

What Is GHO?

GHO is the only decentralized, overcollateralized stablecoin native to the Aave Protocol

GHO (pronounced "go") is a decentralized overcollateralized stablecoin that is initially only minted from assets supplied to the Aave Protocol. GHO's value is programmatically aligned to the U.S. Dollar, which will be maintained through market efficiency.

As a decentralized stablecoin on the Ethereum Mainnet, GHO is minted by users. As with all borrowing on the Aave Protocol, a user must supply collateral (at a specific collateral ratio) to be able to mint GHO. Correspondingly, when a user repays a borrow position (or is liquidated), the GHO is returned to the Aave pool and burned. All the interest payments accrued by minters of GHO will go directly to the [Aave DAO treasury](#), in contrast to the standard reserve factor collected when users borrow other assets, and the principal is burned.

Significant demand exists for a stablecoin that is truly decentralized, overcollateralized, and configurable. Recent events have demonstrated the use case for decentralized stablecoins as a means of maintaining a stable value during periods of market volatility. GHO, a stablecoin controlled by Aave Governance, has the potential to become an integral part of the continued growth of the DeFi ecosystem with community support.

Explore the GHO documentation to understand how it works and why the development of GHO is essential for the broader ecosystem. The [Technical Paper](#) and Smart Contracts pages will provide guidance on how to integrate GHO. [Edit this page](#)
[Next Why GHO?](#) * [GHO is the only decentralized, overcollateralized stablecoin native to the Aave Protocol](#)