

Author:

Punia - Ecosystem Lead at Warbler Labs, a founding development team supporting the Goldfinch Protocol.

## Context

With GHO, Aave will have a decentralized, censorship-resistant, fully collateralized stablecoin pegged to the USD. Incorporating Real-World Assets [RWAs] will help the protocol both:

1. Diversify the collateral base of the stablecoin outside of crypto leverage.
2. Tap into an asset base larger than crypto leverage to scale GHO to the level needed to become a global stablecoin.

Naturally, the profile of RWAs differs significantly from traditional on-chain native assets. Intersections with the off-chain world through financing more traditional economic activity come with their own challenges. The opportunities, however, are massive and essential for DeFi to create a more transparent and accessible global financial ecosystem.

Our goal is to help Aave navigate this new asset class and assist in creating a strategy for the DAO to access the RWA opportunity while mitigating associated risks.

## What is Goldfinch

Goldfinch is revolutionizing the \$1T+ global private debt market by first allowing credit funds and FinTechs to access cost-efficient crypto loans. Goldfinch provides crypto lenders with access to debt deals collateralized with real-world assets that have been historically inaccessible outside exclusive networks.

The Protocol expands financial access for over a million individuals worldwide via its Borrowers, spanning over 20 countries. Some of Goldfinch's Borrowers include [PayJoy](#) in Mexico, [QuickCheck](#) in Nigeria, [Divibank](#) and [Addem Capital](#) in LatAm, [Greenway](#) through [Almavest](#) in India, and [Cauris](#) in Africa, Asia, and Latin America. You can view more Borrower Pools [here](#).

Goldfinch, to date, has maintained a 0% default rate across currently ~\$100m in loans deployed and over \$1M in protocol revenue.

Warbler Lab's Founders are two ex-Coinbase employees with a team of ex-Goldman Sachs, Morgan Stanley, McKinsey, World Bank, [Binance.US](#), Airbnb, Meta, BlockFi, and more. Goldfinch has raised a \$25M Series A, backed by a16z, Kindred Ventures, Coinbase Ventures, Variant Fund, IDEO, Bill Ackman via TABLE, Kingsway Capital, Stratos, and more.

## What to Expect Over the Next Few Weeks

Over the next three weeks, we are planning a series of forum posts and a Twitter space to begin discussing and dissecting what RWAs mean for Aave.

Here is our general content plan with specific dates to come:

Week of 11/28

Forum Post Topic: Why RWAs are important to DeFi.

Week of 12/5

Forum Post Topic: How Aave Can Create an RWA Strategy.

Week of 12/12

Twitter Space: RWAs and Aave.

Week of 1/2

Forum Post: Recording of the Twitter Space.

## Conclusion

We are incredibly excited to be helping Aave think through RWAs. Not only will this help Aave increase the diversity of its collateral base and scale of GHO, but it will also represent a massive leap forward for DeFi as we leverage the benefits of DeFi to finance economic activity that happens off-chain. We strongly believe in this future for DeFi.

Please let us know if there are any other topics you would like us to create studies on to help the community understand RWAs. We're committed to helping out however we can!