Intro

Blue recently came out of stealth on CoinDesk with its $3.2M seed round. We've been building an on/off-ramp solution that we believe would help drive liquidity to Aave.

Overview

Our product allows users to access their fiat bank account on Aave with just one click. This unlocks a user's largest source of liquidity, making it available on Aave through a stablecoin called USDCash. USDCash is an ERC20 token that is connected to a user's bank account through Plaid and other 3rd party integrations. When a user purchases USDCash on-chain, there is a USD deduction from their fiat bank account. This eliminates the need to on-ramp through CEXs or providers like MoonPay or Transak that can typically carry hefty fees.

Example

If a user wants to lend 500 DAI but does not have any DAI, they could click a simple call-to-action button on the Aave application that allows them to instantly on-ramp 500 USDCash and atomically swap 500 USDCash for DAI. In the background, we're capturing $500 USD from the user's bank account via ACH transfer, minting them 500 USDCash (backed by the $500 USD ACH pull), then swapping USDCash for DAI in a USDCash/DAI pool.

Instant + Free

We're using new technology on our backend that allows us to offer instant ACH transfers for the end user, making the on-ramp process instant. This differs from on-ramping providers today that rely on pre-funding and typically take anywhere from 30 minutes to 3 days to capture USD payment. Additionally, we're offering 0% fees for all on-ramps because we have an alternative source of revenue in the form of USD reserves that sit at a qualified custodian (a portion of reserves are invested in short-dated US Treasuries, similar to the business models of fiat-collateralized stablecoins). Below we have outlined how Blue compares to competitors.

Summary

- Aave can drive more liquidity to the protocol by connecting user's bank accounts to lend-borrow pools

- Users can on-ramp instantly with no fees

- First-time on-ramp requires a KYC/AML check & Plaid onboarding flow

- All on-ramps from fiat require 2FA authentication (irrespective of the amount)

- Uniswap recently made a similar integration with MoonPay (stats below on how we compare to other on-ramps)

- Our website is blue.fi - we have completed security audits with Halborn and Verilog and the implementation would be a JS SDK that has been audited with code available for inspection by anyone

Blue

MoonPay

Transak

Fees

0% (cards)

0% (ACH)

4.5% (cards)

1% (ACH)

3.99% (cards)

0.99% (ACH)

Speed

Instant (ACH)

~30 mins (cards)

2-3 days (ACH)

~3 hours (cards)

2-3 days (ACH)

KYC

Yes

Yes

Yes

Tokens

Any (via trade routing)

<100 tokens

<50 tokens

What we're asking for

We're looking to integrate with Aave as a widget in the top corner of the frontend (similar to Uniswap's MoonPay integration) through a JS SDK. This will give users convenient, free, and instant access to their fiat bank account liquidity while on Aave.