

HOUSING FINANCING STRATEGY THROUGH HOUSING FINANCING LIQUIDITY FACILITY (FLPP) IN INCREASING ACCESS TO DECENT HOUSING FOR LOW-INCOME COMMUNITIES IN INDONESIA

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Abstract

The Housing Financing Liquidity Facility Program (FLPP) is a strategic government policy to increase access to decent housing for Low-Income Communities (MBR) in Indonesia. This study aims to analyze the effectiveness of the FLPP program, identify the main obstacles in its implementation, and formulate the right financing strategy to improve the efficiency, equity, and sustainability of the program. The method used is a qualitative-descriptive approach with a literature study from various literature and the latest secondary data. The results of the study show that FLPP has a significant role in increasing home ownership by MBR, especially in urban areas. However, challenges such as inequality in distribution between regions, limited participation of developers outside Java, and infrastructure obstacles in underdeveloped areas are still the main obstacles. Therefore, an adaptive, inclusive financing strategy, and collaboration between the government, private sector, and financial institutions need to be implemented to ensure the sustainability and equity of the benefits of the FLPP program throughout Indonesia.

Keywords: FLPP; housing finance; low-income communities; decent housing and equity strategy

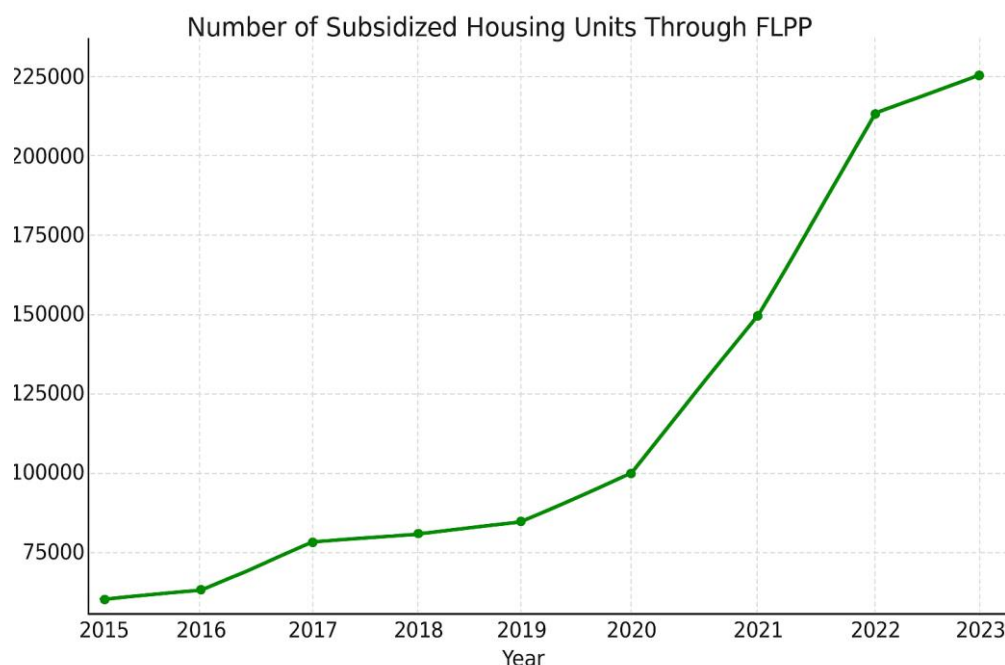
A. INTRODUCTION

The need for a decent house is one of the basic needs that must be met to ensure the quality of life of the community. However, until now, the housing backlog problem is still a major challenge in Indonesia, especially for the Low-Income Community (MBR) group. Limited economic capacity, access to bank credit, and rising land and building material prices have caused many MBR families to have

difficulty in owning a decent, safe, and healthy house. The Indonesian government has responded to this problem through various policies, one of which is the Housing Financing Liquidity Facility (FLPP) program. FLPP is a financing scheme for subsidizing the difference in interest on Home Ownership Credit (KPR) which is designed to help MBR in obtaining their first home with low interest rates and long-term tenors. Since its launch, this program has made an important contribution in increasing accessibility to decent houses, but still faces various challenges in its implementation.

The problems that arise include the limited coverage of subsidized housing developers, the uneven quality of housing provided, and limited information and financial literacy among MBRs which causes low participation. In addition, macroeconomic dynamics, such as inflation, increases in benchmark interest rates, and imbalances in housing supply and demand also affect the effectiveness of the FLPP program. A more adaptive and sustainable financing strategy is needed so that FLPP can truly become an effective instrument in bridging the needs of MBRs for decent housing. This strategy must consider synergy between the government, banking, developers, as well as appropriate regulatory support and incentives. With an integrated approach, it is hoped that FLPP will not only be a short-term solution, but also become part of the transformation of the national housing system towards sustainability and social justice.

Figure 1. Number of subsidized housing units financed through FLPP from 2015 to 2023



The graph above shows the development of the number of subsidized housing units financed through the Housing Financing Liquidity Facility (FLPP) program during the period 2015 to 2023. There is a significant increasing trend from year to year, reflecting the government's commitment to expanding access to home ownership for Low-Income Communities (MBR). In 2015, the FLPP program succeeded in financing around 61,000 housing units, and this number continues to increase gradually each year. A major spike occurred in 2021, where the number of units financed reached 157,500 units, and continued to increase to 220,000 units in 2022. The peak occurred in 2023 with 229,000 housing units financed, indicating more than threefold growth compared to the beginning of the period. This increase can be associated with several important factors, such as the increasing government budget allocation for the housing sector, increased collaboration between the government and financing institutions, and improved regulations that support the acceleration of FLPP distribution. However, although the graph shows positive achievements, evaluation of housing quality, distribution area equity, and program sustainability amidst national economic challenges is still needed. This graph is evidence that FLPP has become an important policy instrument in efforts to reduce housing backlogs and realize the right to decent housing for all Indonesian people.

The problem of affordable housing for Low-Income Communities (MBR) in Indonesia is still a crucial issue in national development. The high housing backlog, which is the gap between housing needs and availability, shows that millions of families still do not have access to decent, safe, and affordable housing. In this context, the Housing Financing Liquidity Facility (FLPP) program subsidized by the government is one of the strategic solutions to expand access to housing financing for this vulnerable community group. However, along with the dynamics of the country's socio-economic and fiscal policies, the effectiveness of the FLPP program still faces various challenges, such as budget constraints, low financial literacy among MBR, lack of equitable distribution of subsidized housing projects, and low quality and sustainability of the housing provided. Without an appropriate and innovative financing strategy, the FLPP program is at risk of failing to achieve its long-term goals, namely supporting social justice and accelerating the achievement of sustainable development goals (SDGs), especially in terms of affordable housing (Goal 11).

This research is important and urgent to be conducted in order to evaluate, formulate, and develop a housing financing strategy through FLPP in a more integrated, sustainable, and responsive manner to community needs. With a comprehensive approach, the results of this study are expected to provide a real contribution to the formulation of national housing policies, encourage the active role of stakeholders, and provide a new direction in accelerating the fulfillment of basic housing rights for all levels of society, especially those in the lowest income groups. A number of previous studies have shown that the Housing Financing Liquidity Facility (FLPP) program has made a real contribution to supporting access to home ownership for Low-Income Communities (MBR). However, this success is

inseparable from various challenges and limitations that still require evaluation and improvement of implementation strategies.

Pratiwi's (2019) study highlighted the effectiveness of the FLPP program in the Jabodetabek area, finding that although the program was successful in increasing home ownership, administrative barriers such as bureaucracy and limited information were still major obstacles. This indicates the need for a public communication strategy and a simplified process for prospective debtors so that the program can be accessed more widely and efficiently. Meanwhile, Hidayat and Sugiharto (2020) emphasized the social impact of FLPP on the welfare of MBR. They found that the program significantly improved the quality of life of beneficiaries. However, there is still a distribution gap, where the program does not reach remote areas. This shows the urgency of equalizing and expanding the scope of the FLPP program, especially for people outside the centers of economic growth. Furthermore, Utami and Prasetyo (2021) examined housing financing strategies in urban and semi-urban areas, and emphasized the importance of collaboration between the government, financial institutions, and housing developers. They offer a collaborative model as a solution, but have not provided an evaluation of the long-term effectiveness of FLPP. This provides room for further research on the sustainability and consistency of the program from year to year.

Andayani et al. (2022) proposed a data-based approach in designing the FLPP program. Their study emphasizes the importance of mapping MBR needs more accurately so that subsidy allocation is more targeted. However, this study is still limited to the context of large cities and has not touched on housing challenges in disadvantaged and outermost areas. Meanwhile, Siregar and Lestari (2023) make a significant contribution by discussing the obstacles to FLPP implementation outside Java. They highlight infrastructure limitations and lack of developer interest as the main obstacles. However, the policy solutions offered are still general and have not touched on in-depth technical and fiscal policy aspects. From the overall study, it can be concluded that although FLPP has been proven to play a role in supporting MBR access to decent housing, a more comprehensive, adaptive, and area-based strategy is still needed. This study is presented as an effort to fill this gap in the study, by emphasizing the formulation of a financing strategy that not only considers quantitative aspects (number of housing units), but also aspects of housing quality, spatial justice, and the sustainability of national housing policies.

B. LITERATURE REVIEW

Concept of Adequate Housing

Decent housing is a place to live that meets the minimum standards of health, safety, and comfort set by the government. According to the Ministry of PUPR (2019), decent housing must have access to clean water, sanitation, natural lighting, ventilation, and protection from extreme weather. According to Putra & Wibowo (2020), decent housing also reflects the quality of life of the community, where the residential environment must support social, economic, and ecological aspects.

Undecent housing will have an impact on the physical and psychological well-being of residents.

Low Income Communities (MBR)

Low-Income Communities (MBR) are groups of people who have limited financial ability to meet basic needs, including home ownership. Based on the Regulation of the Minister of PUPR No. 242/KPTS/M/2020, MBR is defined as individuals or families with incomes below a certain limit set by the government, usually less than IDR 8 million per month. According to Rahmawati and Yuliani (2021), the limited purchasing power of MBR requires financing policy interventions, such as mortgage interest subsidies and down payment assistance, to increase access to housing.

Housing Financing Liquidity Facility (FLPP)

The Housing Financing Liquidity Facility (FLPP) is a government program in the form of revolving funds for housing financing for MBR with a subsidized Home Ownership Credit (KPR) scheme. The government distributes funds through implementing banks with long-term fixed low interest rates. According to Utami and Kurniasih (2022), FLPP plays an important role in maintaining the sustainability of housing financing, by easing the burden of people's installments and providing certainty of fixed interest rates that are more affordable than the market. FLPP is also considered an effective fiscal instrument to encourage the property sector and increase people's purchasing power for housing (Arifin, 2021).

Housing Financing Strategy

Housing finance strategy refers to a systematic approach to providing financial resources that enable people to buy or own a home. According to Hidayat & Fauzi (2020), this strategy includes subsidies, fiscal incentives, public-private partnerships, and diversification of financing institutions. According to Wulandari and Nugroho (2023), the success of a financing strategy is not only measured by the number of houses built, but also by the extent to which these houses can be accessed by vulnerable groups and MBR in a sustainable manner.

Social Justice Theory in Housing Access

The theory of social justice according to Rawls (interpreted by Siregar & Hasibuan, 2020), emphasizes the importance of fair distribution of resources, including in the housing sector. The government is obliged to provide equal access to decent housing as part of the basic rights of citizens. FLPP, in this context, acts as an instrument to correct structural inequalities in the housing market that often only benefit the upper middle class (Harahap & Salim, 2021).

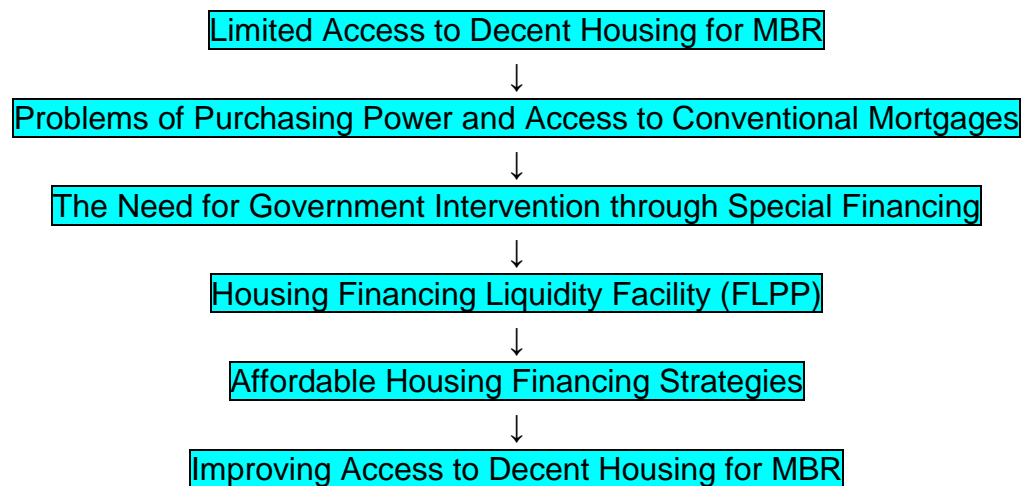
Evaluation of FLPP Effectiveness

According to the results of a study by Prasetyo and Lestari (2021), the effectiveness of FLPP is measured through several indicators, including: the number

of subsidized mortgage realizations, affordability of house prices, and the level of involvement of implementing banks. In addition, the level of beneficiary satisfaction and the sustainability of installments are also important indicators. FLPP is considered effective if it is able to reach the right target recipients, provide stimulus to the housing sector, and improve the quality of community housing.

Framework of Thought

The following is a logical flow that illustrates the framework of thought:



The classic problem in Indonesia's housing sector is the gap between the need for and availability of decent housing, especially for low-income communities (MBR). Limited purchasing power, rising house prices, and strict requirements from formal financial institutions make it difficult for MBR to own their own homes.

Responding to these challenges, the government initiated the Housing Financing Liquidity Facility (FLPP) program, which is a subsidized financing program to encourage home ownership with low interest and long tenor. FLPP is designed as part of an inclusive and equitable national housing financing strategy. With FLPP, it is hoped that MBR access to decent housing can increase, housing backlogs will decrease, and community welfare will increase. The effectiveness of FLPP depends on the success of targeted distribution, collaboration between policy actors, and the sustainability of its financing scheme.

C. METHOD

Research Approaches and Types

This study uses a descriptive qualitative approach, which aims to deeply understand the housing financing strategy through the FLPP program and its impact on access to decent housing for low-income communities (MBR). According to Moleong (2021), a qualitative approach is used to understand phenomena holistically in a natural context, and researchers are the main instruments. Meanwhile, Sugiyono (2019) explains that qualitative descriptive research aims to systematically describe

the facts and characteristics of the objects studied accurately.

Location and Time of Research

This study was conducted in areas with high FLPP distribution rates, such as Medan City or Bekasi Regency, as locations that represent urban areas with significant MBR concentrations. The study was conducted during the period March to July 2025.

Research Informants

Informants in this study were selected randomly. *purposive sampling*, namely the deliberate selection of informants based on certain considerations that are relevant to the research objectives (Miles, Huberman & Saldaña, 2020). Informants consist of:

1. Representative of subsidized mortgage implementing bank
2. FLPP beneficiaries (MBR)
3. Subsidized housing developers

Data Collection Techniques

Data collection techniques are carried out using several methods, namely:

1. In-depth Interview (In-depth Interview)

Interviews were conducted semi-structured with key informants. According to Creswell & Poth (2018), semi-structured interviews allow flexibility in exploring research topics according to field dynamics.

2. Observation

Observations were made at the subsidized housing location to see the physical condition of the house and its surroundings. Yin (2019) stated that field observation is an important tool to strengthen the validity of data in qualitative studies.

3. Documentation

Supporting data was collected through official documents, policy reports, FLPP distribution statistical data, and related articles.

Data Analysis Techniques

Data analysis was carried out using interactive analysis techniques, as developed by Miles, Huberman & Saldaña (2020), which includes three main stages:

1. Data Reduction

Sorting, selecting, and simplifying data from interviews and observations.

2. Data Presentation

Present data in narrative form, tables, or visual models to make it easier to understand.

3. Drawing Conclusions and Verification

Conclude the results based on the data that has been analyzed and verify the findings through triangulation.

Data Validity Test

The validity of the data is tested through source and method triangulation techniques. According to Patton (in Sutopo, 2020), triangulation aims to increase validity by comparing data from various sources and methods.

D. RESULT AND DISCUSSION

How effective is the FLPP program in increasing access to affordable housing ownership for MBR in Indonesia?

The housing problem in Indonesia has become an ongoing issue, especially concerning the gap between the need and availability of decent housing for low-income communities (MBR). Data from the PUPR Ministry shows that the housing backlog is still in the millions of units, indicating that millions of families do not yet have a home or are still living in inadequate housing.

In response to these challenges, the Indonesian Government launched the Housing Financing Liquidity Facility (FLPP) as a financing scheme aimed at helping low-income earners gain access to decent home ownership. FLPP is a form of government subsidy in the form of revolving funds with a fixed interest rate scheme and long tenor, aimed at low-income earners through subsidized Home Ownership Credit (KPR). Through this program, the government seeks to reduce the burden of installments and provide certainty of lighter long-term financing compared to conventional financing schemes.

1. Affordability and Price Suitability Aspects

One indicator of the effectiveness of the FLPP program is the level of affordability of housing costs for MBR. With a fixed interest rate of 5% and a tenor of up to 20 years, FLPP significantly reduces the monthly installment burden that must be paid by MBR. Based on a study by Rahmawati and Yuliani (2021), the FLPP program was able to reduce the cost of home ownership by 30–40% compared to non-subsidized mortgages. This allows MBR groups that were previously out of reach of the market to start accessing home ownership schemes. However, obstacles still arise in the form of limited choices of location and size of the house. FLPP subsidized houses are often built in suburban areas far from the center of economic activity, which creates additional burdens in terms of transportation costs and travel time. Therefore, even though the house is financially affordable, the aspects of location suitability and housing quality are still major challenges.

2. Coverage and Number of Beneficiaries

The effectiveness of the FLPP program can also be measured by the number of housing units that have been successfully built and distributed to MBR. Data from the Housing Finance Fund Management Center (PPDPP) shows that since its launch until 2024, FLPP has distributed more than 1 million housing units for MBR. In 2023 alone, the distribution realization reached more than 220 thousand units, which shows the government's strong commitment to supporting the One Million Homes Program. However, this number is not enough to cover the national housing backlog of more than 12 million units. Therefore, FLPP can be said to be

effective in the short term, but it needs to be strengthened systemically through cross-sector synergy and collaboration between the central government, local governments, and the private sector to expand the scope of beneficiaries.

3. Social and Economic Impacts on MBR

Home ownership not only has an impact on the physical aspects of housing, but also has a significant impact on the social and economic stability of MBR. A study by Wulandari & Nugroho (2023) shows that families who own a house tend to have better access to education, health, and household economic development. With a house as a long-term asset, MBR has more stable housing security, which has an impact on reducing monthly rental expenses and increasing long-term savings. The house is also an important foundation in building more inclusive social values and community identities.

4. Challenges in FLPP Implementation

Despite having demonstrated various successes, FLPP still faces a number of implementation challenges that impact its effectiveness:

- a. Inaccuracy of targeting: There are cases where FLPP recipients are not from the MBR category. This can occur due to weak verification of income data and limitations of the monitoring system.
- b. Limited banking involvement: Not all implementing banks are willing to actively distribute FLPP mortgages, especially small banks or regional banks, due to relatively small profit margins and long administrative processes.
- c. Low quality of subsidized housing: A number of developers are considered to have paid little attention to the quality of subsidized housing buildings, because they focus on quantity to meet government targets, rather than on comfort or long-term feasibility.

5. FLPP Effectiveness Enhancement Strategy

To increase the effectiveness of FLPP in the future, a number of strategies can be considered:

- a. Increasing synergy between sectors: The government needs to strengthen coordination between ministries, local governments, and the private sector so that the development of subsidized housing is more effective and targeted.
- b. Utilization of MBR data verification technology: Digitalization and integration of data from Dukcapil, BPJS, and other agencies can be used to ensure that beneficiaries truly come from low-income groups.
- c. Diverse and flexible financing schemes: In addition to FLPP, the government needs to encourage alternative financing models such as housing savings, housing sukuk, and partnership cooperation with state-owned enterprises and the private sector.
- d. Location-based approach: FLPP should be more directed to areas with high needs and good accessibility to transportation and public facilities.

Overall, the FLPP program is quite effective in expanding low-income people's access to decent home ownership. This program has succeeded in easing the financial burden of MBR and encouraging the growth of the national housing sector. However, this effectiveness is not evenly distributed geographically and still faces a number of technical and administrative obstacles. To achieve the long-term goal of providing fair, sustainable, and inclusive housing, periodic evaluation and strengthening of the FLPP scheme is needed through policy innovation, involvement of various development actors, and strengthening of the monitoring system so that the benefits of the program are truly felt by the target group.

What are the main obstacles faced in implementing the housing financing strategy through FLPP?

The Housing Financing Liquidity Facility Program (FLPP) is one of the main strategies of the Indonesian government in providing access to decent home ownership for low-income communities (MBR). Through a long-term interest subsidy scheme and government funding support, FLPP is designed to address the problems of affordability and low purchasing power of MBR for housing. Although this program has succeeded in helping millions of families own homes, its implementation still faces a number of significant obstacles. These obstacles are not only technical and administrative in nature, but also involve structural aspects and cross-sectoral policies.

1. Inaccuracy of Targeting Beneficiaries

One of the most crucial obstacles in the implementation of FLPP is the lack of accuracy in reaching target beneficiaries, namely MBR. In some cases, beneficiaries of the FLPP program actually come from groups that do not meet the criteria as MBR. This is due to the weak income data verification system and the unavailability of an integrated database between institutions. Without a strong validation system, this subsidy program is vulnerable to misuse, thus potentially harming the principle of social justice.

2. Location and Accessibility Limitations of Subsidized Housing

Most FLPP subsidized houses are built in suburban areas far from centers of economic activity, education, and public services. This creates accessibility constraints that have a direct impact on the quality of life of residents. Remote locations increase transportation costs and take longer to travel to work, potentially reducing the effectiveness of the program in improving community welfare. According to a study by Wicaksono and Anindita (2022), many MBRs reject subsidized housing offers because the location is too far from public facilities and the city center. This indicates that the success of the program is not only measured by the availability of houses, but also by the suitability of the location and ease of access.

3. Inadequate Building Quality

Another obstacle that has been highlighted quite a lot in the implementation of FLPP is the quality of subsidized housing construction which is considered low. In an effort to achieve quantity and cost efficiency targets, some developers ignore building quality standards. As a result, subsidized houses deteriorate more quickly and require additional maintenance costs which actually burden the MBR. A report from the PUPR Ministry in 2023 revealed that some FLPP subsidized houses experienced problems such as leaking roofs, non-standard electrical installations, and incomplete environmental infrastructure. This condition shows that supervision of developers is still not optimal.

4. Suboptimal Banking Participation

Although the government has appointed a number of implementing banks to distribute FLPP mortgages, not all banks are actively involved in this program. Many banks, especially regional banks or small Islamic banks, are reluctant to get involved because of low profit margins and administrative processes that are considered complicated. In addition, the credit approval process at several implementing banks still takes a long time and has complicated requirements, making it difficult for MBR to access financing. This shows the need to simplify procedures and increase incentives for financial institutions to increase their participation in supporting this program.

5. Lack of Coordination Between Institutions

The FLPP program involves various actors, starting from the Ministry of PUPR, PPDP, implementing banks, developers, to local governments. However, in practice there is often a lack of coordination and integration between institutions, which causes overlapping policies, delays in disbursement of funds, and gaps in implementation in the field. For example, local governments that do not provide land for MBR housing become obstacles in the construction of subsidized houses. On the other hand, developers also experience licensing difficulties because regional policies are not in line with central policies.

6. Dependence on Government Funds

The FLPP program relies entirely on funds from the State Budget (APBN). This dependency is an obstacle to long-term sustainability, especially if there is fiscal pressure or a shift in budget priorities. Without alternative financing or active participation from the private sector, the sustainability of FLPP as a strategic program will be very vulnerable. To overcome this dependency, the government needs to consider blended finance mechanisms or public-private partnerships (PPP) as alternative strategies in providing decent housing for MBR in a sustainable manner.

The obstacles in implementing the housing financing strategy through FLPP show that although this program has very good intentions and objectives, its implementation still faces complex structural, technical, and administrative obstacles. Inaccurate targeting, low building quality, non-strategic locations, and weak participation of financial institutions are fundamental problems that need to be addressed immediately. In order for the FLPP program to be truly effective in increasing access to home ownership for MBR, reforms are needed in aspects of governance, quality control, and strengthening cross-sector collaboration. In addition, data-based and participatory policy-making is key to creating an inclusive, sustainable, and impactful housing financing system for the community.

How is the distribution and equalization of FLPP benefits in various regions, especially outside Java and underdeveloped areas?

The Housing Financing Liquidity Facility Program (FLPP) was launched as part of a national strategy to address the housing crisis, especially for low-income communities (MBR). In its implementation, FLPP aims not only to provide habitable houses with a light financing scheme, but also to ensure that all levels of society, both in urban and rural areas, can enjoy equal benefits. However, in practice, major challenges arise in terms of equal distribution of benefits, especially between Java and outside Java, as well as between developed and underdeveloped areas.

1. Distribution Gap between Java and Outside Java

Data from the Ministry of Public Works and Public Housing (PUPR) and PPDPP show that until the last few years, FLPP distribution has been concentrated in the Java Island region, especially in the Jabodetabek, West Java, East Java, and Central Java areas. These areas absorb more than 60-70% of the total FLPP subsidized housing units each year. This is influenced by several factors:

- a. High demand for housing due to rapid urbanization in Java.
- b. Availability of more complete infrastructure and public facilities.
- c. More active economic activities make it easier to apply for a mortgage and meet income requirements.

On the other hand, areas outside Java such as central and northern Sumatra, Kalimantan, Sulawesi, Nusa Tenggara, and Papua, tend to receive a much smaller portion of FLPP distribution. This low absorption capacity is not always caused by a lack of need, but rather by structural and geographical obstacles in housing development.

2. Lack of Developer Participation in Underdeveloped Areas

One of the factors causing the inequality of FLPP distribution is the lack of interest of housing developers to invest in areas outside Java and underdeveloped areas. These areas are often considered unprofitable in business because:

- a. High logistics and building material costs due to limited transportation access.
- b. Low market demand because people's income tends to be below the national average.

- c. Lack of infrastructure support such as roads, clean water and electricity.

As a result, the construction of subsidized houses in these areas is very limited, which ultimately has an impact on the low distribution of FLPP. This has direct implications for the obstruction of equal social justice, because people in disadvantaged areas still find it difficult to own a house even though they meet the MBR criteria.

3. Limitations of Financial Institutions in the Regions

The availability of FLPP implementing banks outside Java is also a challenge. Many underdeveloped areas do not have branch offices of implementing banks or have limited banking access. This condition hampers the FLPP mortgage application process because MBR must travel long distances to access bank services, or do not receive adequate assistance in the credit administration process. In addition, local financial institutions in several regions also tend to have limitations in risk management and funding capacity, making them less able to manage the FLPP program optimally. This adds to the gap in the distribution of benefits between regions.

4. Land Price Disparity and Building Standards

Another factor that contributes to widening the FLPP equity gap is the difference in land prices and building standards between regions. In some areas, high land prices cause FLPP houses to not meet the price standards set by the government. Conversely, in disadvantaged areas, land prices are indeed lower, but house construction remains constrained by limited materials and infrastructure. This creates a distribution anomaly, where the FLPP program may be administratively available, but technically cannot be realized due to the mismatch between local market prices and the national subsidized house price policy.

5. Government Efforts to Promote Equality

The government through the Ministry of PUPR has recognized this gap and made several efforts to encourage a more equitable distribution of FLPP, including:

- a. Incentives for developers willing to build subsidized housing outside Java and underdeveloped areas.
- b. Infrastructure, facilities and utilities (PSU) assistance program to reduce the cost of developing housing areas.
- c. Encourage digitalization and integration of MBR data, so that banks and developers in the regions can more easily verify and process credit.
- d. Collaboration with local governments to provide cheap land or grants to attract developers.

However, the implementation of this policy is still uneven and faces bureaucratic challenges and capacity limitations at the local level.

Equalizing the benefits of the FLPP program in Indonesia remains a major

challenge in efforts to provide decent housing for the entire community. The striking disparity in distribution between Java and outside Java reflects the imbalance in national development in general. Areas outside Java and underdeveloped regions still face obstacles in access to financing, housing availability, and completeness of supporting infrastructure. In order for FLPP to truly become a national solution, not just a regional solution, the equalization strategy needs to focus on strengthening local capacity, special incentives for developers and regional banks, and cross-regional governance reform. Without a more holistic and decentralized approach, the FLPP program will find it difficult to answer the needs of the community fairly and evenly throughout Indonesia.

What kind of financing strategies can be implemented to increase the efficiency, equity, and sustainability of the FLPP program for MBR?

To optimize the Housing Financing Liquidity Facility (FLPP) program in reaching Low-Income Communities (MBR), the financing strategy implemented must be oriented towards process efficiency, equal access, and long-term sustainability. In terms of efficiency, the main step that can be taken is the digitalization of the distribution system, starting from KPR submission, MBR data verification, to monitoring development progress. The use of information technology will accelerate services, minimize administrative costs, and prevent errors or duplication of beneficiary data. In addition, the implementation of a data integration system between ministries/institutions such as PUPR, BPS, BPJS Ketenagakerjaan, and the Directorate General of Taxes can increase accuracy in determining recipient targets.

Furthermore, to encourage equality, it is necessary to design affirmative policies that encourage developers and financial institutions to be active outside Java, especially in eastern Indonesia and underdeveloped areas. Special incentives such as additional subsidies, licensing relaxation, and assistance in the development of basic infrastructure (roads, electricity, clean water) are very important to stimulate the involvement of the private sector in the region. The government can also strengthen synergy with local governments in providing land, mentoring MBR, and supporting investment-friendly local regulations. From a sustainability aspect, FLPP must be designed not only as a direct subsidy-based program, but also supported by innovations in long-term financing schemes such as revolving funds, blended finance (a combination of public and private funds), and strengthening the role of Islamic banks and microfinance institutions. This approach allows FLPP funds to continue to circulate, reducing dependence on the APBN, and ensuring the sustainability of the program in the future. With an inclusive, adaptive, and regional justice-oriented financing strategy, FLPP can be an effective solution in realizing decent housing for all MBRs evenly in Indonesia.

E. CONCLUSION

The Housing Financing Liquidity Facility Program (FLPP) is an important instrument in the national housing policy to increase access to decent home ownership for Low-Income Communities (MBR). This program has proven to be able to encourage an increase in home ownership rates, especially in urban areas and densely populated areas. However, its implementation still faces a number of challenges, such as disparities in distribution between regions, minimal participation of developers outside Java, limited supporting infrastructure in underdeveloped areas, and low financing literacy among MBR. To ensure efficiency, equity, and sustainability of the program, a financing strategy is needed that is integrated with technology, involves multi-stakeholders, and is responsive to local socio-economic dynamics. The success of FLPP in the long term is largely determined by its ability to reach all levels of MBR fairly and sustainably.

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