

ABSTRACT

The public's decision to apply for subsidized mortgages is influenced by various factors, not only related to economic conditions but also social and other external factors. Understanding these factors is important for banks to improve the effectiveness of subsidized mortgage distribution. This study aims to explore the factors that influence the decisions of low-income communities in applying for subsidized mortgages at PT Bank Tabungan Negara (Persero) Tbk Region VI Central Java and the Special Region of Yogyakarta.

This study uses a qualitative approach with a case study method. An interview conducts to six source person; four debtor and two employees. Data analysis was conducted using case study data analysis techniques proposed by Robert K. Yin through the stages of compiling, disassembling, reassembling and arraying, interpreting, and concluding.

The results show that the decisions of low-income communities in applying for subsidized mortgages from BTN are influenced by several factors. Internal factors include the need to own their own home, obtaining housing security, and financial ability to meet installment obligations. Social factors include the influence of partners, family, and experiences and recommendations from close friends. External factors include information obtained from developers and BTN, service quality, BTN's reputation, housing location and legality, and credit requirements, such as the results of the OJK's SLIK (Small Loans) audit. From BTN's internal perspective, increasing subsidized mortgage distribution can be achieved by strengthening collaboration with developers, increasing public literacy, optimizing digital services, and implementing a loan factory strategy, which is considered effective in improving the quality and efficiency of the credit distribution process.

Keywords: *Subsidized mortgage, application decision, low-income communities.*

