MeltyFi

New peer-to-pool lending and borrowing platform with NFTs collateral

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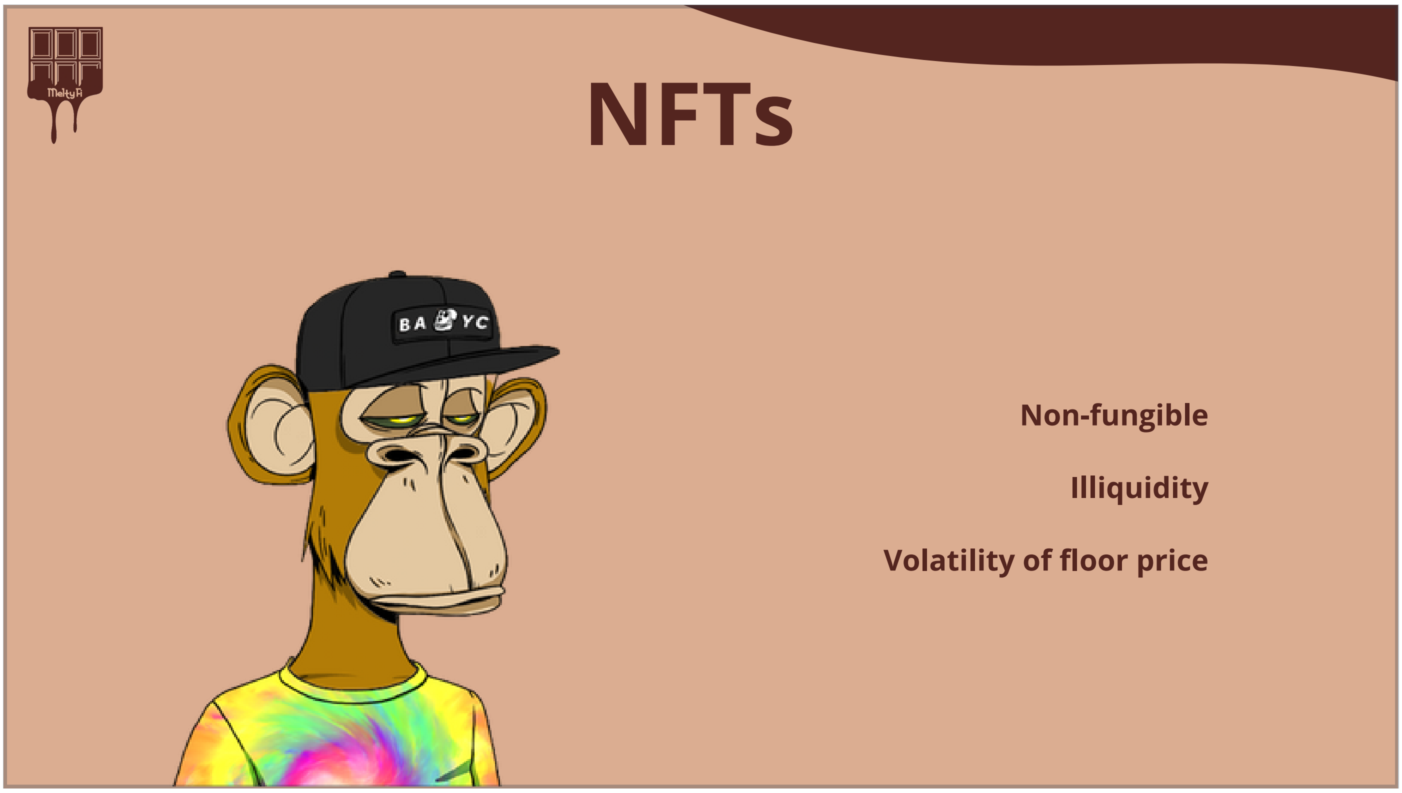
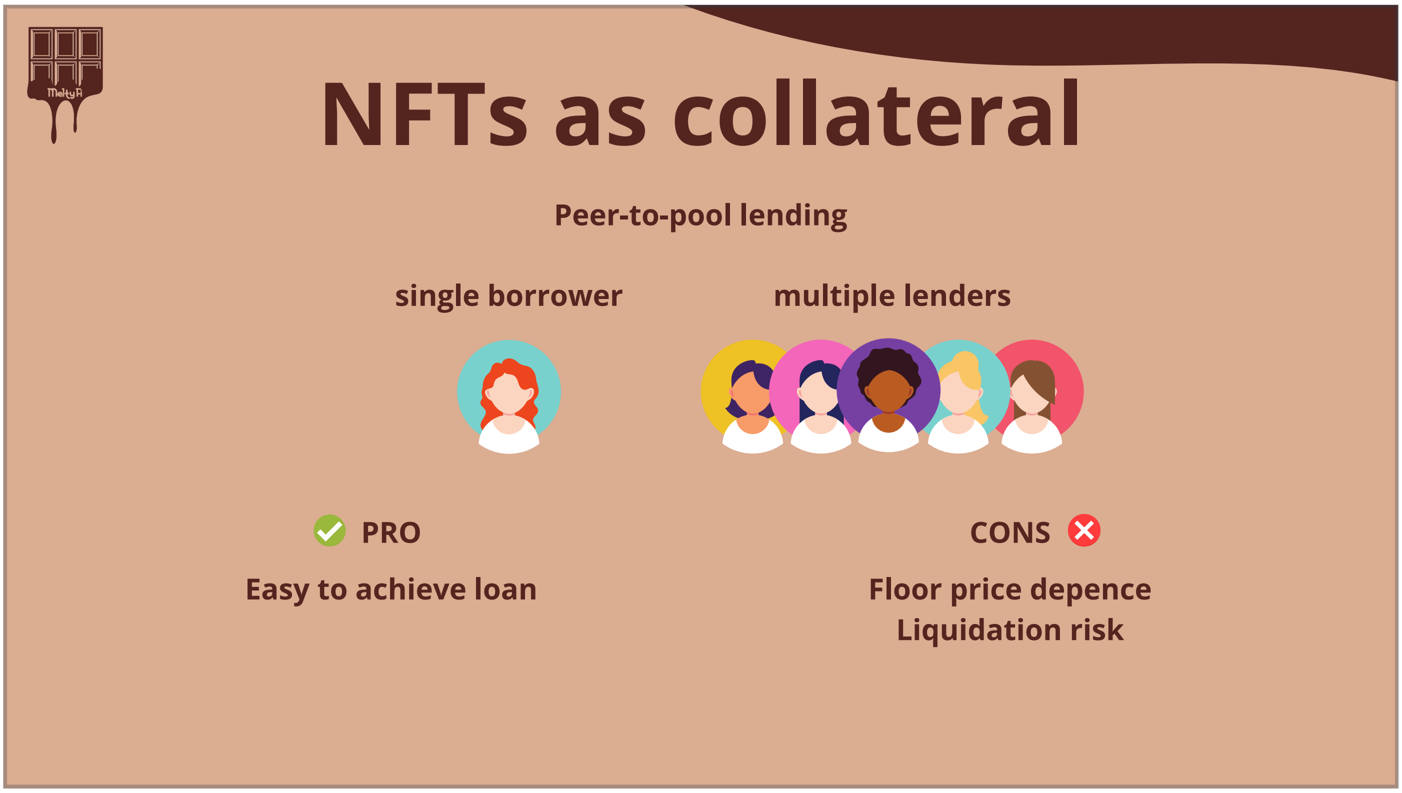


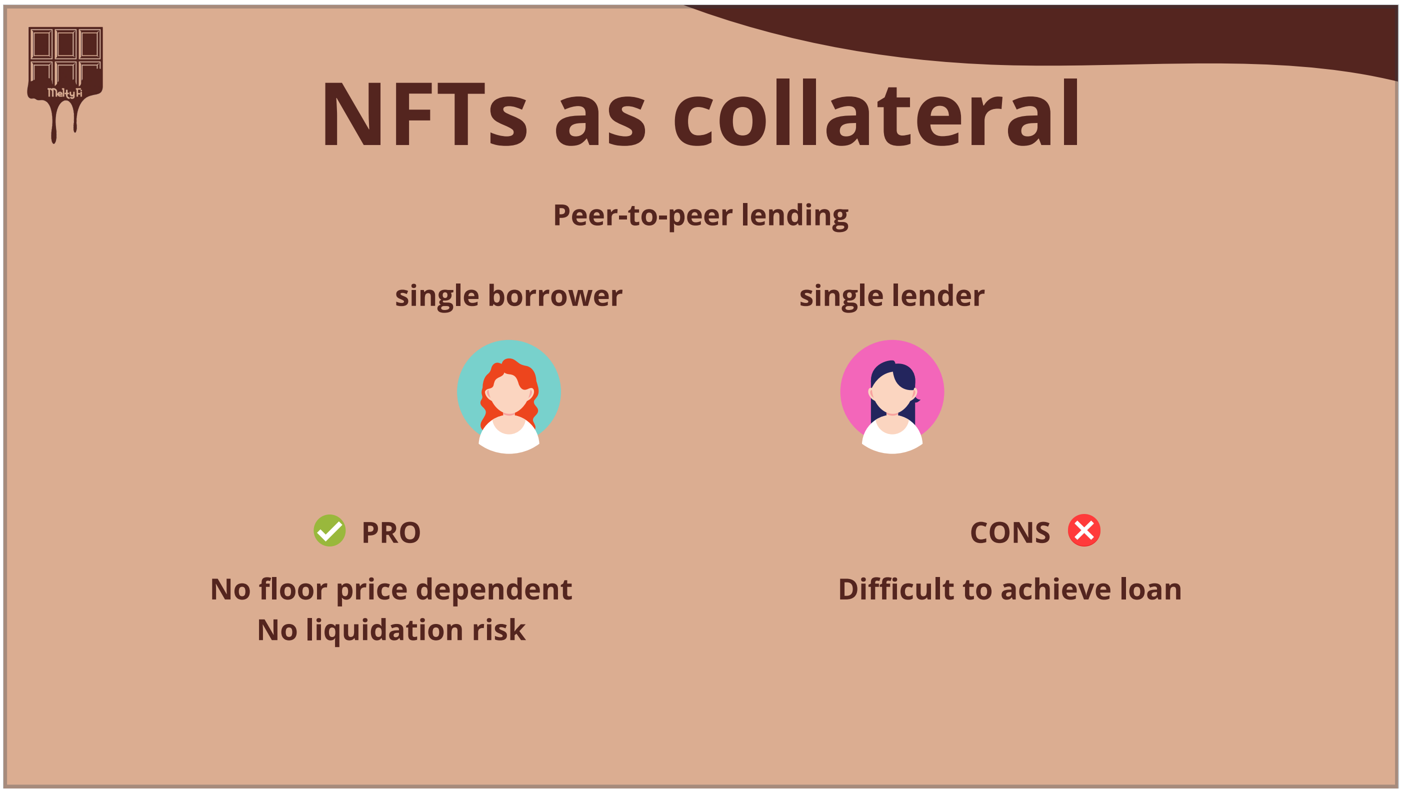
Let’s start by underling some aspects about NFTs.
They are non-fungible,
so unique.
If you sell your personal NFT you can't just buy another one.

They are are illiquid, meaning that they cannot easily and quickly be exchanged for cash. In order to estimate the value of a NFT it is often used the floor price, namely the price of the lowest-priced NFT in a collection. It is difficult to estimate the value of a NFT, that's why the floor price is very volatile.

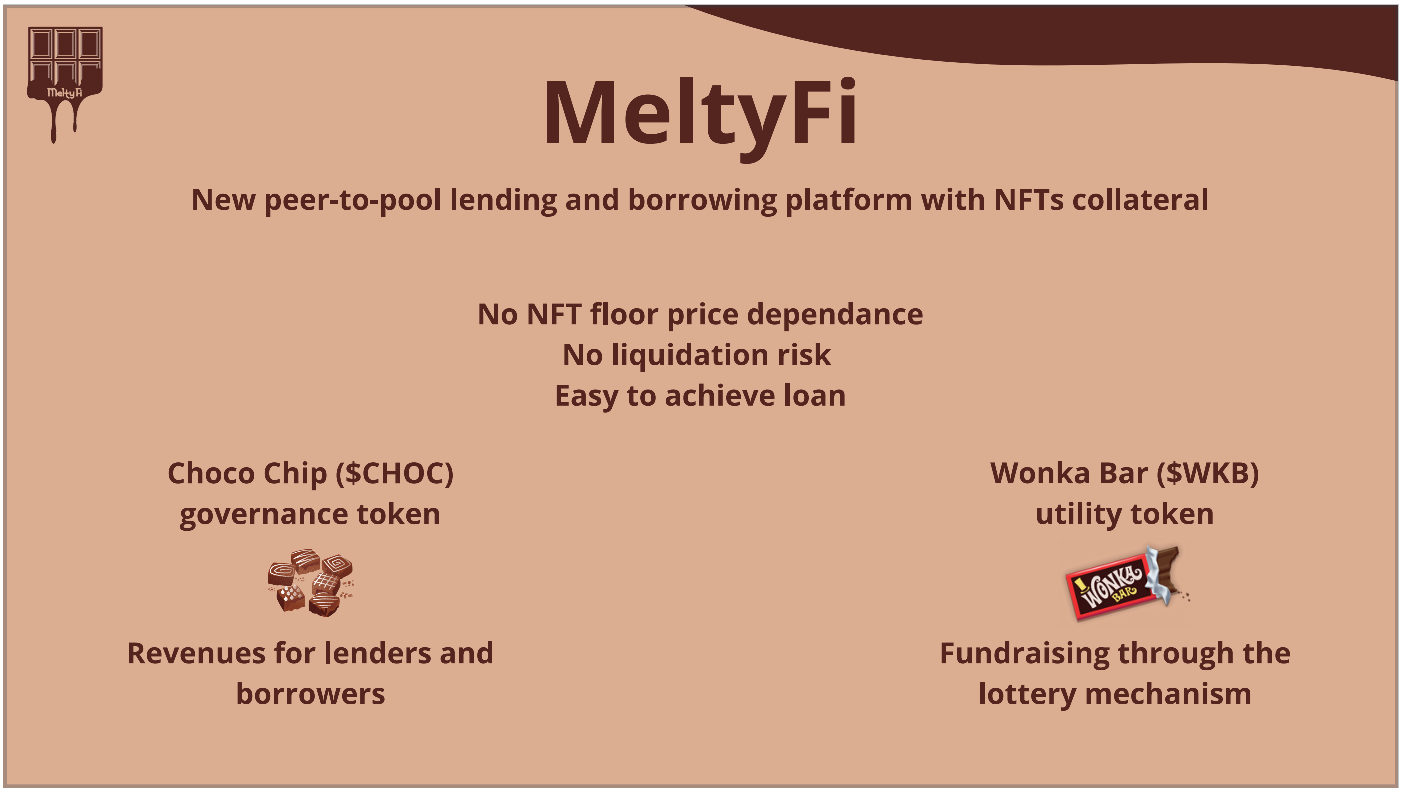


Nowadays NFTs are used as collateral to secure loans.

A way to do that is Peer-to-Pool lending, where multiple lenders provide liquidity into a pool, and the borrower take the liquidity from that pool.
These pools algorithmically set a threshold for the floor price of the NFT. If it falls below the threshold, is automatically liquidated.
So it's easy to achieve loan,
remember though that the floor price of an NFT is very volatile, so one could see its dear NFT liquidated for a sudden variation in the floor price.



Another way is peer-to-peer lending.
The lender and borrower agree on the NFT's value, the length of the term, and the amount of interest.
At the end of the expiry date, if the borrower can’t repay the loan in time, the NFT is sent to the lender’s wallet as collateral for the unpaid amount.
With this protocol, there's no need for floor price, the price is decided by the two peers.
This also implies no sudden liquidation.
For con, it's difficult to achieve an agreement, and a single lender has to have all the money for the loan.



meltyfi is a peer to pool lending and borrowing platform with nfts collaterals designed in a new different way.

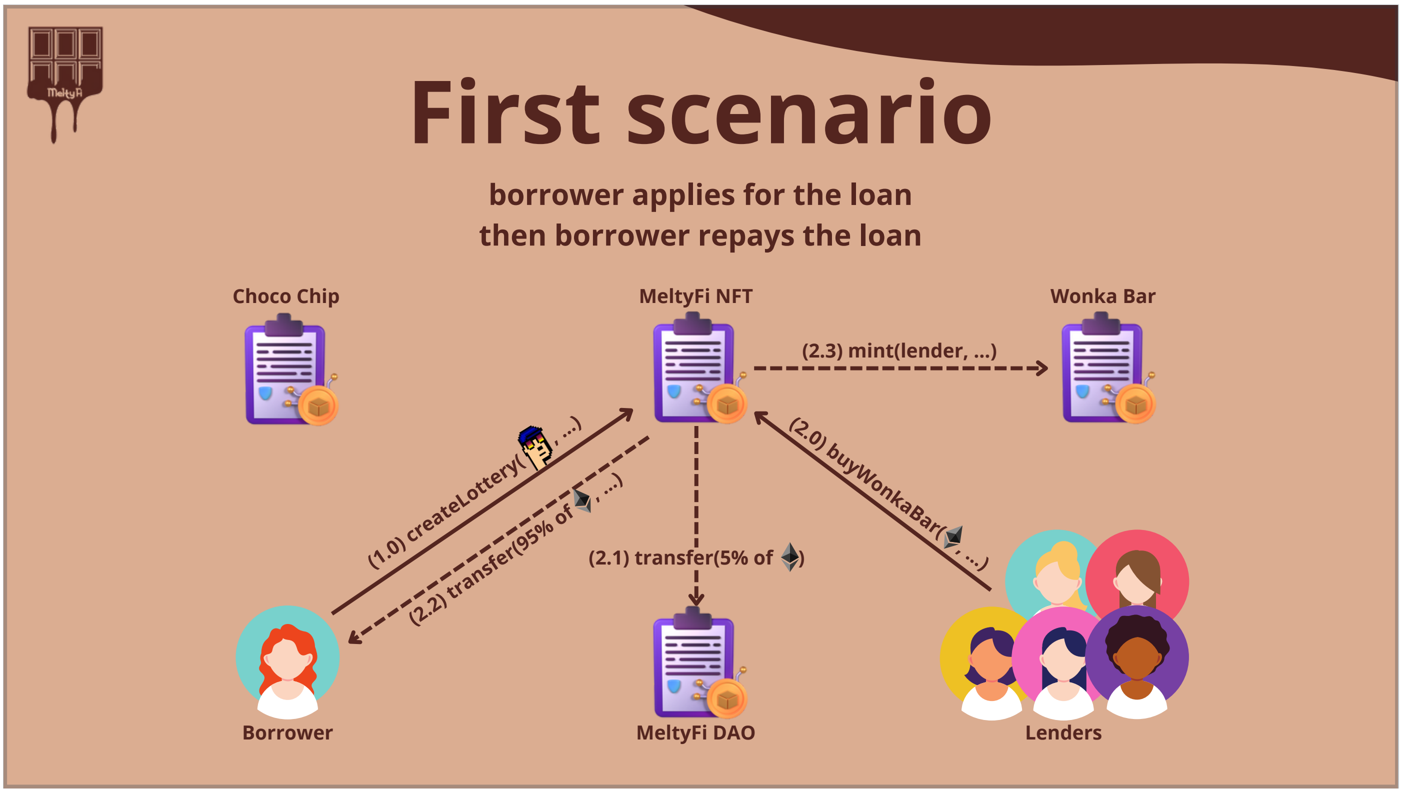
There's no floor price dependence, so no liquidation risk.

This because the borrower creates a lottery, and put as prize of the lottery his NFT. The lottery tickets, in our case, the wonka bars, are sold to multiple lenders, in this way the borrower obtains liquidity.

If the borrower repays the loan before the set expire date, his nft is sent back to him and lenders are refounded.
if borrower does not repay, at the expire date his nft is sent to the lottery winner.

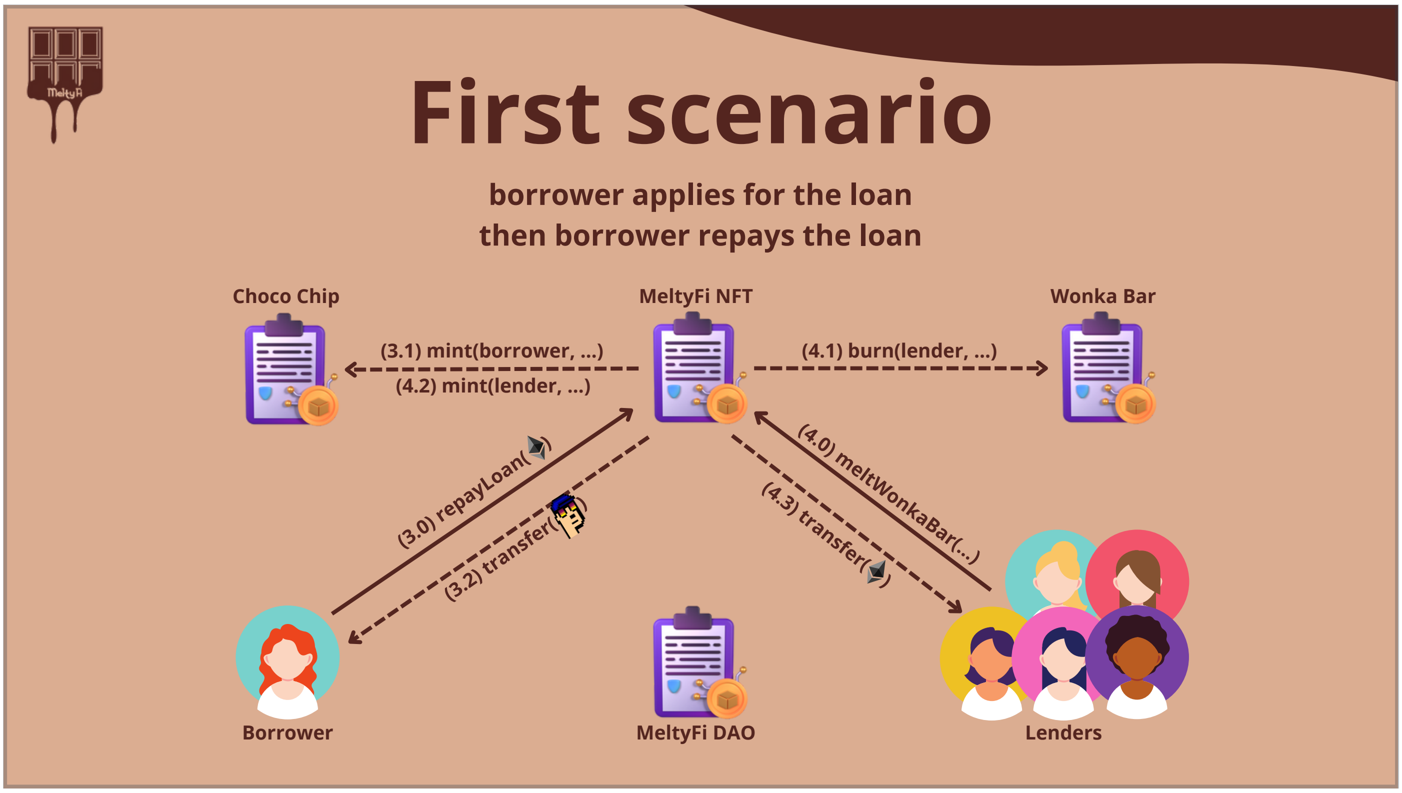
is also easy, for the borrower, achieve loan thanks to peer-to-pool design, where there are multiple lenders and no a single one.

meltify reward with the choco chips the borrowers that repay loans and all the lenders that buy wonka bars



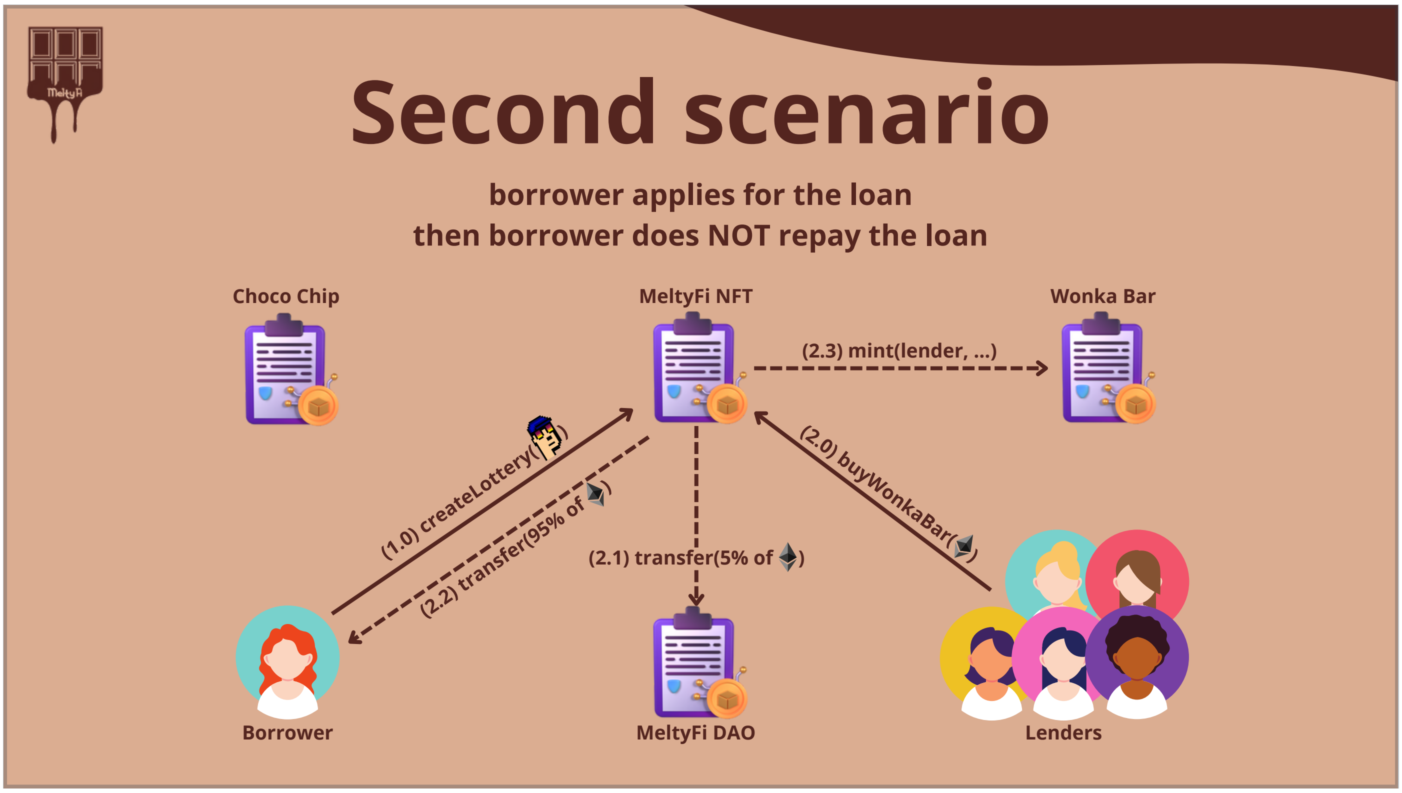
Let's now jump into the flow of the protocol in the two possible scenarios. In the first scenario, the borrower applies for the loan and before the expiry date the borrower repays the loan.

The borrower sends their NFT to meltyfi, which creates a lottery and holds the NFT for its duration. Lenders that are interested in the lottery can buy tickets related to the lottery. 5% of the value is kept in the treasury, while the remaining 95% is given to the borrower as liquidity. A wonka bar is minted for the lender.

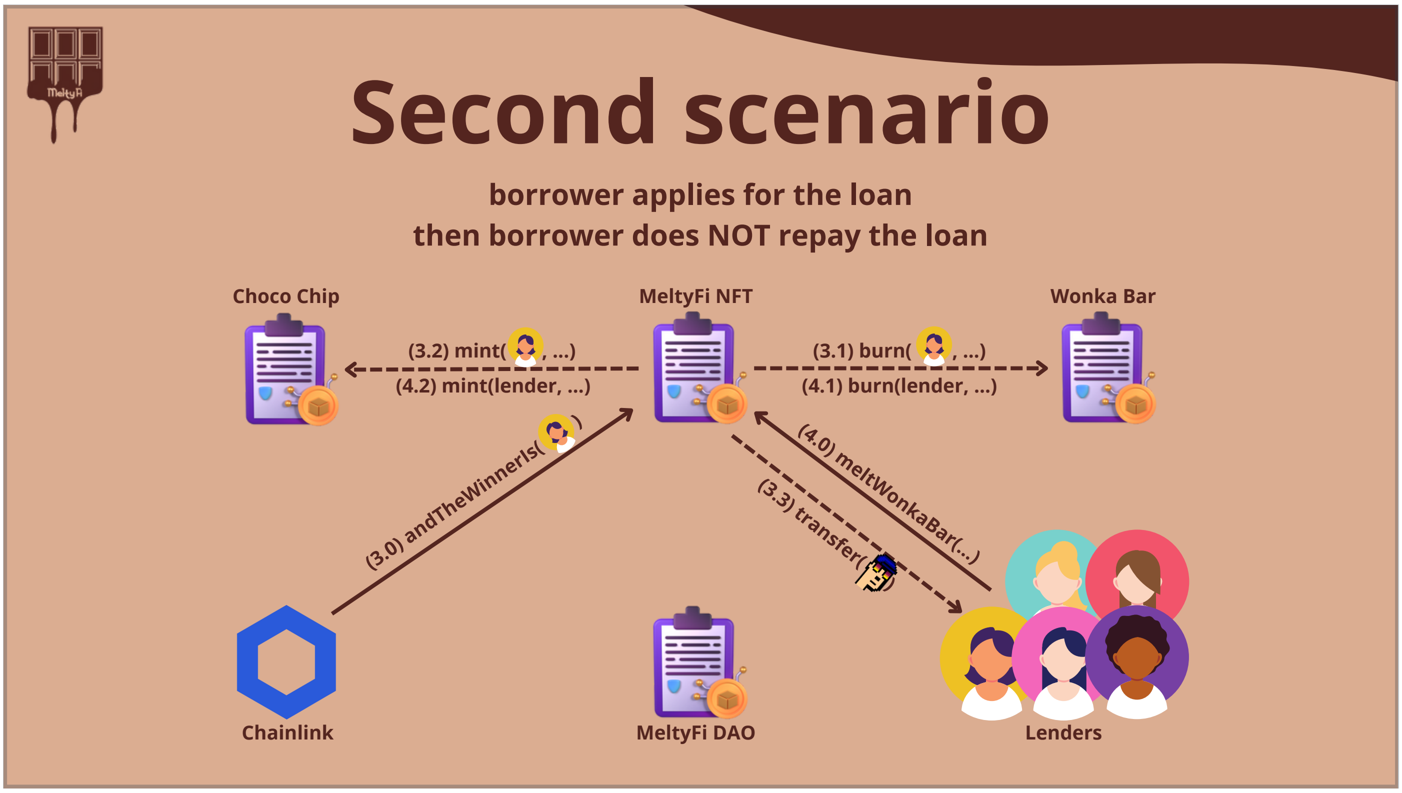


Before the expiry date, the borrower returns the liquidity to close the lottery. The borrower is awarded with Choco Chips and the NFT is returned to them.

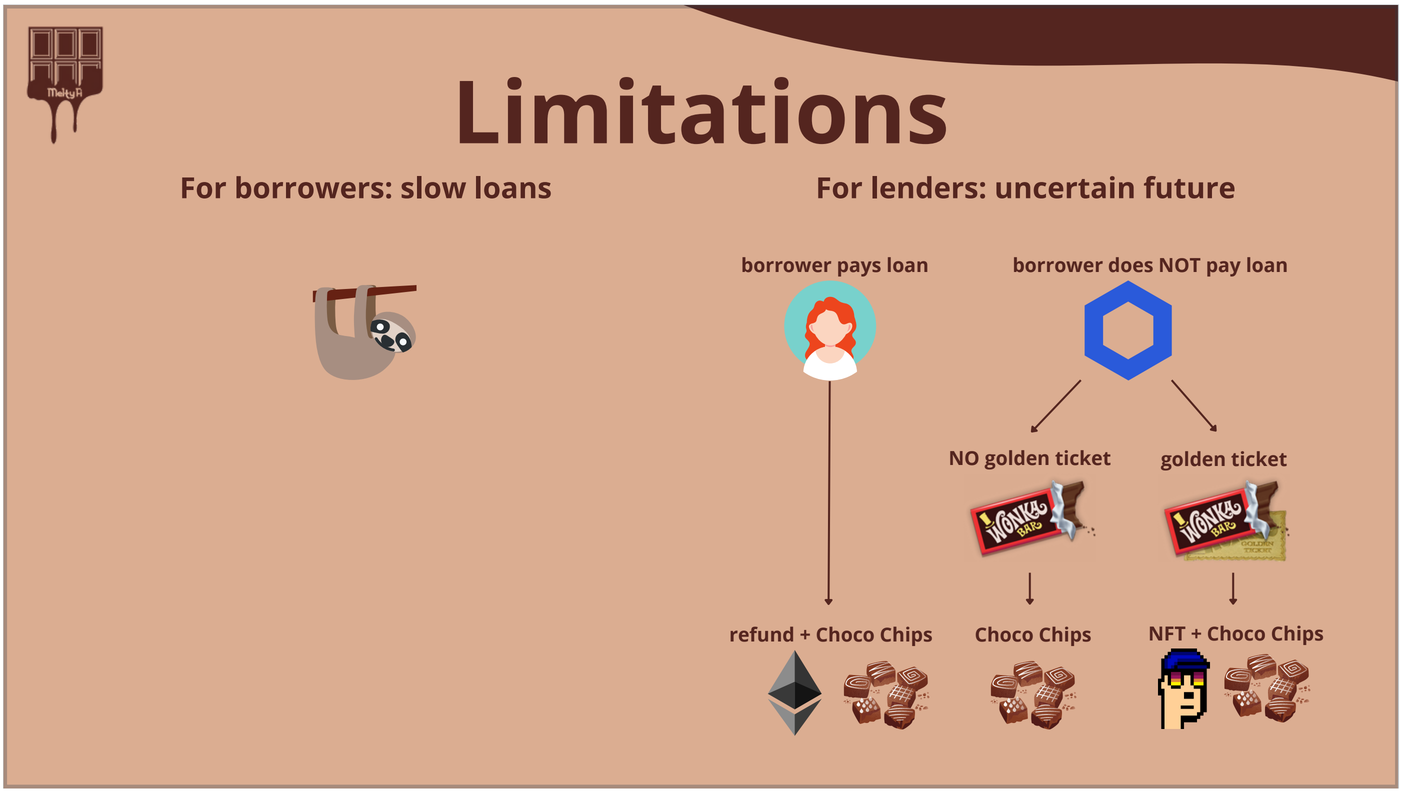
Now, lenders can melt their wonka bars to be awarded with Choco Chips, and refunded of their investment.



In the second scenario, the borrower applies for the loan but doesn't repay it at the end. As before, borrower creates a lottery and lenders buy wonka bars.



But this time, at the expiry date, the borrower doesn't repay the loan so the oracle extracts a winning ticket (the golden ticket). The winner's wonka bar is burnt and they are awarded with Choco Chips and the NFT.
As before, lenders can melt their wonka bars and be awarded with Choco Chips



Let's now talk about some limitations of the protocol.

For the borrower is hard to get a fast loan, since funds are to be retrieved from many lenders who buy wonka bars.

moreover lenders are uncertain about the future of the lottery, because there are three different endings:

first one, if the borrower repays the loan, lenders will be awarded with Choco Chips and refunded of their investment;

second, if the borrower doesn't repay the loan and the wonka bar does not have the golden ticket, the lender will only be awarded with Choco Chips;

but if the the wonka bar has the golden ticket (third case), the lender will be awarded with Choco Chips and the NFT of the borrower.

Thanks for your attention

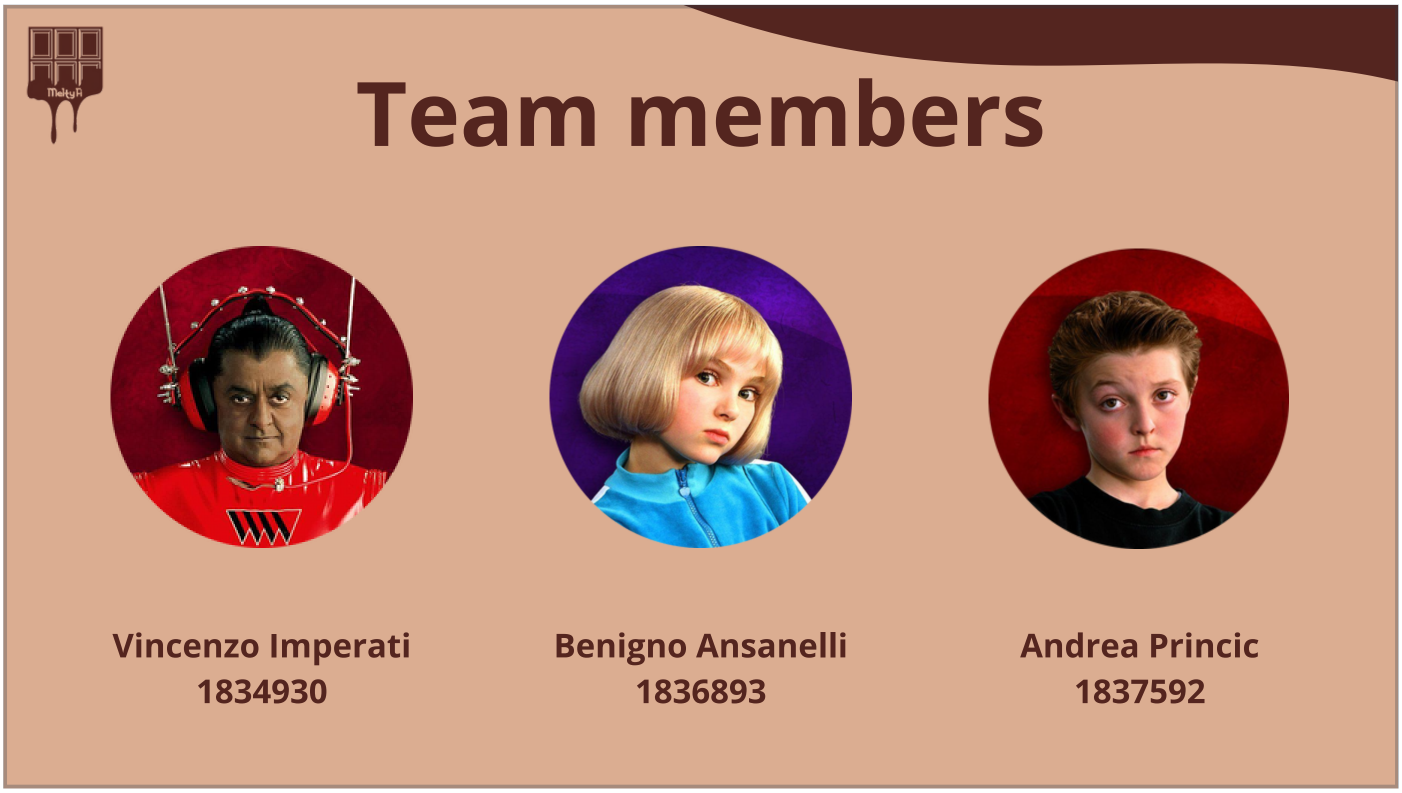
Enjoy the choco chips !

Oh no wait ...

... We forgot "Why on blockchain?"

But where else can you get a loan thanks to an adorable kitten?

it's so cutie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MeltyFi

New peer-to-pool lending and borrowing platform with NFTs collateral

No NFT floor price dependance
No liquidation risk
Easy to achieve loan

Choco Chip ($CHOC)
governance token

Revenues for lenders and borrowers

Wonka Bar ($WKB)
utility token

Fundraising through the lottery mechanism

Choco Chip

Allow the Choco Chip holders to take part in the modification and development decisions of MeltyFi
This is possible thanks to Choco Chip and MeltyFi DAO

Borrowers who repay the loans are given 1 $CHOC for every Finney of interest paid
Lenders are given 1 $CHOC for every Finney spent on Wonka Bars

For example, Choco Chip holders will be able to vote to stake the Ether in the DAO treasury and distribute staking rewords among Choco Chip holders