

The Effectiveness of Executing a Personal Guarantee as Security in Resolving Non-Performing Loans in Indonesia

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Abstract: *This study aims to analyze the effectiveness of executing personal guarantees as security in resolving non-performing loans in Indonesia. The method used is normative legal research with a statutory and case study approach. In banking practice, personal guarantees are often used as additional security for credit facilities, yet their enforcement faces various legal and administrative challenges. One major issue is the absence of preferential rights for creditors in this guarantee, requiring banks to undergo litigation to execute the guarantor's assets. Furthermore, guarantors often transfer their assets to evade liability, complicating the execution process. The execution procedure also entails lengthy legal steps, including summons, lawsuits, and court rulings before enforcement. Therefore, clearer regulations and more effective execution mechanisms are needed to enhance legal certainty for both creditors and debtors.*

Keywords: *Execution; Personal Guarantee; Non-Performing Loans; Suretyship*

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INTRODUCTION

The growth of economic activities within society has a direct impact on the increase in business operations and financial needs. In such situations, it is not uncommon for individuals or business actors to require additional capital or fresh funds to support the continuity of their activities. One of the primary sources of such financing is credit provided by banking institutions. Etymologically, the term "credit" originates from the Greek word *credere* and the Latin word *creditum*, which mean "I believe." In

other words, the granting of credit implies a form of trust given by the creditor to the debtor.

In the banking context, this refers to the bank's confidence as a creditor in the debtor's ability to fulfill their obligations to repay the loan as agreed. However, in practice, banks cannot arbitrarily grant credit facilities without a solid basis for analysis. Therefore, in accordance with the provisions of Article 8 paragraph (1) of Law Number 10 of 1998 concerning Banking, as amended by Law Number 4 of 2023 on the Development and

Strengthening of the Financial Sector ("Banking Law"), every extension of credit or financing based on sharia principles must be based on the bank's confidence in the good faith, capacity, and willingness of the debtor to repay the debt. In addition, banking regulations as stipulated in Bank Indonesia Regulation Number 11/25/PBI/2009 on Risk Management for Commercial Banks emphasize the importance of implementing effective and efficient risk management in lending activities.

According to Kennie Dhillon, the provision of credit facilities should ideally take into account three main pillars of financial analysis: business prospects, financial performance, and the capacity of the prospective debtor.¹ However, in practice, the application of prudential banking principles emphasizes that financial factors alone are not sufficient as a basis for granting credit. Therefore, although collateral is often regarded as a last resort in risk mitigation (a second way out), in today's banking practices, collateral has become a dominant variable that provides greater confidence for banks in approving loans.² This aligns with the provisions of Article 8 of the Banking Law, which states that before extending credit, banks are required to conduct thorough analysis to ensure the debtor's creditworthiness based on the principle of prudence.

In the credit evaluation process, banks apply the Five C's of Credit method, which includes character, capacity, capital, collateral, and condition of the economy

(Purwahid & Kashadi, 2006).³ Among these five aspects, collateral plays a particularly crucial role, as it serves as security for the debtor's obligations and provides legal certainty for the bank in the event of default. In guarantee law, there are two types of guarantees: general guarantees and special guarantees. A general guarantee automatically arises alongside the credit agreement, whereas special guarantees are classified into two forms: real security rights (*zakelijke zekerheidsrechten*) and personal security rights (*persoonlijke zekerheidsrechten*) provided by third-party guarantors.⁴

Personal guarantees, or *borgtocht*, are regulated in the Indonesian Civil Code, Book III, Title XVII on Debt Guarantees. In this guarantee scheme, a third party acts as the guarantor who binds themselves to fulfill the debtor's obligations if the debtor is unable to meet their commitments. In other words, the guarantor functions as a backup in the event the debtor defaults. Sutarno explains that a guarantor is not automatically responsible for paying the debtor's debt but will only be required to pay if the debtor truly has no assets that can be seized.⁵ If the auction results from the debtor's assets are insufficient to settle the debt, only then can the guarantor's assets be seized to fulfill the obligation. This principle is affirmed in Article 1831 of the Civil Code, which grants the guarantor the privilege to request that the debtor's assets be seized and auctioned first before the guarantor's assets are used to cover the debt. Article 1834 further stipulates that the guarantor has the right to demand that the debtor's assets be used first to

¹ Kennie Dhillon, "Tinjauan Yuridis Terhadap Pemberian Kredit Bank dengan jaminan Personal Guarantee (Study pada Bank BRI Cabang KCP Willem Iskandar)" (Universitas Sumatera Utara, 2012).

² Ibid.

³ Patrik Purwahid dan Kashadi, *Hukum Jaminan Edisi Revisi Dengan Undang-Undang Nomor 4 Tahun*

1996 tentang Hak Tanggungan. (Semarang: Fakultas Hukum Universitas Diponegoro, 2006).

⁴ Munir Fuady, *Hukum Jaminan Utang* (Jakarta: Erlangga, 2013).

⁵ Sutarno, *Aspek-Aspek Hukum Perkreditan Pada Bank* (Bandung: Alfabeta, 2009).

pay off the debt and to bear the costs of seizure and auction as necessary.⁶

Although personal guarantees have been regulated in various legal frameworks, in banking practice, *borgtocht* tends to be less favored compared to collateral guarantees. The fundamental difference between the two lies in the rights granted to the creditor. In collateral guarantees, the creditor has preferential rights or the right to be prioritized in fulfilling their claim from the proceeds of executing specific assets pledged by the debtor. Even if the execution proceeds are insufficient, the creditor still has the right to demand repayment from the debtor's other assets alongside other concurrent creditors. This right is known as a real right (*droit de suite*), which is attached to the collateral object and remains valid even if ownership of the object is transferred to another party.⁷ In contrast, in personal guarantees, the creditor does not have preferential rights over any specific asset but only holds a claim against the entire wealth of the guarantor, who guarantees the debtor's debt fulfillment. Nevertheless, the creditor in a personal guarantee has the right to demand repayment not only from the principal debtor but also from the guarantor as the party responsible for the debt.⁸

One of the main reasons why *borgtocht* (personal guarantee) is less favored by banks is that under this scheme, the bank as the creditor does not obtain any privileged or preferential rights over the guarantor's assets. The guarantor retains full control over their assets and can still sell, transfer, or encumber their property with other guarantees, without

any prohibitions or restrictions imposed by the bank. In other words, a personal guarantee does not provide optimal protection for the creditor because it does not ensure that the guarantor's assets will remain available to fulfill the debtor's obligations. As a result, the credit risk is higher compared to collateral guarantees (secured assets), where specific assets are pledged and subject to the creditor's right to execute if the debtor fails to repay the debt. Therefore, although personal guarantees are legally valid and can be used in banking transactions, in practice, banks tend to prefer collateral guarantees that offer stronger legal protection and greater certainty of repayment.⁹

METHOD

This research is normative in nature with a literature-based approach, meaning the study emphasizes analysis of applicable legal regulations and legal concepts relevant to the topic discussed. Normative legal research focuses on law as the object of study, so the results of this research are expected to provide recommendations or suggestions for improving existing legal regulations. In its implementation, this study uses a descriptive-analytical method, where the research not only describes the prevailing legal norms but also analyzes them using legal theories appropriate to the issues raised. The approaches employed include the statutory approach, conducted by examining various regulations related to the researched issues, and the case approach, carried out by reviewing court decisions related to the legal issues being analyzed.¹⁰

The data sources used in this research are

⁶ Ibid.

⁷ Edy Putra Tje Aman, *Kredit Perbankan Suatu Tinjauan Yuridis*, Kedua. (Yogyakarta: Liberty, 1989).

⁸ Ibid.

⁹ M. Bahsan, *Hukum Jaminan dan Jaminan Kredit Perbankan Indonesia* (Jakarta: RajaGrafindo Persada, 2020).

¹⁰ Juan Matheus dan Ariawan Gunadi, "Pembentukan Lembaga Pengawas Perlindungan Data Pribadi Di

divided into three types of legal materials: primary, secondary, and tertiary legal materials. Primary legal materials consist of laws and regulations that serve as the main legal basis for this study. Secondary legal materials include various legal literature, such as books, academic journals, and relevant research documents that enrich the analysis. Meanwhile, tertiary legal materials encompass additional information sources obtained from various media, including the internet, legal encyclopedias, and legal dictionaries that help clarify concepts and terms used in this research. Regarding data collection techniques, this study employs a documentation study method, where information is gathered from various written documents, such as legal books, expert opinions, and relevant laws and regulations. After the data is collected, the analysis is conducted using a qualitative method, meaning the obtained data will be categorized, compared with relevant legal decisions, and systematically analyzed. The results of this analysis are then organized in a structured form to produce conclusions that can answer the problems formulated in this study.¹¹

ANYLISIS AND DISCUSSION

Personal Guarantee (*Borgtocht*) Concept

Personal guarantee, originating from the term *borgtocht*, is a form of security that creates a direct relationship with a specific individual and can only be enforced against a particular debtor and their assets in general. From this definition, there are several key elements in a personal guarantee, namely:

- 1) There is a direct binding relationship with a specific person;
- 2) Can only be enforced against a specific

debtor; and

- 3) The obligation extends to the entirety of the debtor's assets.

This personal guarantee arises from an agreement between the creditor and a third party acting as the guarantor. As regulated in Article 1820 of the Indonesian Civil Code, indemnity is an agreement whereby a third party, for the benefit of the creditor, binds themselves to fulfill the debtor's obligation if the debtor fails to fulfill their obligation. Unlike a secured guarantee that involves a specific object as collateral, in a personal guarantee there is no specific object pledged. Instead, this guarantee is based solely on the trust that the guarantor (*borg*) will be responsible if the debtor defaults. Therefore, the rights held by the creditor in this context are relative, namely personal rights or *persoonlijk recht*.

Based on its characteristics, a *borgtocht* agreement has the nature of an accessory or supplementary agreement, which means its existence is highly dependent on the principal agreement, namely the debt agreement.¹² Consequently, if the principal agreement becomes void or invalid for certain reasons, the indemnity agreement will automatically become void as well, as emphasized in Article 1845 of the Indonesian Civil Code. However, under certain conditions as regulated in Article 1821 paragraph (2) of the Indonesian Civil Code, there is an exception where a person may still act as a guarantor even if the underlying principal agreement is void for certain reasons. Furthermore, in practice, a third party acting as a guarantor cannot impose conditions or responsibilities that are heavier than those in the principal agreement. This means that the *borgtocht* only applies

Era Ekonomi Digital: Kajian Perbandingan Dengan KPPU,” *JUSTISI* 10, no. 1 (2024): 20–35.

¹¹ Peter Mahmud Marzuki, *Penelitian Hukum: Edisi Revisi*, 19 ed. (Jakarta: Prenada Media Group, 2019).

¹² G Victor William, “Akta Borgtocht Dalam Perjanjian Kredit,” *Jurnal Media Hukum dan Peradilan* 5, no. 1 (2019): 50–61.

within the scope of the principal agreement and must not exceed the agreed limits. If the guarantee agreement contains provisions that go beyond the principal agreement, those provisions may be considered void or voidable but do not automatically invalidate the entire guarantee agreement. This aligns with the basic principle that a supplementary obligation must be subject to the primary obligation that gives rise to it. Additionally, because of its accessory nature, this personal guarantee will transfer along if the principal agreement is transferred to another party. In this case, the creditor's rights remain unchanged as long as there are no other provisions that regulate differently.

In its implementation, a *borgtocht* must be explicitly stated and cannot be implied, meaning the guarantor's declaration of intent must be made explicitly, for example, in the form of a notarized deed. This aims to provide legal protection for the guarantor so that they are not held liable beyond their consent. Conversely, the creditor is not required to give explicit approval; it is sufficient to accept the *borgtocht* deed and then request the fulfillment of the obligation in accordance with the applicable provisions.¹³ The creditor can demand the guarantor to fulfill their obligations if the debtor has met the conditions stipulated in Article 1831 of the Indonesian Civil Code, namely if the debtor has defaulted in performing their obligations and their assets have been seized and sold to repay the debt. Thus, the guarantor's responsibility is anticipatory, functioning as a form of protection for the creditor in case the

debtor's assets are insufficient or if the debtor has no assets that can be seized at all.

In addition, a *borgtocht* grants privileged rights to the guarantor as protected by law, especially when the guarantor faces a lawsuit in court for the principal debtor's default. In such situations, the guarantor has the right to request that execution be carried out first against the debtor's assets before being required to fulfill the obligations as the guarantor (*voorrecht van eerdere uitwinning*), known as the right to demand repayment from the debtor first.¹⁴ Furthermore, the guarantor's privileges are also regulated in Article 1848 of the Indonesian Civil Code, which states that the guarantor may be released from their obligation if, due to the creditor's fault, the guarantor can no longer substitute the privileges previously held by the creditor, such as mortgage rights or other preferential rights. In other words, the creditor must not take actions that could cause loss to the guarantor, especially if such actions prevent the guarantor from substituting the creditor's rights after paying the debtor's debt. This principle aims to protect the guarantor's interests so they do not suffer losses due to the creditor's negligence in maintaining their security rights.¹⁵

In addition to the rights held by the guarantor, it is also important to understand the rights and obligations inherent to the creditor. The creditor has the right to collect the debt from the guarantor if the debtor defaults, as well as the authority to make additional agreements with the guarantor, such as an agreement that the guarantor will

¹³ Man S. Sastrawidjaya, Isis Ikhwanisyahm, dan Cinintya Putri Deany, *Hukum Kepailitan: Analisis Jaminan Perorangan (Personal Guarantor) Dalam Perkara Kepailitan* (Bandung: CV Keni Media, 2019).

¹⁴ J. Satrio, *Hukum Jaminan: Hak-Hak Jaminan Pribadi Tentang Perjanjian Penanggungan dan*

Perikatan Tanggung Menanggung (Bandung: Citra Aditya Bakti, 1996).

¹⁵ Sri Soedewi Masjchoen Sofyan, *Hukum Jaminan Di Indonesia Pokok-Pokok Hukum Jaminan dan Jaminan Perseorangan* (Yogyakarta: Liberty, 1980).

waive their privileges as regulated by law. On the other hand, based on Article 1835 of the Indonesian Civil Code, the creditor also has certain obligations; for example, if the guarantor has designated debtor assets that can be seized and has provided funds for the execution process, then the creditor is responsible to the guarantor up to the value of the designated assets.¹⁶

The guarantor's privilege may also be waived through an agreement in the contract, as permitted under Article 1832 of the Indonesian Civil Code. Some provisions commonly included in indemnity agreements are:

1. The guarantor waives the right to demand that a seizure auction be conducted first on the principal debtor's assets; this waiver of privilege is made in the indemnity agreement entered into with the creditor but can also be made later, either in another agreement or by a unilateral statement.
2. The guarantor binds himself jointly (in one agreement) with the principal debtor on a joint and several basis. In such a case, it is called a "solidary guarantor." This situation strengthens the creditor's position because the creditor can demand payment from either the debtor or any of the guarantors for the entire debt, at their discretion.
3. The debtor may file an objection that concerns only himself personally.
4. The debtor is in a state of bankruptcy;
5. In the case of indemnification ordered by the Judge.

Articles 1836 and 1837 of the Indonesian Civil Code regulate situations where several parties act as guarantors (*borg*) for the same

debtor in the context of the same debt. In such cases, each guarantor has full responsibility for the entire debt, unless they explicitly exercise their privilege to request a division of the debt. This right allows a guarantor who is sued first before the judge to file a request for the creditor to divide the debt proportionally according to the respective shares of the guarantors bound by the agreement.

If, during the debt partition process, one or more of the guarantors are unable to fulfill their obligations, then the guarantors who still have financial capability are required to bear the share of those who are unable, according to the proportion that has been determined. However, this responsibility only applies if the inability of the other party is known before the debt partition is carried out. If the inability occurs only after the partition, then the guarantors who are still able are not obligated to bear the additional burden. If there is no explicit request to divide the debt, the provisions of Article 1836 of the Indonesian Civil Code automatically apply, whereby each guarantor remains responsible for the entire debt without any partition. This provision affirms that the responsibility of guarantors in a *borgtocht* agreement is joint and several, unless otherwise agreed upon or requested in court.

Execution of Personal Guarantee (*Borgtocht*) on a Guarantor Acting in Bad Faith

Basically, a guarantee (*borgtocht*) has characteristics similar to a contract in general, as regulated in Article 1313 of the Indonesian Civil Code, which contains the element of "binding oneself." However, the execution of a *borgtocht* can only be carried out if it meets

¹⁶ R. Subekti, *Jaminan-Jaminan untuk Pemberian Kredit Menurut Hukum Indonesia* (Bandung: Citra Aditya Bhakti, 1982).

the validity requirements of a contract as stipulated in Article 1320 of the Indonesian Civil Code. Therefore, in practice, a guarantor (*borg*) is obligated to fulfill their performance if it is proven that the debtor has failed to meet their obligations in accordance with the provisions of the *borgtocht* agreement. Unlike tangible collateral, a *borgtocht* does not involve a specific object used as security, but rather a declaration of willingness from the guarantor to fulfill the debtor's obligations if the debtor fails to perform within the agreed time frame. In this context, the debtor's guarantor must be willing to use their assets to pay the debtor's debt for which they are responsible.¹⁷

However, because the guarantee (*borgtocht*) does not involve specific tangible collateral, there is a risk that when the guarantor is asked to fulfill their obligations, they may transfer their assets to another party to avoid the obligation. If this occurs, the creditor will be in a weak position, as neither the debtor nor the guarantor can fulfill the promised performance. In such a situation, the only course of action available to the creditor is to file a lawsuit in the local district court to obtain legal protection.

Nevertheless, the creditor cannot directly file a lawsuit against the guarantor without following the procedures stipulated by law. The creditor must first send a warning, notice, or formal demand to both the debtor and the guarantor.¹⁸ A letter of demand is a form of legal warning given to the debtor to promptly fulfill their obligations after being declared negligent. The legal basis for letter of demand is regulated in Article 1238 of the Civil Code, which states that a debtor is considered negligent after receiving an official letter or similar deed reminding them of their

obligation, or when the agreement explicitly stipulates that negligence occurs after a certain period has passed. In this case, the issuance of a letter of demand by the creditor before filing a lawsuit is a required procedure to ensure that the lawsuit meets formal requirements and can be accepted by the court, which is also in line with the Supreme Court jurisprudence stated in:

1. Supreme Court of the Republic of Indonesia Jurisprudence Number: 177/K/Sip/1956 dated June 12, 1957, states: "That because the original defendant was not first given a warning, the lawsuit cannot be accepted."
2. Supreme Court of the Republic of Indonesia Jurisprudence Number: 852/K/Sip/1972 dated September 12, 1973, states: "That to declare someone has committed a breach of contract, an official demand must first be made by the bailiff. Since the letter of demand in this case has not been carried out, the court cannot yet convict the defendants/respondents of having committed a breach of contract; therefore, the plaintiff/respondent's lawsuit must be declared inadmissible."

After a letter of demand has been given to the guarantor (*borg*) but is still ignored, the creditor has the right to pursue legal action by filing a claim or lawsuit through the district court. The filed lawsuit aims to compel the guarantor to fulfill the obligations as agreed upon in the guarantee agreement. However, this lawsuit process is not always straightforward, considering that the creditor often does not know for certain the type and location of the guarantor's assets that can be used to fulfill the obligation. Therefore, when filing the lawsuit, the creditor must pay

¹⁷ Indrawati Soewarso, *Aspek Hukum Jaminan Kredit* (Bandung: Citra Aditya Bakti, 2002).

¹⁸ Yahya Harahap, *Segi-Segi Hukum Perjanjian* (Bandung: Alumni, 1982).

attention to several important aspects to ensure that the execution against the guarantor can be carried out effectively, namely:

1. First, the creditor may request authority from the court to access ownership data of assets under the name of the guarantor through the relevant official institutions. For assets such as land or buildings, the creditor can submit an application to the National Land Agency. Meanwhile, for movable assets like vehicles, the creditor can request information from the Integrated Motor Vehicle Administration Office. As for financial assets, such as bank accounts, bonds, or other investments, the creditor can apply to banks or non-bank financial service institutions to obtain the necessary data.
2. Second, the creditor may request the court to impose a security seizure (*conservatoir beslag*) on the guarantor's assets whose whereabouts are known, as well as on assets that may be discovered later.
3. Third, in the filed lawsuit, the creditor must explicitly request that the guarantor fulfill the obligation in accordance with the duties agreed upon in the guarantee agreement.

When a lawsuit has resulted in a court decision, there are two main ways to enforce that decision: voluntary compliance or execution through legal enforcement. Voluntary compliance occurs when the losing party, with full awareness and without coercion, complies with the contents of the judgment as stipulated in the court's ruling. In this situation, the losing party fulfills all legal obligations imposed upon them without intervention from other parties. However, if the losing party refuses to comply voluntarily, the execution mechanism may be pursued as a

form of coercive action to ensure the enforcement of a final and binding court decision. Execution can only be carried out on condemnatory judgments, namely those that impose obligations or sanctions and possess executorial power. If the defendant refuses to comply voluntarily with the judgment, the creditor may attempt to negotiate in order to persuade the defendant to fulfill their obligations without the need for forced execution.¹⁹ However, if negotiation efforts fail, the creditor has the right to submit an application for execution to the court as a final recourse to ensure the judgment is enforced.

Legally, the defendant is granted a grace period of approximately one week to ten days from the date the judgment is served to voluntarily comply with the court's decision. If the defendant fails to comply within this period, they may be deemed in default, thereby opening the possibility for forced execution. In the enforcement of execution, certain legal provisions must be understood by the creditor, one of which is stipulated in Article 195 paragraphs (1) and (2) of the Indonesian Reglement Inlandsche Rechtsvordering (HIR), as well as Article 206 paragraphs (1) and (2) of the *Rechtsreglement voor de Buitengewesten* (RBG). These provisions state that execution must be carried out under the order and leadership of the Chief Judge of the court with jurisdiction over the case at the first instance. If the disputed object is located within the jurisdiction of a different court, the authority to carry out the execution may be delegated to the court with territorial competence over that area. This provision is imperative in nature, meaning that execution must be conducted based on a written order in the form of a "Writ of Execution", which serves as the legal basis for the registrar or

¹⁹ M. Khoidin, *Hukum Eksekusi Bidang Perdata* (Yogyakarta: LaksBang Justitia, 2019).

court bailiff to carry out the enforcement.

The legal construction of the authority set forth in the Decree Letter consists of:

1. The Chief Judge orders and leads the execution process;
2. This authority is exercised *ex officio*;
3. The execution order issued by the Chief Judge in the form of a Decree Letter (*beschikking*);
4. The official ordered to carry out the execution is the Registrar or the Bailiff.

In the execution process, the Chief Judge of the Court holds significant authority and bears full responsibility to ensure that the execution proceeds smoothly and in accordance with legal provisions. As the authorized official, the Chief Judge must be physically present at the execution site to oversee the on-site proceedings, monitor developments, and determine whether the execution should proceed, be postponed, or temporarily suspended. Any decision made by the Chief Judge must be grounded in legal considerations as well as the factual circumstances observed at the execution site. Every policy or action taken during this process must be documented in the Official Report of Execution, which serves as the formal record of the proceedings. In certain situations, postponement or suspension of execution may only be justified if on-site conditions genuinely render it impossible to carry out the execution safely and orderly. However, such a decision cannot be made unilaterally; it must be based on a written order from the High Court or the High Religious Court, which act as supervisory bodies of the Supreme Court in exercising judicial oversight. Additionally, a direct order from the Supreme Court may also serve as a legal basis for the Chief Judge to postpone or temporarily suspend the execution.

CONCLUSION

As a financial institution functioning as an agent of development, the bank plays a central role in channeling public funds through credit facilities. In performing this function, the bank is obligated to apply the principle of prudence, including assessing collateral based on the Five C's of Credit—particularly the element of collateral. One form of collateral is *borgtocht* (personal guarantee), in which the character and background of the guarantor must be carefully evaluated to minimize the risk of default.

The primary weakness of *borgtocht* lies in the fact that it does not confer any preferential rights to the creditor over the debtor's assets; consequently, the creditor relies solely on the guarantor's personal assets. In the event that the principal debtor defaults and the guarantor refuses to fulfill their obligations, the creditor may pursue claims against both parties. If the guarantor is found to have acted in bad faith, the bank may initiate legal proceedings in court as a preliminary step prior to forced execution.

As a preventive measure, the bank must ensure that the guarantor possesses sufficient financial capacity—for instance, by requesting asset disclosure or annual tax returns to objectively assess the guarantor's financial standing. This is crucial to mitigate the risk of non-performance by the guarantor.

In the event of default and the need for litigation, the bank may submit several key claims, including: (1) a request for access to the guarantor's asset information from relevant agencies such as the National Land Agency, the Motor Vehicle Registration Office, and financial institutions; (2) a request for *conservatoir beslag* (preliminary attachment) on known or discoverable assets; and (3) a demand for the guarantor to perform their obligations pursuant to the guarantee

agreement. Should the guarantor lose in court and remain non-compliant, the bank is entitled to seek forced execution in accordance with applicable laws.

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