Wallet as Bank

Ethereum wallets can act as identity and also can store money. These unique features enable you to build interesting applications on top of the Ethereum blockchain. In this project, you will build a bank on your wallet. Below are more project details:

1. Any one with an Ethereum account (contract) should be able to lend Ether to another account/user in return for a collateral.
2. The borrower should make regular payments to the lender
3. Implement a mutual fund company that can accept Ether and issue mutual fund in return
4. The lender should be able to invest money in the mutual fund
5. The mutual fund company should issue dividends to the lender

Question: How can collateral be implemented?

Abhinav: Basically if I want Abhi wants to lend Mahesh 20ETH, Mahesh must keep 20ETH worth of some token as an escrow, so that if Mahesh does not pay back the 20ETH to Abhi, Abhi gets to keep the 20ETH worth of ERC20 Tokens.