YAVAXLend

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Community-governed Crypto-pegged borrowing and lending Protocol on BinanceSmartChain

Contents

ABSTRACT:

YAVAXLEND will be a permissionless community-governed lending protocol focused on safety and value capture for the $YAVA token holders.

YAVAXLEND will be packed with a plethora of unique features and innovative design decisions that will enable it to be the first-of-its-kind lending protocol on BinanceSmartChain lending ecosystem.

Introduction

YAVAXLend intends to be the first truly crypto-collateralized lending and borrowing platform. While other platforms peg the price of collateralized capital to their USD values, YAVAXLend will be pegged directly to tokens themselves. Users will be able to mint synthetic assets (synTokens) equivalent to a percentage of the base token. For example, if a user contributes 10 YAVA tokens, they will receive anywhere from 10-90% of the contributed capital, depending on two factors.

1. The price volatility of the underlying asset
2. Global rules passed down by YAVA Governance

In the most stable assets (in this example, YAVA), a user will be able to mint 9 synYAVA tokens, with each synYAVA being backed by the underlying.

Project gap

Looking at the evolution of decentralized finance from henceforth referred to as DeFi, which has led to a diverse financial environment - built directly on blockchains, and by characteristics are transparent/verifiable through cryptography and pre-defined coding, also known as smart contracts. These platforms are redefining the very structure of money markets without any requirement for a central authority or third-party decision-makers.

In a contemporary world, users would be needed to provide creditworthiness, provable income, and other factors to the lenders even when the user provides collaterals such as homes or cars. Traditional lenders do not allow digital assets and cryptocurrencies to be pledged and used to receive loans or earn interest rates for providing them to the banks and lenders. YAVAXLend is not the only protocol to help bridge the gaps between traditional financial lending into decentralized protocols on top of blockchains. There have been other protocols as well that has achieved this with many billions in treasury locked into the protocols. However, these protocols are mainly built on Ethereum, which is costly, slow, and thus has affected the user experience and market entry. We have also faced with the issue where the world of crypto-collateralized loans has faced several large problems in delivering their products to market. Lending tokens means the introduction of collateralization levels — the upkeep of which can be extremely difficult in markets that is accustomed to moving overnight, causing cascading liquidations, in many cases with no real way to properly respond to such movements due to slow network times.

Additionally, these lending protocols can become outright hostile towards holders, with the protocol itself profiting heavily from liquidations and de-incentivizing carrying loans to full term. We've seen a case where one of the largest token community provides collateral through in an XYZ lending market and lose heavily upon liquidation. The XYZ lending protocol benefits greatly from this, at the expense of the said Token's community — a symptom of misaligned incentives and poor system design.

A third issue arises with standard lending protocols when it comes to the user experience and maintenance of said collateral. Individuals who generally are less crypto educated but would like to utilize the value of their tokens oftentimes put their assets up for lending, not realizing the leveraged position that they have just taken against their holdings.

As a UX issue, we feel checking websites constantly and not being able to sleep at night with positions open are issues that can be remedied with some key design decisions.

Protocol Architecture

The protocol has been developed as an original source code and it is modified to close source unless agreed by the community.

👉 Controller Contract

The Controller smart contract deployed on BSC Blockchain is the decentralized version of a processor. This smart contract creates all the interactions between other associated smart contracts. YAVAxLend does not natively support tokens by default. It will rely on specific markets to be whitelisted within the Controller contract. The protocol has access to whitelist markets by employing the admin function: support

👉 Market with parameters for address and interest rate models.

For an asset to have a functional marketplace, there must be a valid price feed from the Value Oracles alongside a Collateral Factor. Every interaction with the protocol will be validated and verified through the Controller smart contract, which validates liquidity and collateral before a function is executed.

👉 Collateral Value

When a user borrows, supplies, or mints from the YAVAXLend protocol, they are using an underlying crypto asset to the first bond to synTokens. These underlying assets held as collateral in the platform may not compulsorily have dollar values that are tied to the synTokens. For this system to function properly, collateral values are extracted from the underlying asset itself. There will be zero or less need to fetch these market rates, grab market prices and update the protocol on-chain using Band Oracles.

👉 Needless Value Oracles

Collateral Values are propagated from price feed Oracles, such as Chainlink, which pull market price data and dispatches these values on-chain, so they are sometimes lagging due to network overload.

👉 Enabling Synthetic Markets & Reserves factor

synTokens will be redeemable by anyone on the network who purchases them for the percentage value as judged by the YAVA governance and in accordance with the risk level of the chosen asset. In the synYAVA example, any user will be able to purchase 9 synYAVA and redeem them for 9 YAVA tokens - however, only the user who opened the original minting contract will be able to redeem these 9 synYAVA tokens for the full 10 YAVA position. It is through this system that reserved is attributed to tokens and efficient markets will arise.

👉 Floating base-pegged

While other platforms peg the price of collateralized capital to their USD values, YAVAXLEND will be pegged directly to tokens themselves. Users will be able to mint synthetic assets (synTokens) equivalent to a percentage of the base token. For example, if a user contributes 10 ABC tokens, they will receive anywhere from 10–90% of the contributed capital, depending on two factors.

1. The price volatility of the underlying asset
2. Global rules passed down by $YAVA Governance,

In the most stable assets (in this example, $YAVA), a user will be able to mint 9 synYAVA tokens, with each synYAVA being backed by the underlying currency.

👉 Collateralization Rates

YAVAXLEND will have no variable collateralization levels dependent on BUSD price, liquidations, or otherwise. Once a user mints an amount of synthetic tokens, they will open up a position in the YAVAXLEND user interface that allows for the redemption of that position by repaying back the amount of minted synTokens.

This allows for two things.

1. Users will never have to worry about liquidations or upkeep of collateral as their position will remain open and.
2. Users can maintain full exposure to their underlying positions while also making use of their free capital with no risk of loss.

In up-trending markets, collateralization levels are usually not an issue for other lending platforms — when tokens devalue in USD price however, positions get liquidated and users can experience heavy draw downs.

YAVAXLEND synTokens will be the superior option in both cases, as with up-trending markets they will never have to pay an upkeep rate (as there are no lenders supplying their capital) and in down-trending markets, their positions will remain open until the requisite amount of synTokens have been repaid into the contract.

👉 Interest Rates

There are no interest rates for keeping positions open through YAVAXLEND. Users are incentivized and encouraged to maintain open positions as long as they'd like, while eventually returning to their original holdings when they deem fit.

The second benefit of positions remaining constant is that blockchain network slowdowns are never an issue — there is never a rush to exit an open position in fear of liquidation, and this gives ease of mind back to the user, while also avoiding the oft-seen gas wars during times of high volatility.

Product unique features

One of the key limitations of existing protocols is their adherence to USD pegs, reducing their ability to integrate new tokens and limiting the overall potential of the ecosystem.

YAVAXLEND's design will allow users to mint ANY token existing on the BinanceSmartChain network, thereby increasing the total deployable capital by several magnitudes.

While other platforms such as AAVE and Compound support a few dozen currencies, YAVAXLEND can support hundreds. As part of our rollout plan, YAVAXLEND will initially only enable the minting of synYAVA and synToken, however this will quickly ramp up over time.

👉 Ease of use

As will be demonstrated in our innovations with YAVAXLend and other features, simplicity for the user is at the core design philosophy at YAVAXLend.

The concept of maintaining collateral, variable debt rates, and so on, is simply far too confusing and oftentimes misleading new users, causing a large barrier to entry into DeFi and preventing billions of capital from entering the system. Through YAVAXLend's synTokens, we present an option for traders that is risk-free, interest free, and elegant to use.

👉 Security

Security remains the top focus at YAVAXLend, and we are taking care to audit all of the smart contracts and related minting functtions. Our core goal is will be to have multiple security audits, given the unique nature of the product being built.

YAVAXLEND token — $YAVA

The YAVAXLend Finance protocol is governed by the YAVAXLend Token (YAVA), which is designed to be a "fair launch" cryptocurrency having no upfront founder, team, or developer allocations, and $YAVA can only be initially earned through the presale, community reward/incentives (airdrop) or additionally through providing liquidity (mining) to the protocol which are both open to everyone holding YAVA token.

☞ YAVA Token use cases

At the heart of YAVAXLEND will be the YAVA Token. Both upon minting and redemption of synTokens, there will be a small percentage fee paid out that is split among stakers of the $YAVA governance pool, the treasury, and the developer's fund.

Through this system, YAVAXLEND will generate profit from all actions on the system, promoting the use of YAVAXLEND protocol itself, rather than bringing users to the platform and hoping for their liquidations in order to thrive.

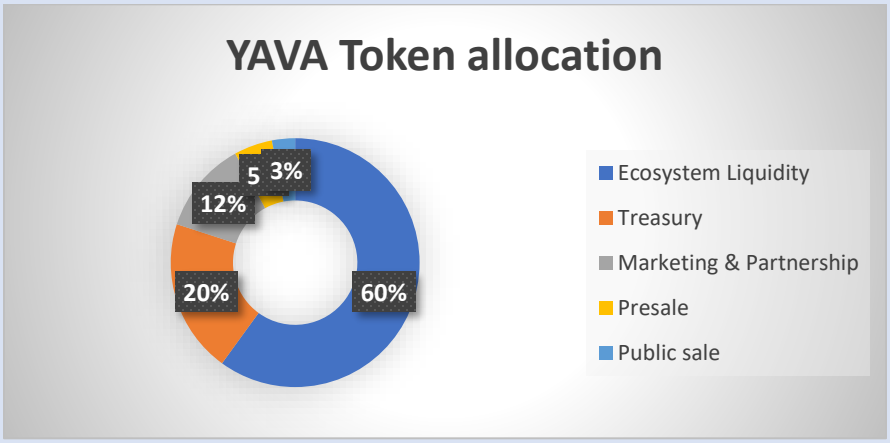
☞ YAVA Token launch and distribution

The platform launch and token distribution will be conducted over 2 phases: a closed circle presale and a farming round. Higher allocation of YAVA will be available to LP token farms, incentivizing users to add liquidity.

After listing, our farms will be opened, allowing YAVA to be obtained by YAVAXLend LPers and a selection of tokens from other crypto project from which also we shall be integrating into our protocol.

The distribution of YAVA lean more on liquidity mining, where 30% of the daily block rewards get distributed to borrowers, 30% to suppliers, 30% for synToken minters and 10% for the Team.

This farming phase will be available immediately after the listing.



There will be an initial 7.5% of the total supply of 20,000,000 (1,500,000 YAVA) allocated to the presale (dedicated community members) as a means of bootstrapping liquidity for the project.

Another 20% of the total supply of 20,000,000 (4,000,000 YAVA) for treasury which will cover project development overheads, Exchange Listings, Market Making and Marketing.

The remainder of the supply 60% precisely will be exclusively available for the ecosystem liquidity mining, which will result in 12,000,000 YAVA mined over a period of approximately 3.8years; which begins after the protocol launch at a rate of 0.225 YAVA per block (40,000 blocks per day).

YAVA Tokenomics					
		Allocation (Size)	Allocation (%)		
Total supply:		20,000,000	100%		
Available supply:		2,000,000	2%	Price ($)	Goal ($)
	Ecosystem Liquidity	12,000,000	60%	_	_
	Treasury	4,000,000	20%	_	_
	Marketing & Partnership	2,400,000	12%	_	_
	Presale	1,500,000	7.5%	0.3	450,000
	Airdrop	100,000	0.5%	_	_
	Total:	20,000,000	100%	**	**450,000**

☞ YAVA Token presale

There will be no public sale. 1,500,000 YAVA token will be opened to a closed-circuit sale of dedicated community members and proceeds will be 70% LPed on listing. Afterwards, every other member can buy on exchange and/or mine additional YAVA through the farming round.

YAVA token sale will be on a guaranteed proportional fixed price to a collection of few community members. These members are able to contribute to the presale pool over our website from which 70% will be used to make initial liquidity and the balance (30%) sent to treasury to bootstrap platform development.

synYAVA & synToken

The protocol-created crypto-pegged assets when collateral is supplied are called synTokens. synTokens represent the unit of the collateral supplied and can be used as a redemption tool.

synTokens are created and implemented by Governance processes and voted by YAVA Token holders.

Holders of the underlying tokens backing the synthetics can also further capitalize on their holdings by LPing in the synthetic pools and generating trading fees from users switching between the synthetic asset and the underlying asset. This will generate significant volume and liquidity for YAVAXLend, generating heightened trading fees for the governance vault, and further adding to the feedback loop that is directing value to the YAVA token.

Conclusion

The YAVAXLend Protocol has been designed to provide platform users a decentralized and secure marketplace to avail loans, earn interest, and mint synthetic assets.

The protocol runs entirely on the Blockchain, which removes current challenges faced on the Ethereum blockchain in terms of network intensity, lack of cross-chain compatible assets, and high transaction fees.

These standards are coupled to give a scalable solution on a money market that will be completely controlled by the community through its governance token YAVA.

YAVA is distributed via a fair-launch mechanism with no upfront founder and team allocations.

Meet the Team

Sorry Brandon. You're meeting no one else but our product. There are no founding fathers, even if there is, that doesn't guarantee the success of a project. Sad, but so true.

A lot of projects in the crypto industry lean on the background of their team, we understand that. But the fundamental concept for this project is to be 100% decentralized as possible in executing functions. We share the same sentiment on our identity and seek to embrace anonymity or zero central span of control.

All YAVAXLend products and team are decentralized and anonymous; meaning that you won't need to trust anyone except your YAVA token; *community-based decentralized governance function which is a product of your own decision.*

We will engineer this project from scratch, zero, onboard teams with like-minds, and will ensure liquidity are locked, and all smart contracts are fully audited prior to beta version.

We are committed to capturing value and having a strategy that focuses on users, and as such, we will provide a transparent, fair, communication on all our channels.