

Borrowing

Borrow intents are loan requests that can be automatically matched with prospective lenders.

Introduction

In Astaria, users are able to create borrowing [intents](#) under specified parameters. These [intents](#) will be publicly broadcasted to the [intent feed](#) to be filled by prospective lenders.

It is possible to request loans using any ETH-based asset as collateral (ERC20s and NFTs), and borrow any ERC20 against it.

Step 1: Transmitting the borrow intent

Users will define the key parameters of the intent, specifying:

- Collateral:
- The amount and type of asset that will be used to secure the loan
- Borrow amount:
- The requested asset and total
- Interest rate:
- The maximum [APY](#)
- that a prospective lender will receive. This will begin the 24 hour period at 0%, and gradually increase up to the percentage specified in this field.
- LTV:
- The [LTV](#)
- will be automatically calculated based on the above fields; however, it can also be directly edited to adjust the borrow amount to meet a desired threshold.
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The lower your LTV and the higher your interest rate, the more likely you are to have your intent filled by a lender.

When the above information is submitted through the Astaria application, the user will sign an EIP-712 message off-chain through their connected wallet to confirm the [intent](#). This signed message is gas-free, though users will have to approve the collateral token before proceeding.

Step 2: Allow the loan auction to proceed

- The finalized intent will then enter the [intent feed](#)
- , where potential lenders have 24 hours to fill the loan.
- Over this 24 hour period, the proposal will be live with a starting interest rate of 0%, and ending with an interest rate that matches the maximum interest rate requested.
- The interest rate will increase continuously until a lender decides to accept the loan terms, or the 24 hour period ends and the intent expires.
- It is also possible for borrowers to cancel intents before they are filled via the Astaria UI.
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Step 3: Monitoring the loan

- If a lender accepts your loan terms, your loan will execute automatically. The collateral will leave the wallet, and the borrowed token will be deposited back into the same wallet address.
- Borrowers have the ability to repay their loan at any time throughout the loan's lifecycle.
- Once a lender has been matched, the lender can hold [recall auction](#)
- after a 24 hour honeymoon period.
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Additional notes

- Open Term & Recall
- : Loans in Astaria v1 are open term but can be recalled. Once a lender has been matched, the lender can hold [recall auction](#)
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