

# The Red Bank and the Fields of Mars: 2 new money legoes for Terra

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The Red Bank is what most people imagine when they think of Mars. But Mars is actually 2 money legoes in one:

- The Red Bank
- The Fields of Mars

The Red Bank is where users can deposit crypto and collect fees on it as others come along to borrow it.

Depositors can also use their deposits as collateral to borrow more crypto.

The Fields of Mars are very different.

They're a never-ending, day-glo pink expanse brimming with intoxicating possibility.



In the Fields anything can potentially occur:

- Arbitrage
- Flash loans
- Binance- or FTX-like leveraged trading
- Metaverse lending tools that use in-game assets as collateral, etc.

It's all possible thanks to a special capability on Mars known as "Contract-to-Contract" (C2C) lending — something that can only happen in the Fields.

With C2C lending, protocols can apply for virtual "credit lines" that allow them to borrow from the Red Bank for special applications. If approved, all borrowing will happen without the need to deposit assets as collateral in the Red Bank.

Some refer to this as "uncollateralized" lending.

However, it's not that collateral won't exist, but rather which applications control the collateral. With C2C lending, the Fields applications will control the collateral rather than the Red Bank itself.

With smart contracts and an approved "credit line" in hand, third-party protocols can then deploy exotic apps in the Fields.

## Handling risk

But why exactly would the Red Bank be willing to lend to a Fields of Mars application without collateral?

Because every app that applies for a virtual "credit line" in the Fields will have to meet the requirements of Mars' stringent C2C lending risk framework.

Among other things, the app's smart contract code must:

- Be open source
- Provably limit actions to very specific use cases
- Have the ability to liquidate positions before they become undercollateralized
- Operate with strict borrowing caps in place

Mars' contributors have written the first application in the Fields of Mars: leveraged yield farming... meaning users will be able to leverage their yield farming activities up to 2x.

Specifically, the Fields will launch with leveraged yield farming strategies for three token pairs:

- ANC-UST
- LUNA-UST
- MIR-UST

Users won't have to make a deposit in the Red Bank to use the leveraged yield farming strategies. Instead, they'll make their deposits directly in the Fields. And the Fields will borrow for them.

That means higher leverage and potentially more profits than a user could get by using the Red Bank alone.

Red Bank + Fields of Mars.

Two money legoes, one protocol.

## Liquidity as a service

Of the two money legoes, it's the Fields of Mars that should be the engine of Mars' growth.

That's because it turns the Red Bank into a sort of "liquidity function" or liquidity-as-a-service protocol that devs throughout the galaxy can integrate with their projects and call upon at any time.

If the Fields achieve widespread adoption, the apps there should create massive borrowing demand in the Red Bank.

And since borrowing demand produces yield on deposits, it's always borrowing demand that determines how successful a credit protocol can be.

This borrowing could drive substantial APYs for Red Bank depositors.

Ultimately, we expect C2C lending to be the single largest driver of borrowing volume in the Red Bank. And every line of Mars code has been written with it in mind.

We can't wait to introduce it to the world.

*If you're a dev interested in building on top of the Red Bank, learn how to apply for a virtual credit line here:*

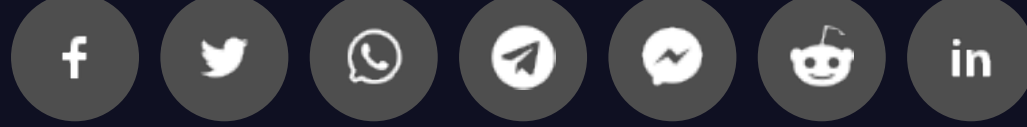
<https://docs.marsprotocol.io/mars-protocol/protocol/welcome-to-mars/new-credit-line-extension-governance-process>

*Or read about our full vision for the Fields of Mars here: <https://mars-protocol.medium.com/a-vision-for-the-fields-of-mars-and-contract-to-contract-c2c-lending-9c6e4239f72c>*

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