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Mortgage Lending with the Participation of the Construction Financing Fund of the Bank of the Future: A Literature Review

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Abstract: In response to rising expectations for improved financial stability, productivity, and longevity in property development, the banking and real estate sectors have recently introduced a groundbreaking innovation: the incorporation of construction financing funds into mortgage lending plans. In the contexts of digital transformation, sustainability integration, and customer-centric banking practices, this study critically evaluates the role of construction financing funds in shaping the future of mortgage lending. A PRISMA-based systematic review of the literature from 2013 to 2021 was carried out using data from IEEE, Google Scholar, Scopus, and Web of Science. We have used search terms like "construction financing funds," "digital transformation," "sustainability," "Environmental, Social, and Governance (ESG) criteria," "mortgage lending," and "risk mitigation" to find the 50 peer-reviewed articles that were chosen. Key findings that came out of the thematic analysis include environmental, social, and governance (ESG) factors becoming more important in the management of construction financing funds. There is an important role of these funds in lowering risk and maintaining financial stability; and the growing use of digital tools such as blockchain and AI. A study that compares banks from different regions found that European banks value sustainability more than digital innovation, North American banks value digital innovation more than sustainability, and Asian markets value state-driven financial models more than sustainability. The results do bring up issues with harmonizing

regulations and the right way to use digital technology, but they also show how important construction financing funds are for making sure that real estate development is safe and good for the environment. Because the financial world is always changing, these insights are very imperative for researchers, lawmakers, and banks that want to improve the way they lend mortgages.

Keywords: Construction financing funds, Digital transformation, ESG criteria, Mortgage lending, Risk mitigation, Sustainability, Customer-centric banking.

Introduction

Real estate and banking are both going through big changes in the current era with swift technological progress. All over the world, the economy is becoming more digital and up to date. Getting a mortgage now includes getting a construction loan (Oliner et al., 2020). People and businesses can easily get the money they need to buy property with mortgage loans (Sivesind, 2019). They just need to put up the house as collateral. Getting a mortgage has become easier with construction financing funds. Banks and other financial institutions run funds that help people get loans for building projects. These funds are meant to help pay for building projects by putting money aside for them (Ricks, 2018; Dang et al., 2017). Several things could go wrong when we are building something: the price could go up, the project could take longer than planned, or the market could change. These funds help make sure that everything goes well by giving projects the finance they need right away. This helps people who want to lend and borrow money. As digital innovation, sustainability, and customer-driven services become more important, the idea of the "bank of the future" grows as well (Gsell & Mette, 2017). That makes the part that money for construction loans plays in giving out mortgages even more important. The bank of the future will use cutting edge technology to help customers do business more quickly, easily, and safely. Some of these are AI, blockchain, and big data analytics. The money that is used for construction loans could change how mortgages are given out in the future. More people want growth that is better for the environment and better for customers.

Research Problem

There are several very good reasons to explore how construction loan funds can be used in home loan systems. New technology and rules are always being made to banks, so the old ways of getting mortgages need to be examined again. These funds might help the project last longer, save money, and keep risks low. What does this mean for both lenders and borrowers? These loans could be used to build safer homes if more money was added to them. This could make the market more stable and lower the chance that projects will fail. This is good for everyone because it helps the economy and makes sure that projects are finished on time and budget. They should also learn how these funds are used for mortgage lending. More research needs to be done on how to use money from construction loans in mortgage lending systems. There is a lot of research on ways through which banks are going digital and new tools for dealing with money is being made, but not many people have explored the role of construction funds. Because of this gap in the research, we can add to the field by finding out more about how these funds can be best used to build cheap, environmentally friendly homes. The study's goal is to give a full picture of the role that construction financing funds play in mortgage lending.

Research Focus

Mortgage lending and construction financing funds can work together to make building homes safer, more efficient, and more likely to last for a long time. We want to know how banks are using these funds right now since there is a new "bank of the future," as well as what the biggest issues and chances are for using them. The study examines the ways through which digital innovation, being good for the environment, and customer-focused banking services all work together to show how construction financing funds are changing the way mortgages are lent in the future. Building projects can be much more profitable and efficient if construction loans are added to mortgage lending systems in the right

way. The main point of the study is to find out how these funds improve safety, make customers happy, and move projects along faster.

Research Aim and Research Questions

Our study aims to take a close look at construction financing funds play in mortgage lending, especially when it comes to the "bank of the future." To achieve objectives, the study will address the following research questions:

1. How are construction financing funds currently being integrated into mortgage lending frameworks by banks?
2. What are the primary benefits of using construction financing funds in real estate development, particularly in terms of risk mitigation and financial efficiency?
3. How do digital technologies, such as blockchain and AI, contribute to the management and optimization of construction financing funds?
4. What challenges do banks face in implementing construction financing funds, and how can these challenges be addressed in the future?

Addressing these research questions is the main goal of the study; to give a full picture of the part construction financing funds play in mortgage lending, giving information that can help with both academic research and policymaking. This research will add to the ongoing conversation about the future of banking and real estate finance by showing the way through which construction financing funds can help with efficient and long-lasting growth.

Literature Review

Technology advances, changes in regulations, and changing consumer expectations are all causing big changes in the real estate and banking industries (Anagnostopoulos, 2018). The fact that construction financing funds are now part of mortgage lending systems is one of the most important changes in the last few years. This is a safe and easy way for both lenders and borrowers to get money in the real estate market. As the idea of the "bank of the future" takes shape, mortgage loan funds that build loan funds are becoming more imperative (Lau & Leimer, 2019; Broby, 2021). This bank will care about its customers, use cutting-edge technology, and cut down on waste. This literature review's main goal is to examine the newest research on this topic, mostly about how construction financing funds are changing the way mortgages will be given out in the future.

The Evolution of Mortgage Lending and Construction Financing Funds

Previously, mortgage loans were a common way to get a house. Individuals used mortgage loans to get houses and the loan amount would depend on how much the house they wanted to buy was worth (Bailey et al. 2019; Goodman & Mayer, 2018). Loan business has changed a great deal over the years due to fresh rules, changes in the economy, and better tech in the financial world (Adams, 2019; Casey et al., 2018). Different financial tools and strategies have been made to help borrowers with their different needs and lower risks since these changes (Ullah and Khan, 2017). One of the best new ideas in this part is to get money for loans for building projects. The banks and other financial institutions handle these funds, which are unique kinds of money. Most of the time, construction financing funds are given out in stages that match how fast the building project is going. Usually, mortgage loans are given all at once when the house is bought (Bradford, 2020). The project can take longer than planned, the costs to go up, or the market to change while the house is being built.

Construction financing funds can move forward without any sudden costs that might come up because of things that were not planned (Pitsis et al., 2018). These ways of financing also add a level of accountability and oversight that is good for both lenders and borrowers. This is because the funds are only released when certain construction milestones are met. Loan providers are less likely to lose money

when they use construction financing funds because the funds are only released as the project moves forward (Steffen, 2018). People who borrow money from these funds can count on getting money when they need it which makes managing large construction projects easier from a financial point of view. Building loan funds being added to mortgage loans is an example of how the banking industry is moving towards more specialised and flexible loan products (Keil & Müller, 2020). Sometimes these new ideas are very important, like when there are big real estate projects with lots of money and risks. The real estate market needs to grow and there are construction financing funds that make it easy and safe to pay for projects (Veuger, 2018).

The Role of the Bank of the Future

A "bank of the future" is something we might think about if we want to know how construction loans might change mortgage lending (Awrey & Judge, 2020). The banking industry is changing quickly because of new technologies and changing customer needs. As a result, there are more signs of the bank of the future. These banks are ahead of the curve because they use cutting-edge digital tools, care about the environment, and put an emphasis on providing quick and personalised services to their customers. Blockchain, AI, and big data analytics are changing how banks work by speeding up processes, making them safer, and letting them offer more customised financial products (Swan, 2018). In the worlds of mortgage lending and construction financing, these technologies are very important for making things go more quickly and clearly. Blockchain technology can be used to keep permanent records of trades in money (Omote & Yano, 2020). This way, everyone working on a building project can see the most up-to-date and correct information. There is a lot of money at stake in big real estate projects, so everyone needs to be honest.

AI is another big new tech that will change the way banks work in the future (Stulz, 2019). It can explore data that helps banks pick better loans for their customers and gives customers better financial products that are made to fit their needs (Königstorfer & Thalmann, 2020). AI can check if a building project is profitable, keep track of its real-time progress, and find small issues before they become too big. We can take charge of risks in this way is very important in the construction business, where delays and rising costs can hurt the overall success of a project. Each year, more banks check to see if their services and products meet ESG (environmental, social, and governance) standards (Bătae et al., 2020). This is because more people around the world are learning about woes with the environment (Miralles-Quirós, 2019). By taking ESG into account when deciding who to lend money to, banks can see into the future and encourage environmentally friendly green building practices.

Funds for construction can be very helpful for green buildings if they are run by the Bank of the Future. Builders may be more likely to use green building methods and materials that last longer and make less waste if these funds are set up in a certain way. By setting goals that must be met before funds are released banks can make sure that developers keep their environmental promises. This method not only raises the value of the land but also is good for the environment over time. This is because people want to buy homes that are good for the environment. This means making sure that people who want to borrow money get loans that fit their needs when it comes to mortgages. Building loan funds is a great way to reach this goal because they are adaptable and can be raised or lowered (Heidrich et al. 2017). Banks should offer different types of loans for different types of construction projects. Customer satisfaction will go up, relationships will grow, and they will stand out in a market that is getting more crowded.

The Integration of Construction Financing Funds and Mortgage Lending

Some mortgage lending systems now offer funds for building projects. As the real estate market gets more complicated and changes quickly, mortgages are being backed up by financing tools that are made to meet the needs of building projects. People are following this trend because these funds make it safe and easy for them to pay for building projects (Aalbers et al., 2020). Funds for construction can help bring down the price of building a home, which is a good thing (Glaeser & Gyourko, 2018). There

are a lot of one-time home loans out there. While the building is being made, this can make it hard for builders to keep track of their money. Part-payment plans are another way to pay for a building as payment is linked to a different part of the building process. Giving the money out in stages helps make sure that the right people get it when they need it which makes it less likely that the project will take longer or cost more than planned (Celsi et al. 2017).

One more benefit is that adding funds for construction loans to systems for lending mortgages makes the lending process more open and accountable (Ryan-Collins, 2021; Duffie, 2019). Tying new money releases to certain goals allow banks keep a close eye on building projects and make sure that money is being used right. Big real estate projects that are likely to be hacked or be badly run can lose a lot of money. It is very important to have this much oversight. Not only does getting money for building projects lower the risks, but it also encourages eco-friendly ways of building. ESG factors are being used by more banks to decide whom to lend money. These funds can be used to encourage builders to use eco-friendly building methods, and materials that last longer and less waste. For developers to keep their promise to protect the environment, banks can tie the release of funds to certain environmental goals (Salzman & Ruhl, 2019). Eco-friendly homes are becoming more popular with both buyers and investors, so this method not only helps the environment but also raises the long-term value of the land being built on (El-Haggar & Samaha, 2019).

This is part of a larger trend in the financial sector towards more personalized and customer-focused services. Construction financing funds are now part of mortgage lending systems. Banks can keep customers happy and build long-term relationships with them by giving them financing options that are unique to each borrower and building project (Yip & Bocken, 2018; Nguyen, 2020). In the future bank, personalization and the customer experience will be very important to stand out in a market that is getting more and more competitive. Giving money for construction loans along with mortgages is a big step forward for real estate finance in general. Because they offer a structured, safe, and long-term way to finance real estate developments, these funds seem like a good way to deal with the problems that come up with modern real estate finance.

Challenges and Opportunities in the Use of Construction Financing Funds

Construction financing funds are useful because they lower risk, are easy to get, and can be used for a long time. It can be hard to get them into systems that lend mortgages. I think it is very bad that banks do not have the right tools and training to use these funds well. To get construction financing, they need to know a lot about the real estate market and ways to check out and deal with the risks that come with building projects. Also, people from different places need to agree on how to pay for building projects. Laws and rules that are different from one country to the next make it harder for banks to deal with the world's real estate market. Now banks have to make sure their methods follow both local laws and the best ways to do things everywhere. This can make it hard for them to lend money for building projects all over the world.

Materials and Methods

The PRISMA method was used for this literature review. There are four important steps in this process: *identification, screening, eligibility, and inclusion*. This method makes sure that the review is complete, well-organized, and free of any bias. It also gives us a solid base for exploring the research that has already been done on mortgage lending and construction financing funds. Articles that were reviewed by experts from 2013 to 2020 explain mortgage loans, construction loans, and how banks help pay for real estate projects. They also had to explain about ways digital banking and construction loan funds are used, and how long mortgage loans can last.

But the reasons why some studies were left out were just as important to make sure that the ones that were included were useful and of high quality. Articles, editorials, and opinion pieces that had not been peer-reviewed were not included in the review so that it would be academically sound. Also not

included were studies that only looked at past mortgage lending practices without explaining about construction financing funds, since they did not help us understand how things are done now and in the future. Also, publications that did not have full texts were left out so that each study could be fully analysed. A carefully planned search strategy was used to look through several academic databases, such as Scopus, Web of Science, and Google Scholar, for the literature review. To find the right studies, words like "mortgage lending," "construction financing fund," "bank of the future," "sustainable construction," and "financial innovation" were used. The search results were narrowed down using Boolean operators (AND, OR).

The chosen articles were analysed using thematic analysis, a method that finds themes and patterns that appear over and over again in data. As the first step in this process, familiarisation, the chosen articles were read over to fully understand what they were about. At this stage, important ideas and trends were written down. After that, the articles were coded in a way that made it easy to find key phrases, concepts, and ideas that had to do with the role of construction financing funds in mortgage lending. This method of manual coding made sure that the data was understood in all of its complexity and made it easier to find important themes. After the codes were found, they were put together into bigger themes that showed major themes and insights from the literature. Some of the most important ideas that came up in the study were customer-centred banking, digital transformation, and going green. The main ideas were summed up in tables and graphs were used to make the results easier to understand (Table 1, 2).

Table 1

Inclusion Criteria for Literature

Criteria	Details
Time Frame	Peer-reviewed articles published between 2013 and 2021.
Subject Focus	Studies focused on mortgage lending, construction financing, and the role of banks in financing real estate projects.
Key Topics	Articles discussing digital transformation in banking, integration of construction financing funds, and sustainability in mortgage lending.
Language	Publications in English.
Indexing	Articles indexed in Scopus, Web of Science, and other high-impact academic databases.

Source: Author's development

On top of the thematic analysis, a comparative analysis was also done to see how adding construction financing funds to mortgage loans is handled in different financial models and regions. Each part of this study looked at governance, sustainability, digital integration, and legal challenges differently. One example from the study showed that Europe and North America handle money in different ways when it comes to using digital tools and being environmentally friendly. Making a comparison helped us learn useful things about mortgage lending around the world. It also showed us how construction financing funds are used in various situations.

Table 2

Exclusion Criteria for Literature

Criteria	Details
Publication Type	Non-peer-reviewed articles, editorials, and opinion pieces.

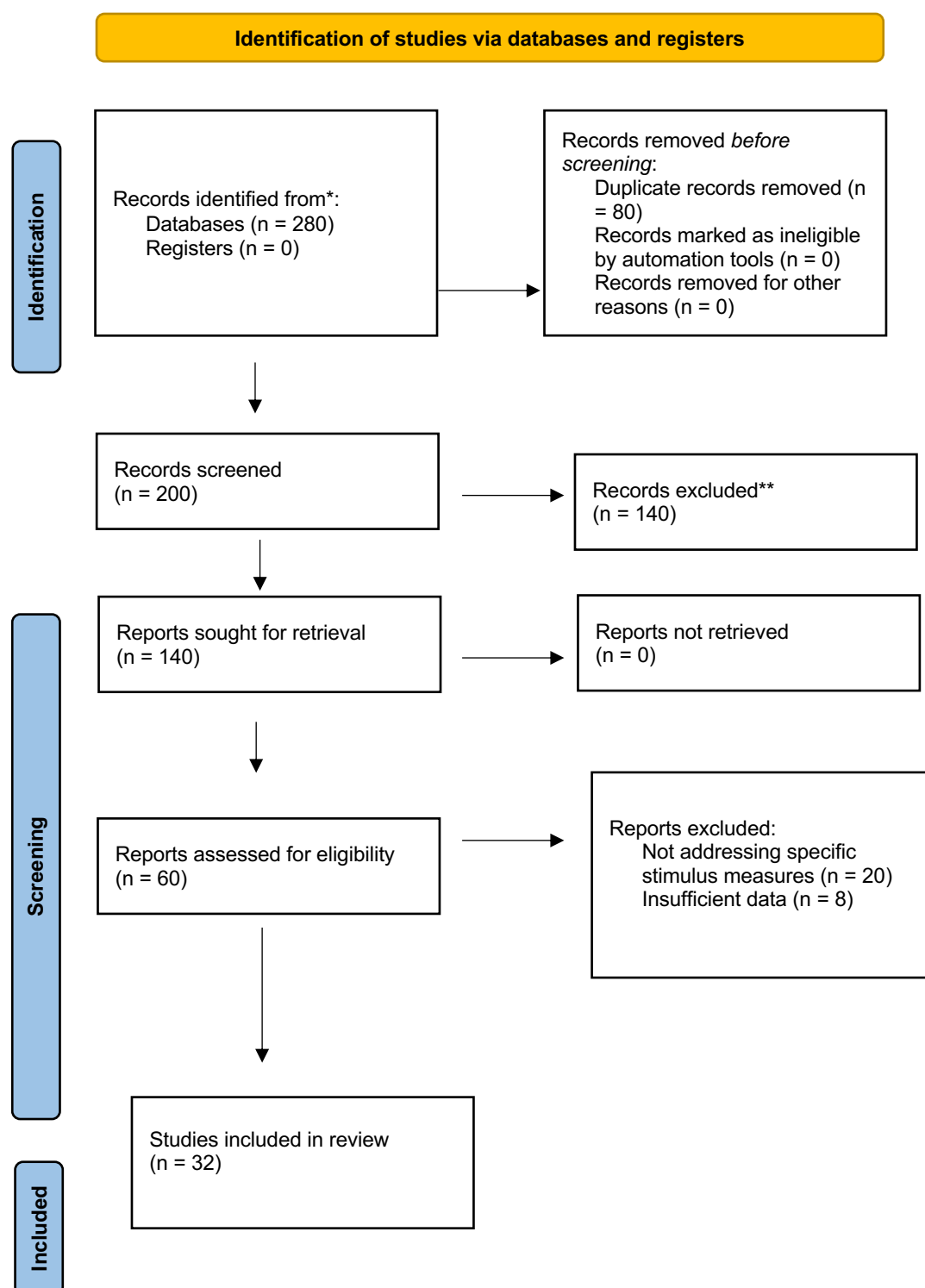
Historical Focus	Studies focus solely on historical mortgage lending practices without reference to construction financing funds.
Availability	Publications were not available in full text.

Source: Author's development

PRISMA, which stands for Preferred Reporting Items for Systematic Reviews and Meta-Analyses, was the method used for this review (Figure 1).

Figure 1

Prisma Flowchart



Source: Author's development

This PRISMA flowchart and the accompanying details provide a clear and transparent overview of the study selection process, ensuring replicability and transparency in the review.

Results

The results of the study, which come from both thematic and comparative analyses, explain to us how to use construction financing funds in mortgage lending, which is helpful for banks that are planning for the future. These results found that digital transformation, sustainability, lowering risk, and putting the customer first in banking are all changing over time. Digital platforms and tools are being used to handle construction loan funds in mortgage lending, as shown by the thematic analysis. Banks that are thinking ahead are using technologies like blockchain and artificial intelligence (AI) more to make their financial services safer, more flexible, and work better. The blockchain is a great way to make sure that transactions are safe and clear. Fraud and bad management are big problems in big building projects and this openness makes it less likely that these things will happen.

It is AI that makes it possible for lenders to offer personalised loan options that fit the specific needs of each borrower. AI can look at a lot of data to figure out how financially stable a borrower is and what risks they might be taking. This lets banks make mortgages that are best for those people who want to borrow money. Personalizing the process not only makes customers happier but also speeds up the lending process by automating routine tasks and reducing the chance that people will make mistakes.

Green building is becoming more important in construction funding funds, which is an important finding from the thematic analysis. Banks that are looking to the future are using these funds more to promote building methods that are better for the environment. Often, they do this by linking them to certain ESG (Environmental, Social, and Governance) standards. That goal can be reached by making financial products more sustainable. This will also make energy use more efficient and encourage building projects to use resources responsibly. When ESG criteria are used in construction financing, banks become the world leaders in the movement towards sustainability. This is because they lower the long-term financial risks that come with social and environmental issues. If banks only give money to projects that meet strict sustainability standards, they can improve their image, get investors who care about social issues, and make sure they follow the new rules that the building industry has to use eco-friendly methods.

This means that when construction financing funds are used, both lenders and borrowers can feel better about their money. We can slowly give these funds out as the building project goes on because they are a pool of resources. When we lend money for a mortgage, this lowers the risks that usually come with it. Because banks tie the release of funds to certain goals, they can make sure that projects get enough money without putting themselves or their borrowers at too much risk. These steps make it less likely that things like project delays, cost overruns, and changes in the market will happen. When lenders can keep a close eye on a project and manage the flow of money, they are less likely to lose money. When people can get loans that they can trust, they can finish projects faster and on budget.

The bank of the future will need to offer services that are unique to each customer. The cash from construction loans is used to create mortgage products that are unique for each borrower. Banks can offer a variety of financing options that fit the borrower's budget, time frame, and long-term goals for sustainability when they know what each building project needs. People who are pleased and loyal are more likely to stay with a bank. In a market that's getting more crowded, it also helps banks stand out. By coming up with solutions that are specific to each customer, banks can build stronger bonds with them. This can help them keep more customers and grow their businesses over time. The comparison shows that the ways that construction loan funds are used in mortgage lending vary a lot from one area to the next. These differences come from the fact that Asia, Europe, and North America have very different cultures, economies, and rules. These events change how banks in those areas set priorities and act.

Table 3

Comparative Analysis of Construction Financing Funds in Mortgage Lending Across Regions

Region	Digital Integration	Sustainability Focus	Risk Mitigation	Customer-Centric Services	Legal Challenges
Europe	Medium	High	Strong	Moderate	Regulatory harmonization
North America	High	Moderate	Strong	High	Regulatory uncertainty
Asia	Medium	State-driven	Moderate	Low	Cross-border compliance

Source: Author's development

Certain parts of the world use technology in very different ways. People in North America are the most tech-savvy, and AI and blockchain are getting a lot of attention as ways to make lending more personal and transactions clearer. The level of digital integration in European banks is also about average. The main goal for these banks is to use technology to make their operations more efficient and compliant. Asian markets, on the other hand, are only moderately digitalized. This is usually because of programs run by the government instead of market forces. European banks care a lot about sustainability, and ESG criteria are a big part of how they fund building projects. This is because the area has strict rules and a strong cultural focus on taking care of the environment. It is also used by banks in North America because decisions are usually based on what the market wants, not on government rules. Sustainability rules in Asia are mostly set by the government and not based on market wants.

Funds for construction projects are especially helpful for lowering the financial risks that come with big projects. Risk management systems in North American and European banks are very well developed. In Asia, on the other hand, banks focus on programs run by the government to deal with economic and financial risks in construction loans. North America has the most advanced services that focus on the customer. Like, banks there use computers to make mortgage products that are very unique for each customer. European banks also offer a moderate level of customer-focused services, with a focus on finding a balance between customizing services for each customer and following the rules. In Asia, putting the needs of the customer second is not as important instead, meeting state-driven goals and following local rules is more important.

Legal Challenges

Legal problems are very different in different parts of the world. For example, European banks have to make sure that rules in different countries are all the same. North American banks, especially those in the US, have to deal with regulatory uncertainty, especially when it comes to how quickly digital and financial technologies change. When it comes to Asia, cross-border compliance is hard, especially in places with different economic and legal policies.

Thematic Analysis Word cloud



Both of these types of analyses show how flexible construction loan funds are in a mortgage market that is always changing. To prepare for the future, banks are adding more digital tools and eco-friendly ways to do business with their funds. They are more efficient, there are fewer risks, and the services are more tailored to each person. But there are big differences between places because the way banks work in different parts of the world is affected by different laws and economies.

Adding construction financing funds to mortgage lending is a huge step forward in financial innovation that will have a big impact on how banks work in the future. Thematic analysis showed that going digital has made the process of getting a mortgage safer and faster when construction loans are involved. AI and blockchain are two digital tools that have made it possible for banks to offer safer and more flexible ways to borrow money. Blockchain has a ledger that is open to everyone and cannot be changed. This allows us to keep track of things like financial transactions and is also helpful for big building projects. AI, on the other hand, allow lenders to make loans that are perfect for each person. This means that mortgage products can be made to fit the needs of all borrowers (Turiel & Aste, 2020).

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issues when AI and blockchain are used in financial services. Another important theme that came up in the study is sustainability. ESG (Environmental, Social, and Governance) factors are now taken into account by construction funds. This shows that building in an eco-friendly way is becoming more important. Green building techniques and projects that are better for the environment will be used by developers more often if banks tie loans to certain environmental goals. These steps are in line with the world's goals for sustainability, and they lower the long-term costs that come from problems in these areas. A new study on sustainable finance backs up the focus of this study on sustainability. They found that lending money with ESG criteria can make it worth more and last longer (Henisz & McGlinch, 2019).

In contrast, differences reveal that the way sustainability is considered in home loans is very different in various regions. For example, European banks care more about ESG and sustainability factors than Asian and North American banks. This is because Europe has stricter rules and institutions that care more about the environment. Asia's banks, especially those in China, use construction loan funds to help the government improve the economy as a whole. In contrast, North American banks put a lot of effort into new digital technologies and client-first services. These differences between places show how hard it is to make sure that all markets use the same green practices. This issue was also brought up by Banga (2019) in their research on the spread of sustainable finance practices around the world.

Both lenders and borrowers feel safer about their money when they use construction financing funds. Most mortgage loans come with risks like project delays and cost overruns (Asiedu & Adaku, 2019). These funds lower those risks by giving construction projects their pool of money. Lowering the risk is very helpful in unstable markets where economic factors from outside the area can make real estate projects less financially stable. All people know that construction financing funds can offer this kind of safety. The comparison shows that there are major issues with laws and rules, mostly in places where there isn't a clear plan for how to handle these funds. As an example, regulatory uncertainty is a big issue in North America, where banks have to deal with rules that are hard to understand and don't always follow the rules (Salter & Smith, 2017). In Asia, it is harder for construction financing funds to work together because of problems with cross-border compliance. This is especially true in markets where the government has a lot of power over financial rules (Zhang, 2020; Chin, G. T., & Gallagher).

One more important trend that came out of the study was how customer-focused banks will remain in the years to come. Banks can make mortgage products that meet the needs of borrowers with the money they get from construction loans (Vojtech et al. 2020). However, these strategies that focus on the customer will only work if banks can effectively add digital tools and eco-friendly practices to the products they sell. For this integration to work, we need to know a lot about both technology and what customers want and need. Comparing these results to other research shows that most people agree that construction financing funds have a lot of potential in mortgage lending (Brown et al., 2019; Bäckman & Lutz, 2020). But there is still a lot we do not know about how to use these funds well in different types of banking. For instance, everyone knows that going digital and incorporating sustainability have a lot of benefits.

Adding construction loan funds to mortgage lending gives banks a huge chance to become more efficient, better for the environment, and better for customers (Bertoldi et al., 2021; Raberto et al. 2019). In contrast, the study's findings indicate that these chances come with major issues, especially when it comes to making sure that laws are followed and digital innovations are used safely. These issues reinforce the need for financial institutions, regulators, and researchers to keep working together to create complete frameworks that can make construction financing funds a normal part of mortgage lending around the world. Dealing with these issues is one way that banks can use construction financing funds to help the real estate market grow and bring in new ideas. They can also help reach bigger goals like long-term financial health and stability.

Conclusions and Implications

Building loan funds is becoming an important part of this new way of doing things. The money in these accounts is safe and will only be used to build homes. It also lessens risk and keeps money safe. This will have a big impact on the banking business and the real estate market as a whole. Using construction financing funds helps banks handle and give out money better. With this method of staged funding, project delays and cost overruns are less likely to happen, which are common issues with big projects. Banks can make sure there is more oversight and accountability by making sure they get the money they need upfront and tie payments to specific goals. So, their investments are safer and there is less chance of default.

Banking companies are using ESG (Environmental, Social, and Governance) factors more in their work. To encourage green building, construction financing funds can also be set up. The real estate industry can be encouraged to use green materials, save energy, and reduce waste by banks who condition the release of funds on meeting certain sustainability goals. This is in line with global goals for sustainability, and it also makes the homes that are being built more valuable in the long run because investors and buyers want sustainable homes. The move to digital banking is also very important for the good management of funds for construction loans. AI and blockchain are two new technologies that can make financial transactions safer, open, and efficient in ways that have never been seen before. Blockchain can make a record of all the transactions that take place on a construction site that can't be changed. Being open in this way is especially helpful for projects that are hard to understand and have a lot of people involved. As an alternative, AI can be utilised to examine very large amounts of information. In turn, this helps banks decide who to lend money to and how to tailor loans to each borrower's needs. However, rules and moral issues need to be carefully thought through for these technologies to work well together. Banks can keep their customers happy and build strong, long-lasting relationships with them as long as they make mortgage products that work for every borrower and project. The customer experience is a big part of what makes banks different today, so personalization is becoming more important.

Suggestions for Future Research

This review explains the ways through which construction financing funds work in mortgage lending. There needs to be more research into how banks around the world use these funds to lend money for mortgages. With this kind of research, the pros and cons of combining these funds could be observed, along with how they impact projects, the companies, and customer happiness. Also, more research needs to be done on how construction financing funds affect a business's ability to stay in business and keep its finances stable. On a long-term level, not much is known about the way these funds will change the economy, the housing market, and the banking system. It might cut down on failed real estate projects if it is used for construction financing, but it might also make the market less stable by increasing systemic risk. Also, it would be good to know if the long-term projects these funds support help people and the environment.

It is essential to investigate how future banks should allocate grant money for construction projects. The efficiency, safety, and client-centered focus of building loan funds can be enhanced through the application of blockchain, AI, and big data analytics. Furthermore, examining methods for aligning funds with emerging environmental regulations is necessary. The utilization of construction financing funds is influenced by cultural factors, market conditions, and regulatory frameworks, which can contribute to more cost-effective solutions. Lastly, building project financing will play a crucial role in the future of home loans, offering banks a strategic approach to supporting environmental initiatives, mitigating risks, and accelerating real estate transactions. The global application and evolution of these funds will ensure their readiness to address future challenges and opportunities.

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