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Legal Protection for Creditors upon Revocation of Land Rights Encumbered by Liens for Public Interest

Muhammad Fikri Nst 

Universitas Islam Negeri Sumatera Utara, Indonesia

E-mail: nasutionmuhammadfikri14@gmail.com

ABSTRACT

Land has strategic value both as an economic asset and as collateral for debt through mortgage rights. Problems arise when land encumbered with mortgage rights is revoked by the state for public interest development. This condition can cause losses for creditors because their position and rights to collateral are potentially lost or cannot be fulfilled. This study aims to analyze the form of legal protection for creditors in the event of revocation of land rights encumbered with mortgage rights for public interests and how the implementation of these protection provisions works in practice. The research method used is normative juridical with a regulatory and case study approach. The results of the study show that legal protection for creditors has actually been regulated through provisions on the transfer of mortgage rights to compensation, as stipulated in Article 18, paragraph (2) of the UUHT. However, in practice, there are still obstacles, including delays in compensation payments and suboptimal coordination between relevant institutions. Therefore, it is necessary to strengthen the compensation execution mechanism and affirm the priority of creditors in the compensation payment process so that legal certainty and justice for creditors can be guaranteed.

KEYWORDS

Legal Protection;
Security Rights;
Creditors;
Revocation of Land
Rights; Public
Interest



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INTRODUCTION

Land has a very important position in human life. Not only as a place to live, land is also a factor of production and a high-value economic asset. Therefore, ownership, utilization, and transfer of land rights are strictly regulated in the Indonesian legal system. These regulations are primarily contained in Law No. 5 of 1960 concerning Basic Agrarian Principles (UUPA), which is the national legal basis for agrarian matters in Indonesia.¹ In the context of the modern economy, land is not only viewed as a productive capital asset but is also often used as collateral to obtain credit. This is realized through the imposition of encumbrances as regulated in Law Number 4 of 1996 concerning Land Encumbrances and Objects Related to Land (UUHT). Encumbrances provide certainty and legal protection for creditors, as they place them as preferred creditors (given priority) if the debtor is unable to fulfill their obligations.²

However, in practice, problems arise when land encumbered with such rights must be released by the state for development in the public interest, for example, for the construction of toll roads, dams, airports, or other public infrastructure.³ The revocation of land rights is regulated in Law No. 2 of 2012 concerning Land Acquisition for Development for Public Interest, which essentially provides scope for the state to acquire land while still taking into account the interests of land rights holders. The problem arises because, in the process of revoking land rights for public interests, the main focus is often only on providing compensation to landowners (debtors), while the interests of creditors as holders of collateral rights are not always optimally protected. In fact, with the existence of collateral rights attached to the land, creditors have legal interests that need to be taken into account so that their rights are not lost or unilaterally harmed.

Normatively, Article 18 paragraph (1) of the UUHT states that a mortgage right is extinguished, among other things, due to the destruction of the object of the mortgage right. However, Article 18 paragraph (2) of the UUHT protects by stating that if the land encumbered by the lien is released for public interest, the lien is transferred to the right to compensation received by the landowner. This means that the creditor actually still has collateral in the form of the right to compensation.⁴ However, in practice, a number of obstacles are often encountered, including delays in compensation payments, unclear mechanisms for distributing compensation to creditors, and the potential for new disputes between landowners (debtors) and creditors regarding the distribution of compensation. This creates legal uncertainty and can result in financial losses for creditors.

In addition, the process of land acquisition for public purposes is essentially under the control of the state.⁵ However, the transfer of collateral rights in

¹ See Law No. 5 of 1960 concerning Basic Agrarian Principles (UUPA), Article 2 in conjunction with Article 33 paragraph (3) of the 1945 Constitution.

² See Law No. 4 of 1996 concerning Land Rights and Objects Related to Land (UUHT).

³ Ana Fauzia, Deva Gama Rizky Octavia & Fathul Hamdani, "The Conflict of the Norms in the Execution of Secured Objects Which are Enforced by Liability Rights When the Debtor is Bankrupt" (2022) 4:1 Progress Law Rev 1–9.

⁴ Subekti, *Pokok-Pokok Hukum Perdata*, cet.xxxiii ed (Jakarta: Intermasa, 2011).

⁵ Fathul Hamdani & Ana Fauzia, "IKN dan Masyarakat Adat: Mengupayakan Demokrasi Deliberatif dalam Setiap Pengambilan Kebijakan" in Yanuardi Syukur, ed, *Menyambut Ibu Kota Negara*



compensation is often not in line with the provisions of credit agreements and the principles of prudential banking. This shows that there is still room for improvement in terms of regulation, institutions, and procedures.⁶ Based on the above description, it is relevant to further examine the form of legal protection for creditors in the event of revocation of land rights encumbered with mortgage rights for public interests, as well as the implementation of these provisions in Indonesia. This study is expected to contribute to strengthening legal guarantees for creditors and ensuring a balance of rights between the state, landowners, and creditors in the context of national development. Land is one of the fundamental aspects of Indonesian society.

As a non-renewable natural resource, land not only has a social function but also has high economic value. Within the framework of national law, the strategic position of land is regulated in Law No. 5 of 1960 concerning Basic Agrarian Principles (UUPA), which stipulates that the earth, water, and airspace, including the natural resources contained therein, are controlled by the state and used to the greatest extent possible for the prosperity of the people. Thus, national agrarian law places land as an object of public and private law that is subject to certain regulatory principles. On the other hand, land also functions as collateral for obtaining financing. In banking and financing practices in Indonesia, land is often used as collateral for debts because of its relatively stable value and easier execution process compared to movable collateral. In this case, the mortgage institution is a legal instrument that provides certainty and protection for creditors, as regulated in Law Number 4 of 1996 concerning Mortgages on Land and Objects Related to Land (UUHT).

A lien gives creditors preferential status over other creditors. This principle is reflected in the adage *droit de suite* (the right to follow the collateral even if it changes hands) and *droit de preference* (the right to be given priority in repayment from the proceeds of the execution of the collateral over ordinary creditors). This type of legal protection is very important because in business activities, creditors always face the risk of default by debtors. However, legal issues arise when the land encumbered by the lien is expropriated by the state for public interest development. Based on Law Number 2 of 2012 concerning Land Acquisition for Development for Public Interest, the state has the authority to revoke land rights for the construction of public facilities such as roads, bridges, reservoirs, hospitals, schools, and other strategic infrastructure. In this case, the state exercises its domain function over land to achieve the welfare of society at large.

The revocation of land rights is, in principle, accompanied by compensation to the rights holder. However, in practice, the land acquisition process often focuses only on the landowner as the debtor, while the position of the creditor as the holder of collateral rights is often overlooked. In fact, security rights are not automatically extinguished due to the revocation of land rights, but are transferred to the compensation money. This is confirmed in Article 18, paragraph (2) of the Land Law,

Nusant Gagasan Multidimensi Masy Indones untuk Kejay Bangsa (Bantul: Mata Kata Inspirasi, 2024) 262.

⁶ See Law No. 2 of 2012 concerning Land Acquisition for Development for Public Interest, Article 10 paragraph (1).



which states:⁷ "In the event of the removal of land rights encumbered by mortgage rights due to the revocation of rights for public interest, the mortgage rights shall be transferred to the rights to compensation."

In practice, the implementation of these provisions faces various obstacles, including delays in compensation payments by land acquisition agencies, a lack of synchronization between banking procedures and the compensation disbursement process, and the absence of a standard mechanism that guarantees priority payment of creditors' rights from the compensation funds. It is not uncommon for creditors to have to take additional legal measures, such as issuing a summons or filing a lawsuit in court, in order to obtain their share of the compensation. This situation clearly undermines the principle of legal certainty and protection for creditors, which should be guaranteed by the lien system.

In some cases, this disregard for the position of creditors has led to new disputes. For example, there have been cases where compensation money was paid directly to debtors by the land acquisition committee without taking into account the existence of liens, resulting in creditors losing their collateral for debt repayment. As a result, the position of creditors becomes weak because they have to collect from debtors who may no longer have assets to repay the debt. This phenomenon shows an imbalance between the protection of landowners as debtors and creditors as holders of security rights. In fact, the prudential principle in banking law requires collateral that can provide certainty of debt repayment. If the transfer of lien rights to compensation is not regulated or not implemented effectively, this can trigger the risk of non-performing loans, which ultimately disrupts the stability of financial institutions.

From the perspective of agrarian and banking law, this condition contradicts the principle of justice. A state that revokes land rights for the public interest should guarantee proportional protection for all parties with legal interests, including creditors.⁸ Therefore, it is important to conduct in-depth research on legal protection for creditors in the context of revocation of land rights encumbered with mortgage rights, both from a regulatory perspective and in terms of implementation in the field. Several previous studies have shown that the issue of legal protection for creditors in the revocation of rights to land encumbered with mortgage rights still leaves unanswered questions, including the following:

Ahmad Fauzan (2020), in his thesis entitled "Legal Consequences of Revocation of Land Rights Encumbered by Mortgage Rights," analyzes regulations related to the mechanism of revocation of land rights and their impact on the existence of mortgage rights. His research results show the need for harmonization between the Land Acquisition Law and the Mortgage Law so as not to harm the legal position of creditors. Rina Melati (2021), in her scientific journal entitled "Legal Protection of Creditors over the Revocation of Mortgage Rights for Toll Road Construction," highlights the implementation of compensation in toll road projects. She concludes that although protection for creditors has been regulated normatively, its implementation in the field still faces obstacles, such as difficulties for creditors in obtaining their share of compensation.

⁷ See Article 18, paragraph (2) of the HT Law.

⁸ Sudikno Mertokusuno, *Hukum Acara Perdata Indonesia* (Yogyakarta: Liberty, 2002).



Budi Setiawan (2018), in his dissertation entitled “Legal Protection of Mortgage Holders in Land Acquisition for Public Interest,” emphasizes the importance of more operational technical regulations to guarantee the rights of creditors when compensation is disbursed. He recommends that the compensation payment mechanism should also consider the existence of debts between debtors and creditors. Unlike these studies, this study is specifically aimed at comprehensively examining legal protection for creditors upon the revocation of land rights encumbered with mortgage rights in the context of development for public interest. Thus, this study not only highlights regulatory disharmony and technical obstacles but also aims to provide a normative and conceptual analysis of the legal position of creditors and alternative solutions that can guarantee legal certainty and justice.

Thus, this study is expected to formulate models or recommendations that can strengthen legal certainty and protection for creditors, while continuing to support smooth development for the public interest. This study is also expected to contribute academically and practically to the development of agrarian law and security law literature in Indonesia.

METHOD

This study uses a normative juridical method with a focus on a literature review of primary and secondary legal materials. The approaches used include a legislative approach to examine regulations related to the removal of encumbrances, procedures for revoking land rights, and legal protection for creditors, including Law Number 4 of 1996 concerning Encumbrances, Law Number 5 of 1960 concerning Agrarian Principles, Law Number 2 of 2012 concerning Land Acquisition for Development for Public Interest, as well as various implementing regulations such as Government Regulations, Ministerial Regulations, and Joint Ministerial Decrees.⁹ In addition, this study also uses a conceptual approach to examine relevant legal concepts, such as legal protection for creditors, the principle of preference in security rights, the principle of legal certainty, and the principle of justice in property security law.¹⁰ A case study approach was also used through the analysis of several court decisions to understand the implementation of the law in practice, particularly in relation to the revocation of land rights encumbered by mortgage rights. The legal materials used consisted of primary legal materials, in the form of relevant laws and regulations, as well as secondary legal materials, in the form of literature, scientific journals, and research articles relevant to the topic of study.

RESULT & DISCUSSION

I. Cancellation of Lien Based on Laws and Regulations

A mortgage is a type of collateral security regulated by Law No. 4 of 1996 on Mortgages (UUHT). Mortgages play an important role in providing legal certainty for creditors, as they grant a special position in the form of a right of priority or “droit de preference” over the collateral. However, a mortgage is not an independent

⁹ Djulaeka & Devi Rahayu, *Buku Ajar: Metode Penelitian Hukum* (Surabaya: Scopindo Media Pustaka, 2020).

¹⁰ Budi Juliardi et al, *Metode Penelitian Hukum* (Padang: CV. Gita Lentera, 2023).



right, but always follows the right to the land that is used as collateral. In other words, if the right to the land is extinguished for any reason, the mortgage attached to it is also extinguished. This principle confirms the “accessory” nature of a mortgage, which is dependent on the principal right that forms the basis of its existence.¹¹

Article 18, paragraph (1) of the UUHT stipulates that mortgage rights are extinguished due to the extinction of rights to the land that is the object of the collateral. This means that the existence of mortgage rights cannot be maintained if the rights to the land are lost due to a legal provision. One form of termination of land rights is revocation for public interest, as regulated in Law No. 2 of 2012 concerning Land Acquisition for Development for Public Interest. When the land used as collateral is revoked for development purposes, the creditor loses the collateral, even if the debtor's obligations to the creditor have not been fulfilled. This condition certainly has the potential to cause losses for creditors if it is not balanced with a legal protection mechanism.¹²

The characteristic of accessory collateral rights actually confirms that their main purpose is only to reinforce the debt agreement between the debtor and creditor. Collateral rights will always follow the secured debt, both when it is still valid and when it has been extinguished. If the debt has been paid off, the collateral rights are automatically extinguished. However, in the context of land expropriation for public purposes, even if the debt has not been repaid, the security interest is still considered extinguished because the land is no longer legally in existence. This is where the dilemma arises, because on the one hand, the state has the authority to expropriate land for public purposes, while on the other hand, creditors must still receive protection so that their interests are not neglected.¹³

The principle of legal certainty requires that every right recognized by law be protected, including the rights of creditors as holders of security interests. Without a protection mechanism, creditors would suffer losses due to the loss of debt repayment guarantees from debtors. Therefore, the existence of Article 18 of the UUHT, which regulates the cancellation of security rights, must be read in conjunction with the provisions in the Land Acquisition Law that provide compensation guarantees. Thus, Indonesian law not only formally confirms the cancellation of security rights, but also provides a substantive solution so that creditors obtain their rights through compensation for the loss of the land used as collateral.¹⁴

Theoretically, the removal of collateral rights due to the revocation of land rights may raise questions regarding the position of creditors after losing the collateral. Without compensation, creditors lose their privileged position and must

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- ¹¹ Hero Satrio Wicaksono, Yeni Yuliani & Muhammad Andhika Rivaldy, “Implementasi Hapusnya Hak Atas Tanah Yang Dibebeani Hak Tanggungan Berdasarkan Putusan Pengadilan” (2022) 27:3 *Perspektif* 180–190.
- ¹² Yuliana Risna Maengkom & Diana RW Napitupulu, “Efektifitas Eksekusi Obyek Hak Tanggungan Menurut Hukum Positif” (2025) 6:8 *J Sci Mandalika* 2187–2195.
- ¹³ Ni Putu Erna Valentini & Pande Yogantara, “Pencoretan Hak Tanggungan dengan Akta Konsen Roya” (2021) *Univ Udayana*.
- ¹⁴ Mochammad Alief Wahyu Firmansyah & Abraham Ferry Rosando, “Perlindungan hukum terhadap kreditur akibat hapusnya hak milik atas tanah sebagai objek jaminan hak tanggungan” (2023) 2:3 *SEIKAT J Ilmu Sos Polit dan Huk* 600–605.



compete with other creditors in collecting debts from debtors. This certainly contradicts the principles of legal protection and justice. Therefore, the compensation mechanism stipulated in the Land Acquisition Law should be viewed as an important instrument to bridge the conflict of interests between the public interest prioritized by the state and the private interests of creditors protected by law.¹⁵

Upon further review, the removal of encumbrances due to land expropriation for public purposes also demonstrates the principle of balance of interests. The state has an obligation to provide land for infrastructure development and public interests, while creditors have a legitimate right to obtain payment guarantees from debtors. Therefore, even though the lien is legally revoked, the law still provides a solution in the form of compensation for creditors. This shows that Indonesian law seeks to balance public and individual interests so that no party is unilaterally disadvantaged.¹⁶

Thus, the removal of collateral rights due to the removal of land rights as stipulated in Article 18 of the Land Law is not a form of neglect of creditor rights, but rather part of a legal mechanism that must be followed with compensation. The revocation of land for public interest does cause creditors to lose their collateral, but it does not extinguish their rights to debt repayment. Legal protection in the form of compensation ensures that creditors still obtain their rights, while also providing legitimacy for the state to carry out development. This entire mechanism reflects Indonesia's legal efforts to realize the principles of legal certainty, justice, and balance between public and private interests.

II. Procedures for Revocation of Land Rights for Public Interest

Revocation of land rights for public interests is a special form of transfer of rights, because it does not occur voluntarily but is based on the needs of the state for development. This provision is regulated in Law Number 2 of 2012 concerning Land Acquisition for Development for Public Interest, which emphasizes that the state has the authority to revoke land rights, as long as it is done with due regard to the principles of legal certainty, public interest, and respect for the rights of citizens. Therefore, the procedure for revoking land rights cannot be carried out unilaterally, but must go through systematic and transparent stages to ensure fairness.¹⁷

The first stage in the land acquisition process is planning. In this stage, the government develops a development plan that requires land by adjusting it to the Regional Spatial Plan (RTRW) and other development planning documents. This planning is fundamental because it forms the basis for considering whether a development truly falls under the category of public interest. Thus, the planning

¹⁵ Saskia Aulia Putri & Irene Eka Sihombing, "Perlindungan Hukum Kreditur Pemegang Hak Tanggungan Yang Jaminannya Batal Menjadi Miliknya Debitur" (2022) 4:3 Reformasi Huk Trisakti 691-698.

¹⁶ Jessica Filicia Sumual, "Perlindungan Hukum terhadap Kreditur Ditinjau dari Hak Tanggungan dan Fidusia" (2024) 12:4 Lex Crim.

¹⁷ Nurmasita Sahibu et al, "Pencabutan Dan Pembebasan Hak Atas Tanah: Prosedur Dan Implikasinya" (2023) 7:2 J Yustisiabel 284-306.



stage ensures that land acquisition is not carried out arbitrarily, but is based on objective and legally valid needs.¹⁸

The second stage is preparation, which includes identifying locations and socializing with the communities whose land will be used. At this stage, an inventory is made of land rights holders, including certificate owners, cultivators, and third parties with legal interests, such as creditors holding collateral rights. Socialization is an important element in providing understanding to the community and related parties so that there are no misunderstandings or resistance. Good preparation will create openness of information and provide space for the community to convey objections or input related to the development plan.¹⁹

The third stage is implementation, which is the core stage in land acquisition. At this stage, measurements are taken and a fair and reasonable compensation value is determined. Compensation assessment involves an independent appraisal team that assesses the land, buildings, crops, and other economic values attached to the land. This is where protection for mortgage holders becomes relevant, as creditors also have the legal right to receive a portion of the compensation for the land used as collateral. This mechanism shows that land acquisition is not only a matter of the transfer of rights, but also a matter of fulfilling the state's obligation to provide justice for the affected parties.²⁰

The next stage is the transfer of results, in which the land that has been officially compensated becomes the property of the state or the party assigned to develop it for public interest. This stage is final and marks the end of the legal relationship between the former rights holder and the land. The transfer of results must be carried out after the compensation has been fully settled, so that the landowner and related parties, including creditors, do not feel aggrieved. This principle reflects that even though the land is revoked for public interest, individual rights are still respected through the provision of appropriate compensation.

From the four stages above, it is clear that the procedure for revoking land rights places great emphasis on the principle of balance between the public interest and the protection of individual rights. The government has the authority to acquire land for the construction of infrastructure or public facilities, but this authority must not be detrimental to rights holders. The existence of clear procedures is a form of preventive legal protection, which prevents rights violations by requiring the government to provide compensation in advance. Thus, this procedure also guarantees that development continues, while still respecting the rights of citizens.²¹

With the stages of planning, preparation, implementation, and submission of results, the procedure for revoking land rights for public interests can be carried out in an orderly, transparent, and fair manner. This procedure is not merely an administrative formality, but a legal mechanism that binds all parties. For creditors

¹⁸ Farid Pardamean Putra Irawan et al, "Analisis Kewenangan Pemerintah dalam Pengambil Alihan Hak Atas Tanah Guna Kepentingan Umum" (2024) 8:1 Literasi Huk 1-10.

¹⁹ Iwan Erar Joesoef, "Rekonstruksi Pencabutan Hak Atas Tanah Dan Konsinyasi Dalam Pengadaan Tanah Untuk Kepentingan Umum" (2021) 50:3 Masal Huk 318-330.

²⁰ Aprilyaq Dunggio, "Prinsip Dasar terhadap Pencabutan Hak Atas Tanah untuk Kepentingan Umum" (2022) 10:1 Lex Adm.

²¹ Eric Henry Supit, "Pengadaan Tanah Untuk Kepentingan Umum Berdasarkan Undang-Undang No. 2 Tahun 2012 Tentang Pengadaan Tanah Bagi Pembangunan Untuk Kepentingan Umum" (2021) 9:4 Lex Adm.



holding collateral rights, this procedure provides certainty that even though the collateral rights are extinguished due to the revocation of land, their rights to collateral are not immediately lost because they are replaced with equivalent compensation. Therefore, the land revocation procedure not only ensures the smooth running of development but also protects the rights of related parties in accordance with applicable legal principles.

III. Legal Protection for Creditors upon Revocation of Land Rights

Legal protection for creditors is an important aspect that cannot be separated from the discussion of the revocation of land rights for public interests. Creditors have legitimate interests because they have provided loans with collateral in the form of land rights. If the land is revoked by the state, the land rights are automatically revoked, as stipulated in Article 18 of the Land Rights Law. However, this revocation should not disadvantage creditors because the debtor's debt may not necessarily be paid off. Therefore, Indonesian positive law stipulates that creditors still receive legal protection in the form of fair compensation for the revocation of land rights.²²

The legal basis for creditor protection can be found in Law No. 2 of 2012 concerning Land Acquisition for Development for Public Interest, which stipulates that every party with rights to land, including mortgage holders, is entitled to compensation. This shows that Indonesian law not only protects landowners, but also third parties who have legal interests. Thus, creditors' rights to debt collateral are not simply eliminated, but replaced with rights to compensation. This principle reflects a balance between national development interests and the protection of individual rights.²³

The form of compensation given to creditors can be in the form of money, replacement land, relocation, shares, or other forms as agreed upon. However, in practice, the most common mechanism is compensation in the form of cash distributed to creditors in accordance with the amount of their receivables. Creditors have priority in receiving payments from the compensation, as their lien rights give them preferential status or precedence over other creditors. In this way, even though the collateral has been revoked, the legal position of creditors is maintained through compensation payments from the value of the land taken by the state.²⁴

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²² Dwiyana Pramita Putri et al, "Perlindungan Hukum Kreditur Terhadap Debitur Dalam Perjanjian Kredit Dengan Jaminan Letter C" (2024) 6:4 UNES Law Rev 10017-10027, online: <<https://review-unes.com/index.php/law/article/view/1904>>.

²³ Ivan Damarwulan et al, "Perlindungan Hukum Terhadap Pemilik Tanah atas Gugatan Pembatalan Sertifikat (Studi Kasus Putusan Mahkamah Agung Nomor 2292K/Pdt/2020)" (2023) 4:3 J Huk Al-Hikmah Media Komun dan Inf Huk dan Masy 708-737.

²⁴ Willy Tanjung et al, "Tinjauan yuridis perbuatan melawan hukum atas suatu perjanjian kredit dengan jaminan suatu kepemilikan tanah yang belum terpisah dari sertifikat induk tanah (Studi Putusan Nomor 388 Pk/Pdt/2020)" (2023) 9:2 JPPI (Jurnal Penelit Pendidik Indones 1048-1056.



rights give them preferential status or precedence over other creditors. In this way, even though the collateral has been revoked, the legal position of creditors is maintained through compensation payments from the value of the land taken by the state.²⁵

The legal protection provided is not only repressive, i.e., in the form of compensation after the land is revoked, but also preventive. This can be seen from the involvement of creditors in the process of inventorying and identifying rights holders at the stage of land acquisition preparation. With this involvement, the interests of creditors are recognized from the outset, so that there is no neglect of rights in the revocation process. This mechanism reflects that legal protection for creditors is carried out comprehensively, both before and after land rights are revoked.²⁶

Within the framework of legal protection theory, the steps taken by the state are an implementation of the principles of legal certainty and justice. Creditors are guaranteed not to suffer losses due to land revocation, while the state can still carry out infrastructure or public facility development. Legal protection for creditors is proof that the state is trying to maintain a balance between public and individual interests. Thus, even though the lien is legally extinguished, the creditor's rights remain in the form of compensation equivalent to the value of the lost collateral.²⁷

With legal protection in the form of compensation, the position of creditors remains legally secure. The state not only fulfills its development obligations, but also ensures that the rights of creditors as collateral holders are respected and enforced. This protection also reflects the principle of *pacta sunt servanda*, that debt agreements between creditors and debtors remain valid, even if the collateral has been revoked for the public interest. Thus, Indonesian law has provided a fair and balanced mechanism, so that the revocation of land rights does not cause unilateral losses to creditors, but continues to guarantee legal certainty for all interested parties.

CONCLUSION

Based on the results of the study, it can be concluded that mortgage rights as collateral are accessory in nature and are therefore extinguished when land rights are revoked for public interest, as stipulated in Article 18 of the Land Law. The process of land revocation is carried out through the stages of planning, preparation, implementation, and handover of results as stipulated in Law No. 2 of 2012. Legal protection for creditors is provided through a compensation mechanism, so that even though the mortgage is extinguished, the rights of creditors remain legally

²⁵ Andi Irmayanti, Kristi Simanjuntak & Sokhib Naim, "Perlindungan Hukum Bagi Kreditur Akibat Berakhirnya Jangka Waktu Hak Guna Bangunan Yang Dibebani Hak Tanggungan" (2024) 5:2 Judge J Huk 120-132.

²⁶ Lidya Dwi Putri & Aad Rusyad Nurdin, "Pelindungan Bank sebagai Pemegang Hak Tanggungan terhadap Kepemilikan Hak Atas Tanah yang Dibatalkan oleh Badan Pertanahan Nasional Akibat Putusan Pengadilan (Studi Kasus PT X)" (2024) 5:9 J Huk Lex Gen.

²⁷ Bambang Wahyuono & Wahyu Tris Haryadi, "Kepastian Hukum Bagi Kreditur Pemegang Hak Tanggungan Atas Jaminan Hak Guna Bangunan Yang Sudah Berakhir Jangka Waktunya" (2024) DEKRIT (Jurnal Magister Ilmu Hukum) 16-40.



protected. This shows that Indonesian law seeks to maintain a balance between development interests and legal certainty for creditors.

This study contributes academically by clarifying the position of creditors in cases of land revocation for public interest. This study confirms that national law not only favors public interest but also pays attention to the protection of individual rights, especially those of mortgage holders. Practically, this study can also be a reference for government officials, banks, and the public in understanding the applicable procedures and forms of legal protection. Thus, this study adds to the literature on agrarian law and security law relevant to the context of national development. The limitation of this study is that the focus of the study is still limited to normative aspects and legislation, so it does not delve further into the practice of dispute resolution in the field when there is a conflict of interest between creditors, debtors, and the state. Therefore, further research is recommended to expand the discussion to empirical aspects, for example, by examining specific cases that have occurred or exploring the perspectives of creditors and land rights holders directly. This is important so that studies on legal protection for creditors are more comprehensive and able to provide applicable solutions in development practices in Indonesia.

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