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RESEARCH ARTICLE

THE EXISTENCE OF PRODUCT LIABILITY IN SUBSIDIZED HOUSING PURCHASE AGREEMENTS

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Abstract

The existence of product liability in subsidized housing purchase agreements, with a focus on legality and consumer protection aspects, highlights the subsidized housing program as a government initiative to provide access to affordable housing to low-income people. There are often problems related to building quality and discrepancies between the promises of developers and the reality received by consumers, which are regulated by the Consumer Protection Law (UUPK) regarding producer responsibility for consumer losses due to defective products or not in accordance with the agreement. This research aims to provide a clear picture of the rights and obligations of consumers and developers in the subsidized house purchase agreement. Problems such as discrepancies between the developer's promises and the products received by consumers, damage to buildings, and difficulties for consumers in claiming their rights are the main focus. Therefore, the existence of product liability in subsidized house purchase agreements is very important to pay attention to in order to provide legal certainty for all parties involved.

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Introduction:-

The development of subsidized housing in Indonesia aims to provide adequate housing access for low-income communities (MBR). However, challenges in implementing this program often arise, particularly concerning product liability within purchase agreements. In practice, many consumers have complaints regarding the quality of housing that does not meet their expectations, as well as unclear developer responsibilities.¹

Subsidized housing purchase agreements must meet clear legal requirements to protect consumer rights. This includes transparency about the specifications and condition of the houses being sold. Misunderstandings or ambiguities in the agreement can lead to legal disputes that disadvantage the buyer.²

¹Aurilia, A. P., Paramitha, D. D., & Nurhayati, R. (2023). Analisis Kritis Kebijakan Program Rumah Subsidi Di Kota Pekanbaru. *Yudabbiru Jurnal Administrasi Negara*, 5(1), 28-34.

²Yani, T. (2023). TANGGUNG JAWAB PENGEMBANG PERUMAHAN PT. LIMA KARYA NUGRAHA DALAM PERJANJIAN JUAL BELI KREDIT KEPEMILIKAN RUMAH (KPR) SUBSIDI DI KUNCIR, KABUPATEN SOLOK, DITINJAU DARI UU NO 8 TAHUN 1999 TENTANG PERLINDUNGAN KONSUMEN (Doctoral dissertation, Universitas Andalas).

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Product liability in this context includes guarantees of quality and maintenance of the house after handover. Developers must ensure that the houses they sell meet established standards and are responsible for any hidden defects that may arise after purchase.³

Therefore, it is important to analyze the existence of product liability in subsidized housing purchase agreements to protect consumer rights and maintain public trust in the program. This study aims to explore how this responsibility is implemented and its impact on consumer satisfaction.

The research questions are: (1) What is the mechanism of subsidized housing development in Indonesia? (2) What are the requirements and procedures that must be met in subsidized housing purchase agreements? and (3) What is the existence of product liability in subsidized housing purchase agreements, and how is the Consumer Protection Law implemented to safeguard consumer rights?

Discussion:-

1. Development of Subsidized Housing

a. Subsidized Housing

A home is a place where residents seek maximum comfort. Homeownership can sometimes be measured by one's financial capability, determining whether they can afford to buy a house and, if bought on credit, assessing if they can meet the installment payments. Although purchased through subsidies, the hope is that these homes will provide a comfortable and suitable living environment. Consumers expect subsidized houses to be durable and to last as long as a typical house.

Self-Help Housing Financing Assistance is a type of housing subsidy that includes: (a) a subsidy to help reduce the installments paid by debtors by lowering interest rates over a certain period, known as an interest rate difference subsidy; (b) a subsidy to increase funding for building or repairing a house, thereby lowering the total credit amount, which will be repaid monthly with fixed installments and interest, known as a construction or repair subsidy. The maximum funding for building or repairing a house is the government-defined limit on the amount of subsidy available.⁴

Debtor savings/self-help funds are deposits held by debtors with the credit-issuing institution or self-help funds from debtors used as part of the construction/repair funding, which can reduce the total credit amount. The Credit Issuing Institution, abbreviated as LPK, includes the People's Credit Bank (BPR) and cooperatives that collaborate with the Ministry of Housing in implementing the KPRS/Micro KPRS Subsidized program.⁵

The housing subsidy guarantee is an easily liquidated, unconditional written guarantee issued by a general bank/guarantee company/insurance company and submitted by the LPK to the Deputy for Housing Finance at the Ministry of Housing to ensure the fulfillment of LPK's obligations. A personal guarantee is a guarantee provided by the LPK's management or shareholders to the Deputy for Housing Finance at the Ministry of Housing to ensure the fulfillment of LPK's obligations in implementing the distribution of KPRS/Micro KPRS housing subsidies.⁶

b. Process of Acquiring Subsidized Housing

Information about subsidized housing is obtained through various media such as social media advertisements, billboards, banners, brochures, marketing offices, and direct marketing. The marketing team promotes houses using these methods, reaching many people, including those interested in purchasing a home. Prospective buyers typically contact the marketing team via phone or WhatsApp messages, while some visit the sales office directly to inquire.

³Rumengan, T. P. Z. (2022). Kajian Yuridis Terhadap Perjanjian Jual Beli Rumah Melalui Proses Kredit Berdasarkan Kitab Undang-Undang Hukum Perdata Buku Iii Tentang Perikatan. *Lex Administratum*, 10(2).

⁴See Article 1, paragraph (5) and paragraph (6) of Ministerial Regulation No. 15 of 2011 on Housing and Settlement Procurement with Housing Subsidy Facilities Support through Subsidized KPRS/Micro KPRS.

⁵See Article 1, paragraphs (7) and (8) of Ministerial Regulation No. 15 of 2011 on Housing and Settlement Procurement with Housing Subsidy Facilities Support through Subsidized KPRS/Micro KPRS.

⁶See Article 1 paragraph (15) and paragraph (16) of Ministerial Regulation No. 15 of 2011 concerning Procurement of Housing and Settlements with the Support of Housing Subsidy Facilities Through KPRS/Subsidized Micro KPRS.

Marketing provides information on the location, size of the house, available facilities, and requirements for subsidized homeownership.

A decision to buy cannot be made immediately; prospective buyers are first directed to visit the housing location and conduct an on-site survey. This survey allows them to see the position and layout of a sample house they intend to buy. Typically, the subsidized houses available for purchase are not yet built, as construction is based on demand and plans by the developer. Consumers hope that the houses built will be strong and provide comfort for living, even though subsidized housing may use basic materials and construction methods.⁷

The requirements for purchasing a house through a bank intermediary include submitting a letter of employment or business certification (to assess repayment capability) and documenting the time spent in that job or business. Employment and business longevity are also assessed to determine how long the buyer will likely remain financially productive, as this indicates the feasibility of long-term credit. The buyer's age can be verified through copies of their ID card (KTP) and Family Card (KK) submitted to the bank. Prospective buyers must also attach proof of income/salary for the last three months from the time of document submission and provide evidence of earnings through copies of bank statements or transaction records, along with a copy of their Tax Identification Number (NPWP).⁸

c. Standard Regulations for Subsidized Housing

The standard regulations for subsidized housing agreements are outlined in the Ministerial Decree of the Ministry of Public Works and Housing (PUPR) Number 242/KPTS/M/2020. This decree categorizes subsidized housing as a government program initiated by the Ministry of PUPR. The primary goal is to ensure that everyone, particularly low-income communities (MBR), can own a home. While the government provides support, it also involves private entities in the housing supply, consisting of companies dedicated to building subsidized housing. Key regulations in the Ministerial Decree Number 242/KPTS/M/2020 include application requirements and subsidized housing prices across various cities.

According to the 2022 regulation by the Ministry of PUPR, the government provided funding for subsidized housing mortgages (KPR) through the Housing Financing Liquidity Facility (FLPP), amounting to IDR 23 trillion for 200,000 units. Additionally, the Ministry allocated Interest Subsidy (SSB) for 769,903 units, Down Payment Assistance Subsidy (SBUM) for 200,000 units, and Savings-Based Housing Financing Assistance (BP2BT) for 22,582 units, while the Housing Savings Program (Tapera) financed 109,000 units in 2022.⁹

Each year, developers face concerns when some of their clients do not secure a government subsidy quota. The government sets an annual quota for subsidized housing to help low-income communities, yet in 2024, this quota has decreased compared to the previous year. The quota for 2024 is set at 166,000 units, a significant reduction from the 250,000 units allocated last year. This decline in the subsidy quota has raised concerns for developers and low-income communities, especially in this transitional period. The Chairman of DPP APERSI predicts that the 160,000-unit quota may be exhausted by July. This concern has gained attention since the previous year's full quota of 250,000 units was used up. Developers are also hopeful that the quota will be increased. "The 160,000-unit quota will likely be exhausted by July. Last year, 250,000 units were used up, so if the quota isn't increased, the impact on low-income communities will be significant," stated APERSI Chairman Junaidi Abdillah, as quoted in a press release.

The subsidized housing quota refers to the number of units eligible for subsidies each year, as regulated by the government. Relevant parties—consumers, marketing teams, banks, and developers—need to be aware of the approximate cut-off time for subsidy quotas. This knowledge facilitates smoother document preparation and offers, ensuring that consumers secure the subsidy for that year.

⁷Interview with Fahrul. Marketing Agency Property Gemilang September 27, 2023.

⁸Rissa Afni Martinouva, 2020, "Analisis Hukum Pelaksanaan Perjanjian Pembelian Kredit Rumah Tanpa Bank di Bandar Lampung", Jurnal Pranata Hukum, Vol 15 (2), pp.120-131, pg. 122.

⁹<https://pu.go.id/berita/hingga-juli-2023-kementerian-pupr-salurkanan-flpp-sejumlah-103749-unit-rumah>, accessed 10 July 2023

Apart from requirements for communities applying for subsidized KPR, these regulations also apply to developers creating subsidized housing. Developers must be registered with the Ministry of PUPR, and housing specifications must comply with government regulations. The land area for a house must be a minimum of 60 square meters and a maximum of 200 square meters. Meanwhile, the floor area for subsidized housing must be at least 21 square meters and up to 36 square meters. It is also stipulated that housing obtained through subsidized KPR must be a new property constructed by the developer.¹⁰

2. Requirements and Procedures in Subsidized Housing Purchase Agreements

Subsidized housing products that are built for consumers are provided through a formal agreement. Developers must ensure the high quality of their products. These products should guarantee consumer safety, comfort, and well-being.¹¹ The discussion on the existence of product liability in subsidized housing purchase agreements will address the requirements and procedures involved in these agreements, followed by an examination of product liability in subsidized housing.

Based on research through interviews and document analysis of subsidized housing purchase agreements in 10 housing samples selected through purposive sampling, it was found that almost all consumers inspected the land before agreeing to purchase. The agreement was conducted at the marketing office, guided by marketing personnel. A booking receipt serves as proof of commitment from both parties.

The author also went through the process of purchasing a subsidized home in 2024, with the purchase carried out by the researcher themselves, under the name Rissa Afni Martinouva. As a consumer, I began searching for a house on May 19, 2024. Initially, as a consumer, I looked for suitable housing locations through online advertisements. Consumers seek and receive information regarding the purchase system and house specifications via online ads on platforms like WhatsApp, TikTok, Facebook, and Instagram. Some consumers directly visit housing sites, but they still contact marketing personnel they found online for complete information.



Figure 1:- Initial Housing Location, Limited Construction, Only a Sample House Available.

¹⁰See the Decree of the Minister of PUPR Number 995 /Kpts/M/2021 concerning Certain Income Limits, Subsidized Financing Interest Rates/Margins, Subsidy Periods, Home Ownership Credit/Financing Periods, Land Area Limits, Floor Area Limits, Selling Price Limits for Landed Public Houses and Public Flats, and the Amount of Down Payment Assistance Subsidies.

¹¹<https://www.detik.com/bali/berita/d-6545319/eksisten-adalah-contoh-penggunaan-kata,detiknali>, by Bayi Ardi Isnanto, February 1, 2023, accessed July 9, 2024

Figure 1 demonstrates that consumers are still shown homes that are not fully ready for use; however, they are given a preview of the location and appearance of the houses to be built. The development company explains that if the houses are ready but there are no confirmed buyers, there is a risk that these homes could be damaged without maintenance and may not remain in new condition. Additionally, the housing will be constructed according to the buyer's preferences, particularly in terms of the interior layout, such as whether partitions are included. Self-supervision by consumers cannot fully guarantee that the homes are built according to legal and contractual specifications.

The housing developer offers an appealing presentation of the price and location of the housing being promoted. The primary elements include attractive images, the housing location address, price, building specifications, and contact details for the marketing team. The type of subsidized house currently being considered is a 36 m² unit (6 meters by 6 meters building size) with a land area of 72 m² (6 meters wide by 12 meters long). Consumers are confident in their choice because the home is close to essential amenities such as schools, from elementary to university levels, shopping centers, and even their workplace. The location also supports family connections, as it is close to the homes of parents and other relatives. These factors strongly influence consumers' decisions to select and purchase homes in this area.

The next stage for the author, as a consumer purchasing a home in one of the Raja Basa housing complexes, involved being guided by marketing staff to view a sample home in person. The marketing representative displayed the housing layout, often called the site plan. The first question from marketing was whether the consumer had previously filed any documents for a subsidized home purchase. This is crucial because once a consumer has utilized a subsidized KPR, they are ineligible for another. Initial questions from the marketing team protect the consumer's position, provided the responses are honest and nothing is hidden. Further questions covered the consumer's workplace, salary compliance with requirements, and whether they had any history of problematic credit or financing issues. These questions are essential for determining whether the consumer can proceed with the subsidized KPR process using their personal data or their spouse's data. Consumers entering into a subsidized KPR purchase agreement must ensure there is no previous credit history issue for either spouse.

Marketing also advised consumers to personally check their credit history with the Financial Services Authority (OJK) to confirm that there are no issues. Although the marketing team can assist in this data check, it can take some time to receive the results. As consumers, we went directly to OJK on June 10, 2024, to obtain prompt confirmation that our data was clean and issue-free. We were attended to by security and staff, who requested to see our original ID cards (KTP) and promptly returned them. Several online data fields were filled out, including our email addresses. The OJK service informed us that the check was complete, and we were advised to await the data results, which would be sent to our emails, either later that day or the next morning.

The requirements explained by the marketing representative, identified as Mr. Gf, are as follows:

- 1) Photocopy of ID cards (KTP) of husband and wife;
- 2) Photocopy of 3x4 cm passport photos of husband and wife, two copies each;
- 3) Photocopy of the Family Card;
- 4) Photocopy of the marriage certificate or a statement of being single from the local office if unmarried;
- 5) Photocopy of the Tax Identification Number (NPWP) card;
- 6) Screenshot of the registration on the SiKasep account (Housing Credit Welfare System);
- 7) Last 3 months' bank statements showing the income of the purchasing consumer (husband/wife, if married);
- 8) Salary slips or a statement of income from the workplace for the last 3 months;
- 9) 17 sheets of stamp duty;
- 10) Photo of the consumer at their workplace;
- 11) Photo of the front view of the consumer's workplace;
- 12) Screenshot of the maps location of the workplace;
- 13) Filling out the consumer credit application form and opening an account with Bank Tabungan Negara (BTN), where consumers may choose between conventional or sharia BTN for the credit contract; and
- 14) Approval form from the supervisor/manager at the workplace, stamped and with a wet signature.



Figure 3:- SiKasep serves as the home purchase data to confirm that the consumer has not previously obtained subsidized housing, and it also verifies that the chosen property is registered in the credit system, an official national application.

Figure 3 Application of the Subsidized Housing Mortgage Information System (SiKasep)

Along with these requirements, consumers are directed to choose the location of the house they prefer and to immediately make a booking payment. The booking is implemented to ensure that the house number selected by the consumer remains available and is not taken by other consumers. This requirement must be completed within 14 (fourteen) days from the booking payment, and if it is exceeded, the consumer may be transferred to another block. Consumers are asked about their readiness to pay the down payment (DP), which is the initial cash payment for a property purchase. The house that is the subject of the subsidized mortgage agreement study is located in the Rajabasa Regency housing development, on Jl. Syafei Sinar Banten Natar, South Lampung, a continuation from Jl. H. Komarudin.

The commitment in the receipt emphasizes that in case of cancellation, the money will be refunded only after finding a replacement consumer. The receipt is signed by both parties, the developer and the consumer. The receipt also includes the name of the property company (PT Perusahaan Property) and the bank collaborating in the subsidized housing purchase process. This is done to ensure the consumer's commitment to continue the housing acquisition process. The details of the address and the selected house number are written according to the site plan (house layout plan) to confirm that the consumer's choice remains fixed and will not be transferred to another consumer. The next commitment is stated in the agreement between marketing, the marketing director, and the consumer, which includes the following:

The consumer declares that by ordering a plot of land/building, they agree to:

- 1) Pay a Booking Fee (UTJ) upon signing the plot reservation letter, which will be forfeited if canceled.
- 2) Pay the first down payment (DP1) within 13 days after the UTJ submission, which will be canceled if delayed.
- 3) Pay the second and third down payments (DP2 and DP3) as agreed with the marketing office.
- 4) Complete the documents upon submitting DP1.
- 5) If canceled, the UTJ is forfeited, and the down payment (DP) will be refunded after finding a replacement consumer.

- 6) Agree to pay Rp. 500,000 for transferring to another plot with the approval of the Marketing Manager.
- 7) Attach the site plan, price list, and building layout plan as inseparable parts of this agreement (SPKB).

By signing this plot reservation letter, the consumer agrees to the terms above without any pressure from any party. The agreement is signed by the marketing director, marketing, and consumer. A handwritten note is also added to the document stating that the consumer has read and understood the reservation letter. If they withdraw or are canceled by the bank, the amount of Rp. 1,000,000 will be forfeited, and the documents must be completed within 14 (fourteen) working days. If there is extra land in the block they choose, the consumer agrees to pay before the credit agreement is made.

The next step in the subsidized housing acquisition process includes filling out data for the Down Payment Subsidy Assistance Application (SBUM) letter. This letter is addressed to the Head of the Work Unit of the Directorate General of Housing Financing, Ministry of Public Works and Housing, Jalan Raden Patah 1 No. 1, 2nd Floor, Wing 3, Kebayoran Baru, South Jakarta 12110. The letter contains data about the prospective homebuyer, developer, purchased house address, sale price, down payment amount, and the implementing bank. The marketing office usually helps in completing this data. The letter also mentions that it includes a copy of the acknowledgment letter about the down payment shortage for the affordable housing, signed by the developer, stating the amount.

The final part of the letter states that by submitting this application, the consumer understands and agrees to the government regulations concerning down payment subsidies. If, at any time, the consumer is unable to comply with these regulations, resulting in the government withdrawing all housing-related subsidies and benefits, they are willing to return the subsidies received. This letter is signed by the consumer and affixed with a stamp.

The next document contains a form to open a savings account with the partner bank, which was working with Bank Tabungan Negara at the time. The form is filled out as a consumer agreement to open a bank account for payments and to make regular monthly installments, typically on the 5th of each month.

A week later, the marketing staff encourages the consumer to complete all required documents for the bank within 14 (fourteen) working days. These documents include a photocopy of the ID card (KTP), Family Card (KK), marriage certificate (if married), or a letter from the village office confirming single status if not married. A certificate stating the consumer has no house (from the local government) is also required. This confirms that the subsidized housing is for those who have not yet owned a home. The Taxpayer Identification Number (NPWP) is also required from the consumer.

Additional requirements include proof of employment stating the consumer has been employed for more than 2 (two) years, along with payslips for the last 3 (three) months. The salary should not exceed 8 (eight) million per month. However, the bank may not proceed with the housing purchase process if the salary is below 3 (three) million, as there may be concerns about the consumer's ability to pay future installments alongside living expenses. Subsidized housing can also be acquired by entrepreneurs. An entrepreneur must provide a business certificate stating that the business has been running for more than 2 (two) years. If the business is conducted in a market environment, the statement should be signed and stamped. Entrepreneurs must also provide their financial records for the last 6 (six) months, showing an income within the criteria of not exceeding 8 (eight) million per month.

General terms also bind buyers, as in any contract, which include agreement, capacity, certainty of subject matter, and lawful cause. Agreement means no party denies or disagrees with the terms set by the developer, consumer, and bank. Capacity means the parties involved, especially the consumer, are deemed mature in age and behavior. Certainty of subject matter refers to the existence of an agreement involving something of value and tangible form. A lawful cause means the acquisition of a home is done legally, without dispute or violation of legal rules.

Once the documents are submitted, the bank will conduct an inspection, and during this process, they will also verify the consumer's workplace to ensure the authenticity of the employment or business documents. This is done as proof of the consumer's ability to make mortgage payments if the application is approved until the contract is signed. Additionally, the consumer's identity will be verified through their ID card, which will be matched against the bank's savings data and credit history from other institutions, to check if there are any outstanding loans or overdue payments elsewhere. Some consumers may still be able to improve their poor credit history by settling any outstanding payments with other institutions. However, 25% of these consumers are unable to resolve their credit

issues and are disqualified as applicants. Document cancellation may also occur if the consumer's workplace does not match the stated information. The bank will thoroughly examine the documents as this is crucial to assess the consumer's ability to repay the mortgage.

3. The Existence of Product Responsibility in the Subsidized Housing Purchase Agreement

According to the Kamus Besar Bahasa Indonesia (KBBI), "existence" means the state of being present. The word refers to the root word "exist," which can mean present, growing, or known. Furthermore, "exist" can also mean popular or famous. Explaining the existence of product responsibility is an interesting task as it involves describing in detail the public's awareness of the responsibilities associated with products involved in subsidized housing purchase agreements.

The legal aspects of product responsibility in subsidized housing purchases in Indonesia are governed by several regulations, including Law No. 8 of 1999 on Consumer Protection (UUPK). UUPK Article 19 regulates the time frame for receiving compensation after a product is delivered to the consumer, and it involves determining the fault and proving it. Article 19 paragraph (1) states that business actors are responsible for providing compensation for damages, contamination, or losses caused to consumers from the consumption of goods or services produced or traded. Article 19 paragraph (2) indicates that compensation may be in the form of a refund, replacement goods or services of equal value, or healthcare services and/or compensation as per the applicable laws. Article 19 paragraph (3) states that compensation must be provided within seven days from the transaction date. Article 19 paragraph (4) clarifies that the provision of compensation does not eliminate the possibility of criminal charges based on further evidence of fault. Article 19 paragraph (5) exempts compensation if the business actor proves that the fault was the consumer's.

Responsibility is also elaborated in Articles 20, 21, 22, and 23 of the UUPK. Article 20 establishes that advertisers are responsible for the ads they produce and any consequences arising from those ads. Article 21 paragraph (1) states that importers of goods are responsible as the manufacturers of imported goods unless the goods are imported by an agent or representative of a foreign producer. Article 21 paragraph (2) makes the service importer responsible as the provider of foreign services unless the service is provided by an agent or representative of a foreign service provider.

Article 22 establishes that the burden of proving the existence or absence of fault in criminal cases, as outlined in Article 19 paragraph (4), Articles 20 and 21, falls on the business actor, although prosecutors may also carry out the proof. Article 23 allows consumers to file a lawsuit if the business actor refuses or fails to respond or compensate for consumer claims as set out in Article 19.

Article 24 discusses the reasons for consumer claims or lawsuits against business actors. Article 24 paragraph (1) holds business actors who sell goods or services to other businesses responsible for compensation or claims from consumers, especially if the goods or services were sold to the consumer without any changes made. Article 24 paragraph (2) exempts the selling business actor from liability if the goods or services were resold with changes made.

Article 25 outlines the requirement for providing spare parts or after-sales facilities and fulfilling warranties or guarantees according to the agreement. Article 25 paragraph (1) states that business actors who produce goods with a lifespan of at least one year must provide spare parts and after-sales facilities and must meet the agreed-upon warranty or guarantee. Article 25 paragraph (2) holds business actors responsible for consumer claims if they fail to provide spare parts or after-sales services or fail to meet warranty or guarantee commitments.

Article 26 of the UUPK: "Business actors who trade in services are required to fulfill guarantees and/or warranties as agreed upon."

Article 27 of the UUPK provides exemptions for business actors who manufacture goods from liability for consumer losses under certain conditions. These conditions are as follows: (a) if the product is proven to have been unfit for distribution or not intended for distribution; (b) if the defect arises later; (c) if the defect results from compliance with regulations on product qualifications; (d) if negligence is caused by the consumer; and (e) if more than four years have passed since the purchase date or the agreed-upon period has expired.

Article 28 of the UUPK regulates that "The burden of proving the existence or absence of fault in compensation claims as referred to in Articles 19, 22, and 23 rests with the business actor." Referring to Article 19, paragraph (1), it is evident that business actors' responsibilities include: (a) compensation for damage; (b) compensation for pollution; and (c) compensation for consumer losses.

Thus, defective goods and/or services are not the sole basis for holding business actors accountable. This means that business actors are responsible for any loss suffered by consumers. Compensation under the Consumer Protection Law includes a refund, replacement of goods and/or services of the same kind or equal value, healthcare, and/or compensation in accordance with applicable regulations. If a business actor refuses or fails to provide compensation as stipulated by the UUPK, consumers may pursue compensation through the Consumer Dispute Settlement Agency (BPSK) or take legal action in a court located where the consumer resides.

In Lampung Tengah, Lampung, subsidized housing developments have shown structural defects, with cracks and damage on the walls and floors, as depicted in Figure 12 on the following page. Reports indicate that dozens of residents from Rafika 4 filed complaints with the Indonesian Consumers Foundation (YLKI) in Lahat, Lampung Tengah, Lampung, over the damaged subsidized homes. This case occurred in 2020. The poor building quality left residents feeling disadvantaged, with issues such as sunken living room floors extending to bedroom floors, cracked walls, and fallen ceilings.

Residents also reported that some damage in the living rooms was already visible before moving in. "Before moving in, the floor had already started to sink, but it wasn't too severe. After living there, the tiles sank even more," said dozens of residents from the housing complex when they visited the YLKI office in Lahat Raya, Bandar Jaya, where they were received by Sanderson Syafe'i, ST. SH, as the local RT head. The issue is widespread, as most houses in the area, particularly those of type 36, experience severe damage, including sunken floors, cracked tiles, cracked and tilted walls.



Figure 4:- Condition of Cracked Houses in Rafika 4 Housing Complex (source: <https://sumsel.tribunnews.com/2020/>)

Facilities that do not match the promotional brochure, delayed issuance of home certificates even after mortgage payments are complete, and developers failing to provide public (Fasum) and social facilities (Fasos) as required are indications of possible fraud by developers. Many deficiencies still exist in the subsidized housing ownership process, as reflected in public complaints about subsidized housing products. The following are examples of consumer complaints:

1. A total of 136 consumers were registered in an agreement with varying down payments, from Rp12.5 million up to Rp130 million or fully paid. The total number of participants in the Bantul subsidized housing program is

- estimated to reach 500 people. Although the subsidized houses in Kaligawe, Bantul, were built, consumers still had not received their homes by the promised date and requested the return of their deposits.¹²
2. In 2017, 36.42% of subsidized housing was unoccupied by the debtors. Of these, 45.02% were due to poor Public Infrastructure and Utilities (PSU) conditions. This research is dedicated to analyzing the root causes and the extent of PSU provision failures impacting the occupancy of subsidized housing, providing stakeholders with information to plan risk mitigation for each factor.¹³
 3. The National Consumer Protection Agency (BPKN) reported that, from 2017 to 2023, it received 8,676 consumer complaints. The housing sector had the highest number of complaints, totaling 3,241. "In the housing sector, over 60% of these 3,241 complaints are related to building financing."¹⁴
 4. Feeling deceived, hundreds of buyers of Puri Parahyangan subsidized housing, located between Samsam and Batuaji Villages in Kerambitan District, Tabanan, visited CV Jasmine's marketing office on Jalan Pondok Indah, Dauh Peken Village, Tabanan, in mid-December 2018. They demanded that the developer, PT Promedia Indoperkasa, immediately return their down payments. Observations revealed that buyers filed complaints with YLPK, feeling wronged by the developer. From 2017 to 2018, after down payments were made, the homes remained unbuilt. The developer initially promised to start construction three months after receiving the down payment and upon completion of documentation, but a year passed with no progress on the consumers' dream homes.¹⁵

The existence of product responsibility in the subsidized housing purchase agreement is crucial for legal certainty. Consequences experienced by consumers in this process include cracked walls, cracked and shifting floors, flooding, and proximity to garbage dumps and cemeteries.¹⁶ This activity involves developers as housing providers, the government as policy makers, and consumers as low-income residents in need of housing.

Conclusion:-

The existence of product responsibility in subsidized housing purchase agreements is a crucial aspect to be considered for the continuity of the subsidized housing program and to protect consumer rights. The construction of subsidized housing, as a government initiative to provide affordable housing access for low-income communities, faces challenges related to building quality and discrepancies between developer promises and the reality consumers experience. With the Consumer Protection Law (UUPK) regulating producer responsibility, it is essential to ensure that consumer rights are well-protected and that purchased products meet promised standards.

Recommendations:-

- a. The government should enhance supervision over subsidized housing construction, including strengthening regulations on building quality standards and producer responsibility for their products.
- b. Developers should improve transparency in the subsidized housing purchase process, providing clear and accurate information to consumers regarding building specifications, available facilities, and realistic construction timelines.

¹²<https://m.harianjogja.com/jogjapolitan/read/2020/11/09/511/1054835/dispute-with-subsidized-houses-in-bantul-hundreds-of-consumers-take-legal-paths> by Lugas Subarkah, Subsidized House Disputes in Bantul, Hundreds of Consumers Take Legal Paths, *HarianJogja*, Monday, November 9, 2020 - 16:27 WIB, accessed May 20, 2024

¹³ Meiky Susanto, 2020, "Identifikasi dan Analisis Faktor Risiko Kegagalan Penyediaan Prasarana dan Sarana Umum (PSU) Perumahan Subsidi di Indonesia (Identification and Analysis of Failure Risk Factors in Public Infrastructure and Facilities Provision of Subsidized Housing in Indonesia)", *Journal Universitas Pancasila*, Vol 6 (1), pp. 25 – 37, pg. 25.

¹⁴ https://www.cnbciindonesia.com/news/202307_19152207-4-455644/duh-pengaduan-disektor-perumahan-masih-tinggi-ini-kasusnya Duh Pengaduan di Sektor Perumahan Masih Tinggi Ini Kasusnya, *NEWS CNBC Indonesia*, by Martyasari Rizky, 19 July 2023 17:45, accessed 21 Mei 2024, 15.06.

¹⁵ I Gst Made Oka Sedana Yasa, I Ketut Sudiarmaka, dan Si Ngurah Ardhya, dan Si Ngurah Ardhya, 2021, "Peran Yayasan Lembaga Perlindungan Konsumen Terkait Kerugian Konsumen Ditinjau Berdasarkan Pasal 8 Huruf F Undang – Undang Nomor 8 Tahun 1999 Tentang Perlindungan Konsumen (Studi Kasus Kerugian Konsumen Terhadap Pembelian Rumah Subsidi Di Wilayah Kabupaten Tabanan)", *Jurnal Komunitas Yustisia*, Vol 4 (2), pp. 322-333, pg. 324.

¹⁶Field research to several subsidized houses in Lampung Province, August 23, 2023.

- c. Consumers are advised to thoroughly understand the terms and conditions in subsidized housing purchase agreements and be aware of their rights as protected under the Consumer Protection Law.
- d. Legal protection for consumers should be reinforced through stricter and more effective regulation enforcement, along with imposing firm sanctions against violations committed by parties involved in subsidized housing transactions.

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