**Dated: March 2022**

# What is xBacked?

xBacked is a DAO building a decentralised, permissionless stablecoin on Algorand, over collateralized by ASAs like Algo, goBTC, and goETH.

# How does it work?

xBacked ensures all xUSD in circulation is over collateralized via vaults. These vaults are collateralized debt positions (CDPs), and work similarly to MakerDAO, Liquity, and over over collateralized stbalecoins.

A core focus of the protocol is capital efficiency. Extremely low liquidation threshold of a 110% collateral ratio. Users can, technically, mint all the way up to this point if they really wanted to. Algorand is fast; we leverage that because we can guarantee that liquidations/debt being returned to vaults will never be held up

xBacked also leverages isolated risk markets in the architecture. Different vault types (e.g Algo/xUSD and gotBTC/xUSD) have different health factors, **they are not combined.** It means if one vault is affected by massive volatility, it will not affect other positions taken on xBacked and only affect a subset of xUSD in circulation.

# Links

Site: <https://xbacked.io>

Documentation: <https://docs.xbacked.io>

Testnet: <https://testnet.xbacked.io>

Telegram: <https://t.me/xbackeddao>

Discord: <https://discord.io/xBacked>

Twitter: <https://twitter.com/xbacked>

GitHub: <https://github.com/xBacked-DAO>