

Hey all,

We've been advising a team that's been building a new fully-collateralized stablecoin for Cosmos, called USC, that's built on Secret. We aren't diverting dev resources for this, so this shouldn't concern anyone from a focus perspective, but rather we've been helping out with ideas/connections/etc...

The stablecoin itself is built as a new module that ideally could be added to Secret in the upcoming Shockwave Delta upgrade. This approach was taken for several practical reasons, most important of which is to make this stablecoin an accessible asset for the entire Cosmos ecosystem (and beyond) and not just for Secret (very much like UST was). However, unlike UST, this stablecoin has a 'safety-first' mindset, and as such, is fully backed and balances out a portfolio of collaterals.

The benefits of having a stablecoin module on Secret should be clear to all:

- a. Liquidity/volume/increased traffic and awareness
- b. Easier to wrap and use in Secret Dapps/add privacy
- c. A great complement for the upcoming 'Defi Surge' we expect in Secret, and a great candidate for stablecoin pools (e.g., SILK-USC) and non-stablecoin pools
- d. All around this is a gap right now in Cosmos, and despite numerous announcements, the simplicity and safety of USC seems appealing

The main disadvantage is having a new module a part of the Secret codebase/network.

In light of this, we feel that this is the kind of decision that needs to be brought, discussed, and decided by the entire network as a whole. We urge everyone to make an informed decision on this, without any biases. Most importantly, we are truly interested to hear what everyone thinks about this and not to be biased by our support. If you vote in favor it should be because you believe the pros exceed the cons, and you're willing to take a risk with this new endeavor as a member of the Secret community.

Some final details:

- I'm attaching a [draft litepaper](#). I also asked one of the team members to sign up and answer any questions.
- The code (for v1 - this includes USC but not the governance token Spectral yet) is ready and has been audited by Halborn. No critical vuls were found.

Cheers,

Guy