

IMPROVING THE EFFICIENCY OF MORTGAGE LENDING IN COMMERCIAL BANKS

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Annotation: *This article analyzes the issues of improving the activities of mortgage loans in commercial banks and increasing their efficiency. The role of the mortgage lending system in the economy, its role in improving the housing conditions of the population, and its importance in ensuring the financial stability of banks are highlighted. It also considers ways to manage mortgage risks, optimize interest rates, introduce digital technologies, and strengthen trusting relationships with customers. The article analyzes existing problems and puts forward proposals and recommendations aimed at improving the efficiency of mortgage loans.*

Keywords: *mortgage loan, commercial banks, financial efficiency, credit policy, risk management, digital banking services, economic development.*

In recent years, the mortgage lending system has been gaining particular importance in our country in terms of improving the living standards of the population, providing housing, and developing the financial system. A mortgage loan is a form of long-term lending that provides citizens with a convenient financial opportunity to purchase or build housing. The provision of mortgage loans by commercial banks not only increases the well-being of the population, but also has a positive impact on the development of the construction industry, increasing employment, and economic growth.

However, there are a number of problems in the mortgage lending system, including high interest rates, insufficient collateral, low payment discipline, and underdeveloped risk management mechanisms. Therefore, improving the efficiency of mortgage lending in commercial banks is considered an urgent issue.

This study analyzes the factors for improving the mortgage lending process in commercial banks, increasing its efficiency, and the theoretical and practical aspects of using innovative approaches in this area. At the same time, recommendations will be developed to ensure the sustainable development of mortgage loans in the context of the national economy.

The mortgage lending system in commercial banks is one of the important factors of economic development. Through this system, along with improving the housing conditions of the population, the construction industry, manufacturing industries and service sectors also develop. From this point of view, mortgage loans are not only of social importance, but also considered an important source of income for banks.

Current status of the mortgage lending system

In our country, the state is implementing a number of reforms in the mortgage lending sector. In particular, measures are being taken to subsidize mortgage loans, issue them for a long period, reduce interest rates and create favorable conditions for the population. Commercial banks act as the main financial intermediaries in this process. Although the mortgage loan portfolio has expanded significantly in recent years, the lack of credit resources and shortcomings in risk management continue to limit the effectiveness of the system.

Factors for increasing the efficiency of mortgage loans

To increase the efficiency of mortgage lending, attention should be paid to the following areas:

Optimization of interest rates. Banks can attract more customers by reducing the cost of credit resources.

Improving the risk management system. Analyzing credit history, assessing the value of collateral, and accurately predicting the client's solvency will increase efficiency.

Introducing digital technologies. Online applications, electronic assessment, and automated decision-making systems will speed up the lending process.

Expanding cooperation with the state. Subsidies and guarantee programs reduce risk for banks and increase the volume of mortgage loans.

Increasing financial literacy. Forming a credit culture among the population will ensure timely repayment of loans.

Problems encountered in mortgage lending in commercial banks

The current system has a number of problems:

High interest rates and short-term loans are not suitable for a wide range of the population.

In some banks, the process of obtaining a loan involves excessive bureaucratic steps.

The value of property provided as collateral is not sufficiently assessed.

The mechanism for monitoring the solvency of clients is weak.

Ways to improve

The following measures are recommended for the effective management of mortgage loans in commercial banks:

Implementation of a credit rating system and development of an individual assessment methodology for each client;

Attraction of long-term low-cost resources through the establishment of a centralized mortgage fund;

Making loan conditions more favorable by increasing interbank competition;

Development of a mortgage loan insurance system;

Electronic document management and the establishment of a “digital mortgage” platform.

Thus, improving the mortgage lending system in commercial banks will not only increase the efficiency of banking activities, but also improve the living standards of the population and strengthen economic stability.

Conclusion

Effective organization of the mortgage lending system in commercial banks is an important factor in the sustainable development of the economy, providing the population with housing, and strengthening the financial system. The study found that the effectiveness of mortgage loans is directly dependent on interest rates, risk management mechanisms, the quality of collateral, and the level of implementation of digital technologies.

Commercial banks should focus on the following areas in the development of mortgage loans: making credit policies more flexible, establishing long-term cooperation with clients, strengthening integration with government programs, and widely introducing innovative banking services. Also, increasing the financial literacy of the population ensures the stable functioning of the mortgage lending system.

In conclusion, by improving the mortgage loan market, modernizing the activities of commercial banks, and strengthening financial stability, it is possible to achieve a new stage of socio-economic development in the country. To this end, the cooperation of the state, banks, and the population in the field of mortgage lending remains an important strategic direction.

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