

## Summary:

[Fringe Finance](#) is offering the Uniswap DAO to open a line of credit on the platform that will allow the DAO to access up to \$49,345,384.00 in \$USDC to be utilized at the discretion of the DAO.

## Abstract:

[Fringe Finance](#) is a decentralized money market designed to unlock the capital spread in crypto assets regardless of their capitalization and supported networks.

Recently Fringe Finance has integrated \$UNI as a collateral asset on the platform that allows \$UNI holders to access \$USDC loans while benefiting from the below described features of the Fringe Finance platform.

## Motivation:

- Borrowing against UNI to fund the DAO's operations (eg Liquidity mining programs) instead of selling benefits all the holders by removing selling pressure.
- Liquidity locked by the UNI team is a good signal to the community of the DAO acting in their interests by locking up UNI.
- USDC is one of the most trusted stablecoins on the market with deep liquidity.
- Fringe Finance provides added utility for all holders of UNI including the UNI DAO by allowing them to borrow USDC against their UNI.
- The UNI community can utilize borrowed USDC funds elsewhere in the crypto ecosystem without the necessity to sell the tokens.

Fringe Finance has already integrated \$UNI as a collateral asset to borrow USDC.

Fringe Finance provides a useful borrowing option that can be used by both retail users and the DAO's treasury.

## Specification:

- UNI has been assigned a loan-to-value ratio of 49% on the platform. This means that for every \$1000 worth of UNI a \$490 loan can be taken.
- The current borrowing interest is 7.62%/year, but the rate is floating.
- The borrowing limit for UNI is currently \$49,345,384.00.

## Steps:

1. Deposit sufficient UNI token collateral on the Fringe Finance platform from the treasury.
2. The corresponding USD-denominated line of credit is issued.
3. Up to \$49,345,384 USDC loan can be taken and used by the UNI DAO.
4. Announce the taken loan on social media and official blog.

## About Fringe Finance:

We're partners with projects such as Polygon, Chainlink, REN, Elrond, Bancor, IoTeX, Lido, and others.

Fringe Finance has been audited by [HashEx](#).

On Fringe, borrowers deposit collateral against which they may take out loans in a select set of the most liquid and reliable USD stablecoins. The resultant benefit for borrowers on Fringe Finance is that they have access to deep, unfragmented capital pools from which to borrow. This significantly reduces both the interest rate slippage they can expect when taking out a loan, in addition to reducing interest rate volatility over the course of their loan.

Fringe's depth and concentration of lending capital liquidity also benefit lenders, as it similarly reduces the interest rate slippage they can expect to experience when depositing capital as well as reducing fluctuations in the interest paid on their capital. This indirectly benefits borrowers, as lending on Fringe becomes more attractive, resulting in more capital being available at lower interest rates.

Additional indirect benefit for borrowers is that Fringe employs empirically sound custom algorithms to determine lending parameters to maximize platform stability. This attracts lenders to the platform and therefore results in greater capital available for borrowers.