| Vigor vs. Maker Comparison Chart | Vigor | Maker |
|---|---|---|
| Governance Token | VIG | Maker |
| Stablecoin Token | Vigor | Dai |
| Can Borrow Stablecoin? | Yes ✓ | Yes ✓ |
| Reasons to Borrow Stablecoin | Leverage to underlying Crypto collateral, tax arb, decentralized and efficient margin trading | Leverage to underlying Crypto collateral, tax arb |
| Collateralization Ratio (Collateral:Stablecoin Ratio) | Dynamically determined by Risk Model (far lower than 150%) | 3:2 = 150% |
| Scalability of System | Far more scalable than Maker due to dynamic risk modeling. More efficient leverage possible, up to 10x. | Limited scalability, Only low (inefficient) leverage possible, 1.66x, due to lack of dynamic risk modeling |
| Loan Type | Variable Rate | Variable Rate |
| Loan Price/Cost | Based on Risk Premia Model that includes system-wide risks including risk-free rate, volatility of underlying collateral, collateral price jump risk, underlying collateral liquidity risk and individual credit risk | Based on stability fee set by Maker Holders (Whales), currently 17.5% as of 6/10/2019 |
| Premium/Interest Repayment Currency | VIG | MKR (if DAI paid, backend converts to MKR) |
| Interest Repayment | Periodic VIG premium payments, making the system more solvent at all times | No forced periodic interest payments, only mandatory Balloon at close of CDP |
| Principal Prepayment Penalty? | No✓ | No✓ |
| Principal Repayment Currency | Vigor | DAI |
| Principal Repayment | Balloon, at close | Balloon, at close |
| Can Borrow Crypto Collateral by Locking up Stablecoin? | Yes ✓ | No ✗ |
| Can Short sell Crypto Collateral and create synthetic puts? | Yes ✓ | No ✗ |
| Reason to Short Collateral | Bearish on Crypto asset, Day and swing trading | Not possible to short |
| Junior/Senior Tranche possible? | Yes ✓ | No ✗ |

| Vigor vs. Maker Comparison Chart (continued) | Vigor | Maker |
|---|---|---|
| System Bailouts | Low Friction: No trading/auctions required! Insurers post collateral ahead and recap loans as triggered | High Friction: Must trade/auction MKR into market at time when fewer buyers are willing to purchase |
| Voting Rights | Borrower and Insurer | Insurer Only |
| Separation of Insurer and Governance? | Yes ✓ | No ✗ |
| On-Chain Market-Driven Price Discovery and Risk Models? | Yes ✓ | No ✗ |
| Price and Risk Determinations | Via voter delegation to custodians who are experts in risk modeling | Via MKR Holders (Whales) who likely lack this expertise |
| Price and Risk Models | Pricing based on equity default swaps, risk model via Solvency II risk-based capital requirements | Trial and error price "discovery" through stability fee changes and no risk models |
| Project considers Jump to Default Risk? | Yes ✓ | No ✗ |
| Levels of Stablecoin Backing | 3 Levels: Borrower Collateral Lender Collateral Final Reserve | 2 Levels: Borrower Collateral MKR Bailout Auctions |
| Truly Multi-Collateral? | Yes ✓ Via overall Collateral Portfolio Risk Modeling | No ✗ Akin to separate Single-Collateral DAI loans |
| On-Chain Performance Metrics available like Risk-Adjusted Return on Capital? | Yes ✓ | No ✗ |
| Stress Test Modeling? | Yes ✓ | No ✗ |
| Decentralized Options Trading Possible, including long calls/puts and short covered calls and cash-secured puts? | Yes ✓ | No ✗ |
| Credit Score System Possible? | Yes ✓ | No ✗ |