

Loan recall and liquidation

Loans on Astaria do not have a set end date. They end when the borrower chooses to repay or the lender decides to send a loan to recall.

Recall

Recall is the process of replacing an original lender with a refinancing lender, or ending the loan and seizing the collateral. A lender is able to send a borrower's loan to Recall after it has been active for 24 hours. A borrower can always repay their loan while in recall for no penalty.

If a lender wants to exit their position, the lender initiates a recall using an on-chain transaction through the Astaria application. Requesting a recall opens a new intent with an inclining rate auction. This auction functions the same as a traditional intent from a borrower; the only difference is that a loan's borrowing rate begins at 0% APY, and increases incrementally up to 1000% APY over 24 hours.

A loan that is underwater and currently in recall.

Liquidation

If no lender refinances during this period, or the borrower has not repaid the loan, the loan is presumed defaulted. This is referred to as a failed recall. The collateral is now retrievable by the original lender through an on-chain transaction.

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