time payment at the time of becoming a member.

3. Voluntary savings, namely savings in the form of investment from members or prospective members who have excess funds then save in KSPPS. This form of voluntary savings is divided into two types of characters as follows:

- a) A deposit contract or commonly called *wadi'ah*, namely a transaction in the form of depositing members' funds with a Sharia cooperative that has the obligation to be able to return the funds at any time when members request it. *Wadi'ah* is divided into two types, namely *wadi'ah amanah* and *wadi'ah yad dhomanah*. *wadi'ah amanah* itself is a deposit whose funds may not be used by the Sharia cooperative until it is collected by the owner. Usually, these funds are in the form of ZIS funds. Whereas *wadi'ah yad dhomanah* is a deposit whose funds may be managed by the Sharia cooperative for real business as long as the owner has not taken the funds.
- b) Investment is aimed at business interests with a profit-sharing mechanism, both revenue sharing and profit and loss sharing. This concept is applied to *mudharabah mutlaqoh* time deposits and *mudharabah muqayadah* time deposits. *Mudharabah mutlaqoh* is a collaboration between the capital owner or *shahibul maal* and the fund manager or *mudharib* which has a broad scope and is not limited by the specifications of the type of business, time, and area. While



mudharabah muqayadah is a collaboration between the owner of the funds or *shahibul maal* and the fund manager or *mudharib* where the use of the funds is limited by the requirements of the owner of the funds.

b. Distribution of Funds

Sources of funds obtained by Islamic cooperatives must be channeled to members and prospective members who need funds. The nature of the distribution of these funds is commercial and carries a social function (Buchori, 2012). Distribution of commercial funds, namely buying and selling with *murabahah*, *salam* and *istishna* contracts, forms of cooperation with *mudharabah* or *musyarakah* contracts, multi-service forms such as leasing with *ijarah* contracts, other services with multi-service contracts such as tuition fees, transfer of receivables with *hawalah* contracts and etc.

1. Distribution of *mudharabah* funds, which is a form of cooperation using a *mudharabah* contract where USPPS is the owner of the funds (*shahibul maal*) with members acting as fund managers for productive and halal businesses (*mudharib*). With profits are shared by each party in accordance with the mutual agreement at the beginning and losses are borne by the owner of the funds (*shahibul maal*).
2. Distribution of *musyarakah* funds, namely a form of cooperation using a *musyarakah* contract, which is carried out by two or more parties with each party providing capital (*shahibul maal*) of the same amount and working in the same portion. Profits and losses are shared proportionally based on the agreement at the beginning of the contract.



3. *Ijarah* multi-service products, namely fiqh *ijarah* is a contract of transfer of usufructuary rights (benefits). *Ijarah* is a contract for the transfer of use rights in the form of goods or services through the payment of rental wages without being followed by a transfer of ownership of the goods themselves (Buchori, 2012). For example, on tent rentals and so on.
4. *Ijarah Muntakiya Bittamlik* (IMBT). *Ijarah* and IMBT have in common the object of leasing goods, the difference is only at the end of the lease. *Ijarah* used to lease goods but the goods that are leased remain owned by USPPS, while IMBT at the end of the lease, the leased goods are given to the lessee which is stated at the beginning of the contract. For example, renting a shop for business and so on.
5. *Qardh* in fiqh. *Qardh* or *iqrad* etymologically is called a loan. In terminology, *muamalah* means borrowing something that must be returned by replacing the same. Usually, this *qardh* is provided by the cooperative as an emergency loan without compensation with the obligation of members to return the loan principal at once or in installments within a certain period of time. The source of *qard* funds comes from USPPS capital funds or set aside profits.
6. *Qardhul hasan* has the same operational system as *qardh*, the difference lies in the source of funds. *Qardh* sources of funds come from USPPS capital or set aside profits, while *qardhul hasan* sources of funds come from ZIS funds (*Zakat, Infaq and Sadaqah*).
7. *Hawalah bil ujroh*, according to fiqh *hawalah* is a transfer of debt from the debtor to another person who is obliged to bear it. According to DSN, *hawalah* is a transfer of debt from one party to another. There are two



types of *hawalah*, namely *hawalah muqayyadah* and *hawalah muthlaqah*. *Hawalah muqayyadah* is *hawalah* where people who owe (*muhil*) also owe *muhil'alaih*. Whereas *hawalah muthlaqah* is *hawalah* where people who are in debt (*muhil*) do not owe *muhil'alaih* (Buchori, 2012).

8. *Rahn* (Pawn), in language that is holding, in terms of holding something that is caused by muamalah transactions that are not carried out in cash (Buchori, 2012). This *Rahn* arises because members need urgent needs and USPPS can fulfill them on condition that the goods owned by members are controlled by USPPS according to a mutual agreement.
9. *Wakalah* means at *tafwidh* which means submission, delegation, namely the delegation of power by one person to another in terms of being represented (Buchori, 2012). *Wakalah* arises due to the management of a member's needs where members represent their affairs to the USPPS, for example in obtaining a vehicle driver's license and vehicle registration, purchasing certain goods somewhere, and so on.

Kafalah in language means a guarantee, in general, *kafalah* is a guarantee made by USPPS to its members in order to obtain facilities from third parties and members provide compensation in the form of *ujroh* (Buchori, 2012). *Kafalah* arises due to transactions made by members to third parties that require USPPS guarantees with which members relate. For example, if a member applies for financing to an Islamic bank where USPPS is the guarantor for the smooth running of the loan installments made by the members.

**RESEARCH METHOD**

This research is descriptive research with a qualitative approach. The descriptive research method is a research method based on the philosophy of positivism used to research in natural conditions (Sugiyono, 2019). In qualitative research, humans are research instruments and the writing results are in the form of words or statements that are in accordance with the actual situation.

The research data carried out, the research object studied was the Sharia pawn mechanism (*rahn*) while the subject in this study was the East Java Sharia koim mawaddah cooperative USPPS BMT Mawaddah Palengaan Branch in glugur 1 hamlet, palengaan laok village, palengaan sub-district, Pamekasan district.

Data collection techniques, data collection can be done in various settings, various sources, and various ways (Sugiyono, 2019).

1. The interview method, this method the researcher uses to obtain data regarding what contracts are used by the BMT Mawaddah Palengaan branch in running the sharia pawn business (*rahn*) and what is the mechanism for sharia pawning (*rahn*) at the BMT Mawaddah Palengaan branch.
2. Literature study of data collection techniques by reviewing books, records, and reports that have to do with the problem being solved.
3. The documentation method, in this study, researchers used documentation as a means to obtain data about the profile of the BMT Mawaddah Palengaan branch, its vision and mission, legality, organizational structure, and operational activities of BMT Mawaddah Palengaan branch.



The data analysis technique used in this study is the data analysis technique from Miles Huberman, namely: data collection in this study was collected by searching, recording, and collecting data through interviews, literature studies, and documentation. After collecting data, the data related to the Sharia pawning mechanism (*rahn*) at the BMT Mawaddah Palengaan branch is reduced to be classified into each problem so that conclusions can be drawn. After the data is reduced, the next step is to display the data, the data presented is carried out to be able to describe the data so that it will be easier to understand the sharia pawn mechanism (*rahn*) at the BMT Mawaddah Palengaan branch under study. The next stage is drawing conclusions, the initial conclusions put forward by researchers will be supported by the data obtained in the field. The answers from the research results will provide explanations and conclusions on the research problems examined in this study.

RESULTS AND DISCUSSION

BMT Mawaddah Palengaan branch is a microfinance institution that functions as an intermediary institution, namely in carrying out its main tasks of collecting, managing, and channeling funds from, by, and for members and prospective members. In this case, the BMT savings and loan and Sharia financing (USPPS) unit is managed using a profit-sharing pattern in accordance with Sharia principles. USPPS BMT mawaddah operationally has carried out activities since 2004 to be precise in Dusun Glugur 1, Palengaan Laok village, Palengaan sub-district, Pamekasan district which has received legal entity approval: 7754/BH/II/1994 by the minister of cooperatives and small and medium entrepreneurs of the Republic of Indonesia (Hannan, 2022).

**Vision-Mission**

Vision “to make the East Java KOIM sharia cooperative a pillar of economic development for the ummah that is Islamic, fair and trustworthy and prioritizes *ta’awun*.”

Mission:

- a. Improving the welfare of members in particular and society in general.
- b. Increasing the income of members in particular and society in general.
- c. Building public awareness of the importance of *ta’awun* in conducting business activities.
- d. Creating strong Muslim entrepreneurs.
- e. Creating jobs that are in accordance with the demands of Islamic sharia by empowering members.

Rahn Applied to BMT Mawaddah

In sharia pawn financing (*rahn*) at the BMT Mawaddah Palengaan branch, there are two contracts that occur, namely the *rahn* contract and the *ijarah* contract.

1. *Akad rahn* is to hold the borrower’s property as collateral for the loan he receives, the party holding obtains a guarantee to take back all or part of his receivables (Suripno, 2018) BMT Mawaddah Palengaan branch implements a *rahn* contract to provide loans to customers if a customer wants to apply for *rahn* financing at BMT Mawaddah Palengaan branch, the customer must submit collateral or goods to be mortgaged to the BMT.



2. *Akad Rahn*

Previously, the parties explained that *rahn* needed a loan from *murtahin* as a debt, and as collateral for this debt, *rahin* pawned his legal possessions (*Marhun*) voluntarily to *murtahin*.

- a. *Rahn* hereby acknowledges that he has received an amount of money from *murtahin* in the amount of the value of the goods within the period stated in this proof of *rahn*.
- b. *Murtahin* hereby acknowledges that he has received *rahn*'s property which was mortgaged to *murtahin*, and therefore *murtahin* is obliged to return it when *rahin* has paid off his debts and other obligations.
- c. *Rahin* hereby guarantees that the *marhun* pledged to *murtahin* is genuine, if in the future the *marhun* turns out to be not genuine (fake), then *rahin* is obliged to bear all risks and compensate for all losses arising from it.
- d. *Rahin* is obliged to repay all his debts to *murtahin* within a maximum period of 100 days as stated on the front page of this proof of *rahn* by paying every Sunday/or every month or paying all at once when the financing is due.
- e. Collection of collateral is carried out by *rahin* or *rahin*'s attorney at the same time as the payment of the financing. If *rahin* does not collect the collateral at the same time as the payment of the financing, then *rahin* is subject to a rental fee for the deposit of collateral in accordance with applicable regulations.
- f. If the term of the contract has expired, and *rahin* does not pay off his obligations and does not renew the contract, then *rahin* hereby gives



full power of attorney to *murtahin*, which power cannot be withdrawn and does not end and is not limited for whatever reason is determined in the law to sell *marhun* in order to pay off the payment of these obligations.

- g. If the sale of *marhun* is not sufficient to pay off the obligations of *rahin*, then *rahin* is obliged to pay the rest of his obligations to *murtahin* in the amount of the shortfall.
- h. If there is excess from the sale of *marhun*, then *rahin* has the right to receive the excess, and if at the time of selling *marhun* then *rahin* is entitled to receive the excess, and if at the time of the sale, the excess from the sale of *marhun* is not taken by *rahin*, then *rahin* hereby agrees to distribute the excess as *zakat/ infaq/ sadaqah* and its implementation is handed over to *murtahin*.
- i. Hereby *rahin* releases and protects *murtahin* from all claims or lawsuits from third parties and/or heirs in connection with the approval of the provisions of this proof of rahn/pledge.
- j. The *ijarah* contract is a leasing agreement between the customer as the lessee, and the BMT as the renter for the services and safekeeping of goods in accordance with the agreement.
- k. *Ijarah* contract, used as a binder for renting a place for storage or security of *marhun* or collateral in the form of gold, motorbikes, and cars. With an *ijarah* contract, BMT can withdraw fees or *ujrah* from the services of storing and securing collateral.

3. *Ijarah* Contract Agreement



- a. Whereas the *musta'jir* had previously entered into an agreement with the *muajjir* on a *Rahn* contract where the *musta'jir* acts as the pawnbroker and the *muajjir* acts as the pawn receiver, and therefore the *Rahn* contract is an integral part of this *ijarah* contract.
- b. whereas for the collateral based on the above agreement, the *musta'jir* agreed to rent the leased object as a storage area for the *marhun* provided by the *muajjir*.

For this purpose, the parties agree on the cost of renting a safekeeping place for *marhuns* in accordance with the following provisions:

The parties agree on the cost of renting a security depository for *marhun* in accordance with the applicable provisions which are calculated per day, starting from the signing of the proof of *rahn* with a maximum period of 100 days. The cost of renting a security depository must be paid monthly or all at once by the *musta'jir* to the *muajjir* at the time of settlement.

- c. The *muajjir* is responsible for the risk of damage or loss of the *marhun* and will provide compensation of 100% of the estimated value of the collateral after calculating the amount of financing and the cost of renting the place/guarding costs for the *marhun*, unless damage or loss of collateral is caused by events beyond the capabilities of the *muajjir* such as natural disaster/riot; not to be compensated (Suripno, 2018).



Rahn Mechanism in BMT Mawaddah

It is very important to pay attention to the operational mechanism of Sharia pawning (*rahn*), so as not to complicate prospective customers who will apply for Sharia pawn financing (*rahn*). The operation of Islamic pawnshops is determined by many things. Among other things is the subject and object of pawning. The subjects of pawning are *rahin* (who pawns goods) and *murtahin* (people who hold pawned goods). The objects are *marhun* (pawn goods) and *marhun bih* (loan received by *rahin*).

Rahn Assessment

Gold Assesment

Gold in various forms of jewelry such as necklaces, bracelets, earrings, and rings will be accepted as collateral. In the gold valuation process, the BMT Mawaddah Palengaan branch will look at the gold that will be pawned through a gold estimator with genuine or not gold, gold grade, gold weight, and gold selling price. Usually, the maximum loan that can be disbursed by the BMT Mawaddah Palengaan branch is 90% of the estimated price of the gold shop (Muzammil, 2022).

Vehicles Assessment

Motorized vehicles are one type of item that can be mortgaged, be it a motorcycle or a car. In the process of assessing a motorized vehicle, the BMT Mawaddah Palengaan branch will analyze it by matching the BPKB and STNK letters with the vehicle and checking the quality of the pawn goods. Usually, the maximum loan that can be disbursed by the BMT Mawaddah Palengaan branch is 50% of the selling price.



Rahn in Conditions

- 1) The general terms and conditions for sharia pawning (*rahn*) for customers who pawn their goods at the BMT Mawaddah Palengaan branch are as follows:
- 2) Financing is intended for customers who meet the requirements: Muslim Adults, physically and mentally healthy.
- 3) Must complete the requirements specified by the BMT including Photocopy of KTP Photocopy of Family Card (KK).
- 4) The maximum payment period is 100 days and can be extended by making a contract again.
- 5) If it is not paid off or extended 15 days after the due date, the BMT Mawaddah Palengaan branch has the right to sell or auction the collateralized goods (Hannan, 2022).

The special terms and conditions for sharia pawning at the BMT Mawaddah Palengaan branch are requirements for gold, for customers who want to pawn gold, the gold must meet the levels determined by the BMT, namely:

Table 1
Gold Assessment Price

No.	Gold Scale	No.	Gold Scale
1	24 k	7	21 k = 87
2	95 k	8	C 22 k = 75
3	91 k	9	K 22 = 75
4	70 k	10	S 22 = 70
5	85 k	11	18 k = 75
6	75 k		

Source: BMT Mawaddah



Vehicles Terms and Conditions

For motorbikes that will be pawned, the minimum production output is 2014 and must be a manufacturer's brand that people generally use, such as Honda, Yamaha, and others. Meanwhile for cars that were produced at least in the last 2000. For motorized vehicles, the customer must bring the completeness of the pawned goods, such as the BPKB and STNK loan. After the decision from the head of the BMT is received, customer Service will inform the prospective customer.

If rejected, customer service will immediately inform the prospective customer that he cannot make a loan because he does not meet the requirements. And if accepted, then the head of the BMT with the customer enters into a contract, and Customer Service calculates the loan to be received by the prospective customer while determining administrative costs (Kholilullah, 2022). Customer service provides an agreement letter that has been signed by both parties and a disbursement form to be submitted to the Teller for the disbursement process.

Rahn Procedure in BMT Mawaddah

Fees charged in Sharia Pawning (*rahn*) In the rahn financing procedure after the rahn disbursement process, the customer will be charged fees including:

1. Administrative Fees

At the BMT Mawaddah Palengaan branch, the administrative fee for financing gold collateral is Rp. 5,000, including an estimate slip, proof of receipt, and others, while the type of motorized vehicle collateral costs Rp. 10,000 with details: submission form, power of attorney, and others.



2. *Ujrah* Fee

The *ujrah* fee or rental fee at the BMT Mawaddah Palengaan branch is strongly influenced by the number of funds borrowed by the customer because the *ujrah* fee is determined at 0.07% per day of the funds borrowed by the customer. The *ujrah* fee applies to all types of mortgaged goods.

3. Determination of Sharia Pawning Ceiling (*rahn*)

The ceiling is the financing limit or the maximum number of facilities received by the customer as stated in the agreement or contract. Determination of the ceiling at the BMT Mawaddah Palengaan branch according to the goods to be pawned. Sample case: Ibu Sari pawned a gold bracelet weighing 10 grams at a price of 70k, with a rental fee of 2.5% for a period of 3 months, the price of gold at that time was IDR 400,000/gram. Then the calculation is as follows: To find out the estimated value of gold, which is $400,000 \times 70$ (gold/carat content) $\times 10\%$ weight/gram, the result is IDR 2,800,000. After that, to determine the number of loan funds to be given to customers $400,000 \times 70$ (gold/carat content) $\times 10\%$ by weight/gram $\times 90\% =$ IDR 2,520,000, the *ujrah* fee or the rental rate is $\text{IDR } 2,520,000.00 \times 0.07\% =$ IDR 1,764 per day, IDR 158,760 for 90 days (paid at maturity). So, if Sari takes a loan from BMT Mawaddah Palengaan Branch in the amount of Rp. 2,520,000.00, then the *ujrah* fee or rental service that must be paid is Rp. 2,678,760 at maturity.

For motor vehicles, Mr. Ridho mortgaged the 2018 Honda vario motorbike, within a period of 3 months. Then the calculation is as follows: The estimated value of the 2018 vario motorbike is IDR 12,500,000. After that, to determine the number of loan funds that will be given to customers $50\% \times$



IDR 12,500,000. = IDR 6,250,000.00 for the *ujrah* fee or the rental rate, which is $\text{IDR } 6,250,000 \times 0.07\% = 4,375$ per day. $\text{IDR } 6,250,000 \times 0.07\% \times 3$ months (90 days) = IDR 393,750 (paid at maturity). So, if Mr. Ridho takes loan funds from the BMT Mawaddah Palengaan branch in the amount of Rp. 6,250,000.00, the *ujrah* fee or rental service that must be paid is Rp. 393,750 (Muzammil, 2022).

Settlement of Islamic Pawn (*rahn*); Basically, customers can pay off their loans at any time without waiting for the maturity date. After the settlement the customer can take the goods that have been mortgaged. The repayment procedure is carried out by means of the customer paying the loan principal and deposit services according to a predetermined rate. The type of repayment at the BMT Mawaddah Palengaan branch consists of repayment of installments and due dates.

Installment repayment is repayment by way of repaying the loan within a certain period of time. When the customer wants to pay off both the principal loan and the deposit service, it can be done by paying every month depending on the customer's choice, can choose installments for 12 months, 18 months, or 24 months. The payment due date is the date specified as the payment or transaction deadline. Customers who pawn at the BMT Mawaddah Palengaan branch when they want to repay a loan by maturity, the customer is only required to pay for the safekeeping services for 3 months (90 days), and if the customer cannot pay off at maturity, another contract can be held (extend).

In order to be able to pay off the loan, BMT applies two ways for customers to be able to pay off the loan, namely as follows: The BMT takes a direct approach to the customer and provides an opportunity to pay off. When



the customer is really unable to pay off the loan, the BMT asks for approval from the customer by means of the BMT officer and the customer jointly selling the collateral or the customer providing a power of attorney to the BMT or the customer himself to sell the collateral, to pay off the loan. If the proceeds from the sale are still insufficient to pay off the loan, then the customer is given time to pay off the shortfall, otherwise, if there is excess left over from the sale proceeds. then the balance is returned to the customer. This auction process rarely occurs, because from the first method the customer already feels a lot helped especially the principle of ta'awun and the trust given by BMT to customers (Malik, 2022).

CONCLUSION

The pawn agreement used at the BMT Mawaddah Palengaan branch is the *rahn* and *ijarah* contract, where the *rahn* contract is a contract that provides loans from the BMT to customers accompanied by the delivery of collateral for the customer's belongings, if the customer cannot pay off the loan, the collateral is used as loan repayment. While the *ijarah* contract is a leasing contract between the customer as the lessee and the BMT as the lessor of the service and the safekeeping of goods. In assessing gold pawn items, the BMT Mawaddah Palengaan branch uses an estimator related to whether or not the gold is genuine, its grade, weight, and selling price. As for motorized vehicles, the BMT Mawaddah Palengaan branch will analyze them by matching the BPKB and STNK with the vehicle and checking the quality of pawn goods.

Sharia mortgage financing procedures (*rahn*) at BMT Palengaan Branch are administrative costs, *ujrah* fees, ceiling determination, and auctions. BMT



Mawaddah Palengaan branch is expected to provide the best service such as giving queue numbers to customers so that customers feel comfortable in BMT Mawaddah Palengaan branch. For further research, it is hoped that the pawnshop will be thorough, not only for *rahn* and *ijarah* contracts. The author also hopes that in the future there will be research on the mechanism of *bai' wafa maal ijroh*.

REFERENCES

- Aziz, Abdul. *Wawancara*, Marketing. Pamekasan: 14th February 2022.
- Azmi, M., Lahuri, S., Kanggas, F., Kamaluddin, I., & Harahap, S. (2021). Productive Waqf Fund Management Strategy. *Indonesian Interdisciplinary Journal of Sharia Economics (IJSE)*, 4(1), 201-218. <https://doi.org/10.31538/ijse.v4i1.1576>
- Efendi, Moh Idris. *Wawancara*, Marketing. Pamekasan: 26th February 2022.
- Hannan, Abd. *Wawancara*. Pamekasan 23rd February 2022.
- Dokumen. BMT Mawaddah Cabang Palengaan. *Surat Bukti Rahn*.
- Kholilullah, Abd. *Wawancara*, Customer Service. Pamekasan, 18th February 2022
- Kunaifi, Aang. (2020). "Empowerment Ekonomi Publik Dalam Mengatasi Resesi Dampak Pandemi." Dalam *Perspektif Multidisipliner dalam Pelaksanaan Adaptasi Kebiasaan Baru*, 1 ed., 1:3–12. 1 1. Tulungagung: Akademia Pustaka.
- Kunaifi, A., Handayati, P., & Bahri, M. (2022). Accounting of Refinancing and Take Over for Murabahah Contract. *Indonesian Interdisciplinary Journal of Sharia Economics (IJSE)*, 5(1), 108-120. <https://doi.org/10.31538/ijse.v5i1.1490>
- Muzammil. *Wawancara*. Pembiayaan. Pamekasan, 11th February 2022.
- Malik, Abd. *Wawancara*. Juru Penagihan Pamekasan. 25th February 2022.
- Rizky, Awalil. (2009). *Fakta dan Prospek Baitul Maal Wa Tamwil*. Jakarta: UII Press.



- Surepno. (2018.) Studi Implementasi Akad Rahn (Gadai Syariah) pada Lembaga Keuangan Syariah. *Tawazun: Journal of Sharia Economic Law*, 1(2).
- Sugiyono. (2019). *Metode Penelitian Kuantitatif, Kualitatif dan R&D*. Bandung: Alfabeta.
- Syamsuri, Moh. *Wawancara, Teller*. Pamekasan: 26th February 2022.
- Suemitra, Andri. (2009). *Bank Lembaga Keuangan Syariah*. Jakarta: Predana Media Group.