

Forum:[Hack Forums](#)

Thread: [Crypto Collateralized Loans](#)

Omniscient - January 17, 2025, 2:07 pm

Over at Changenow and at least one other place I found they are willing to give you a loan collateralized by Bitcoin or other crypto. I've really wanted this type of feature but unfortunately they only give you 50% which I suppose is okay. The real problem is 21% interest. What kind of rape is that for a loan from collateral. It should be much lower rate such as 10-15% APR.

A couple questions for members.

1. Would you ever get a loan using your crypto?
2. Does anyone know of any places you can get loans at rates under 15%?

If you can get good rates getting a loan from your crypto makes more sense than paying high interest credit cards or even taking a 2nd home loan. You could do things like buy a car for cash (from the loan) and since it's collateralized you SHOULD get a good rate.

Looking forward to the day when Bitcoin loans are 5% APR.

Envy - January 17, 2025, 2:32 pm

Getting a loan rate ANYWHERE under 15% these days is very rare and usually credit and history based.

I have a pretty decent "above average" credit and most I could get for a specific car I was trying to get was between 14-17%, given it was for a much older vehicle but still - just an example.

Anything outside of that like for crypto, they're going to try and get those rates as high as they can and boast it in your face like it's a great idea and I'm sure if you were to ask, they're just taking into consideration things like "risk" and "market fluctuation" which is bullshit.

Lenders won't lend if it's not worth the time of lending and overall returns, I can imagine crypto there's a giant grey area they can get away with hiking these rates up as high as they possibly can and just blame "uncertainty".

Omniscient - January 17, 2025, 2:51 pm

(Jan 17, 2025 03:32 PM)Envy Wrote: [\[CITE\]](#) Getting a loan rate ANYWHERE under 15% these days is very rare and usually credit and history based.

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Car loans are around 8-12% because they are considered collateralized by the car itself. Home mortgage rates are about 7%. You can get Pawn shop loans at 20% so imagine you send your crypto to these people, get 50% of your value, then have to pay 21% interest. And I don't think your funds are insured if they get hacked, they use Guarda Wallet services.

I noticed in their FAQ it says "How much will I pay? The annual rate of interest is 10%. The interest is calculated monthly and is included in the repayment amount." However it's clearly 21% shown on the form. Even with monthly adjustment the loan isn't 10%. There is a \$100 fee if you pay the loan back within 30 days.

With a .1 BTC loan (\$5216) it's \$1095 in interest annually.

I'm contacting their support about this because I might consider doing a short-term loan to pay down some debt if it's 10%.

Omniscient - January 17, 2025, 3:22 pm
btw who knows about this?

<https://app.morpho.org/?network=mainnet>

Seems crazy. DeFi full on.

SUI-3183372 - January 17, 2025, 3:32 pm

DeFi lending protocols seem like a stronger alternative. You'll pay less interest on borrows and earn more borrowing power for your collateral. With that being said, managing your position is important as liquidation can occur if the asset that you lend depreciates too much.

On a Sui lending protocol, you can lend your asset and earn both interest and borrowing power by doing so. Lending SUI nets you about 4.5% APY, where as wBTC is only about 0.01% APY right now, nothing to get excited about. Then, depending on your asset lent, you'll get anywhere between 40% borrowing power for really volatile coins, to 80-85% for stablecoins. I just deposited some SUI and had 75% borrowing power against it versus ChangeNow's 50%. Borrowing USDT/USDC only costs about 11-13% APY versus ChangeNow's 21%. In some scenarios, DeFi protocols or the chain its self will incentivize these actions, allowing you to earn more on lent assets and pay less for borrows. In some cases, you actually EARN for borrowing on Sui.

Example, you can EARN 3.2% APY for BORROWING a liquid staked SUI derivative.
Edit: Took a pic of the wrong coin >.<

In some cases, you can lend SUI, earning 4.5% on that lend while gaining borrowing power. Then borrow stSUI, earning 3.2% on that borrow. Convert the stSUI to SUI, lend that SUI AGAIN, earning 4.5% on that SUI now as well, gain more borrowing power, borrow more stSUI, and continue looping this. Looped lends and borrows is safest done with stablecoins though, can stretch your borrowing power to the max and not have to think twice about liquidation (RIP to your position if any major depegging of USDT or USDC were to occur though).

<https://app.naviprotocol.io/>
<https://suilend.fi/>
<https://app.scallop.io/>

(Some protocols, namely Scallop, separate their lending pools and their collateral pools, meaning you won't be able to earn on your collateral like you can on Navi. I'm not sure how SuiLend operates.)

Omniscient - January 17, 2025, 3:35 pm

Yeah, everything is changing and feels like this Bull Market that true DeFi is going to emerge.

Found this with pretty good rates....

<https://saltlending.com/rates-and-fees/>

I'm looking at doing \$50k loan on 1 BTC to consolidate debt and lower my current monthly payment because of the high interest on the current debt I have.

SUI-3183372 - January 17, 2025, 3:44 pm

(Jan 17, 2025 04:35 PM)Omniscient Wrote: [\[CITE\]](#) Yeah, everything is changing and feels like this Bull Market that true DeFi is going to emerge.

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I'm looking at doing \$50k loan on 1 BTC to consolidate debt and lower my current monthly payment because of the high interest on the current debt I have.

That's actually a pretty solid rate for what appears to be a centralized lender. Something better may exist, but I imagine you're pretty close to whatever those rates may be with SaltLending.

That being said, your state seems to be missing from their list of areas that they lend:

<https://saltlending.com/map-list/>

Omniscient - January 17, 2025, 3:55 pm

(Jan 17, 2025 04:44 PM)SUI-3183372 Wrote: [\[CITE\]](#) That being said, your state seems to be missing from their list of areas that they lend: <https://saltlending.com/map-list/>

Dammit. I sent Support a request about it. But I'm going to keep looking for both Loan and Borrow options. With BTC \$100k it can't just sit in a wallet.

SUI-3183372 - January 17, 2025, 4:11 pm

(Jan 17, 2025 04:55 PM)Omniscient Wrote: [\[CITE\]](#) Dammit. I sent Support a request about it. But I'm going to keep looking for both Loan and Borrow options. With BTC \$100k it can't just sit in a wallet. At this point, I'm really not trying to shill Sui, just trying to show alternative methods of putting your BTC to work (I also don't think this is out quite yet). Sui is just where all my knowledge lies anymore.

<https://babylonlabs.io/blog/unlocking-bitcoin-on-sui-with-babylon>

Through Babylon Labs, you can stake your BTC on-chain, and receive LST's on Sui representing your BTC, which you can then lend to earn a yield on in Sui's DeFi landscape (or perform other DeFi related actions with). I've been sitting on my BTC waiting for this to release so I can earn additional yield on my BTC without any costs or risks to me (other than potential protocol exploit).

Tyr - January 17, 2025, 8:35 pm

Not at 15%. 10% is decent. It depends on what kind of asset or liability I would hypothetically incur apart from the apr.

Bullup - January 17, 2025, 8:56 pm

This is a new concept for me as i've never loaned before in my life and collateral loans don't entirely exist in my country where you could just give something up for collateral and get a loan out of it. Unless it's a mortgage and your house is at collateral or you get a car lease, but that's pretty much it.

So if i'm understanding correctly, if i give them 1 BTC valued at 100k at that time, i can get a loan for 50k, i get that 1 BTC back when the loan is paid off, i pay extra if i pay my debt off earlier, and of course i have to pay interest.

What happens when BTC drops down below that 50k? But i'm making my payments on time every week/month.

What happens when BTC suddenly goes 1m+ will i get 100k back since it was valued at 100k at that point, or will i get my 1 BTC back when the loan is paid off?

Do they payout the loan in crypto or in bank transfer?

What stops someone from giving them 1 BTC, getting 50k, and stop paying the loan when btc goes to 25k and they just buy 2 bitcoins fresh with the 50k they got in the first place but keep paying the monthly payment in case btc goes up instead.

Mainly these questions was my reasoning of expecting such a thing to never exist.

I heard in some countries you can get a loan based on the stocks you put up for collateral if i'm not mistaken, but stocks usually aint that volatile compared to crypto.

Pr0m3th3us - January 17, 2025, 9:02 pm

I the entire credit system is a scam and the 3 credit bureaus are a giant racket to help the feds get more taxes. I save and pay cash for everything. Iv never got a loan and I will never get one.

Omniscient - January 25, 2025, 10:05 am

<https://app.rocko.co/>

Found another one...

That looks much more competitive. It's a lot more percentage of your value and APR 10%. Perfect imho. May have to try this.

SUI-3183372 - January 25, 2025, 10:10 am

(Jan 25, 2025 11:05 AM)Omniscient Wrote: [\[CITE\]](#) <https://app.rocko.co/>

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Rates get even better if you're willing to put up cbBTC instead of wBTC.

Wanted to get information on liquidations but it requires an account at that point.

Omniscient - January 25, 2025, 10:22 am

(Jan 25, 2025 11:10 AM)SUI-3183372 Wrote: [\[CITE\]](#) Rates get even better if you're willing to put up cbBTC instead of wBTC.

Wanted to get information on liquidations but it requires an account at that point.
For the small rate change I don't trust Coinbase wrapped token. They also seem to have a simple borrow platform with good rates. Some of the DeFi apps out there are confusing and scary.

Flaws - January 25, 2025, 10:24 am

Would really advise taking a look at <https://nexo.com/>, they've been offering loans with crypto as collateral for quite some time, I utilize this fairly often especially with their "credit" feature on their physical card I have for my account, can go around and spend whatever in credit mode which takes out credit against your crypto automatically, really neat

Omniscient - January 25, 2025, 10:28 am

(Jan 25, 2025 11:24 AM)Flaws. Wrote: [\[CITE\]](#) Would really advise taking a look at <https://nexo.com/>, they've been offering loans with crypto as collateral for quite some time, I utilize this fairly often especially with their "credit" feature on their physical card I have for my account, can go around and spend whatever in credit mode which takes out credit against your crypto automatically, really neat
Nexo doesn't serve US citizens.

SUI-3183372 - January 25, 2025, 2:34 pm

(Jan 25, 2025 11:28 AM)Omniscient Wrote: [\[CITE\]](#) Nexo doesn't serve US citizens.
Nexo are also Bulgarian criminals. They've been raided and fined more times than I can count. I'm genuinely surprised they still exist.
<https://www.cityam.com/crypto-exchange-nexo-users-do-not-have-unfettered-right-to-withdraw/>

Zovers - January 26, 2025, 12:33 pm

I think the biggest obstacle to a loan backed by crypto is the volatility of the asset backing the loan. When valuations can fluctuate so wildly the loan inherently becomes riskier and begets the higher interest rate.

Additionally, using crypto to back the loan insinuates that it is an asset rather than a liquid currency. Why would you not just exchange the coin for cash and then buy it back when you're ready? That expected change in value of a currency is the same reason you're being hit with the higher interest rate on the loan. Compare that with a standard securities back loan where the expected change in value comes from an ownership or debt structured stake in a company.

I would not ever expect to get a low interest rate loan backed by crypto unless the value recached a consistent level more inline with the inflation rate; but at that point, why wouldn't you just use the cash?

Omniscient - January 28, 2025, 10:21 am

(Jan 26, 2025 01:33 PM)Zovers Wrote: [\[CITE\]](#) I think the biggest obstacle to a loan backed by crypto is the volatility of the asset backing the loan. When valuations can fluctuate so wildly the loan inherently becomes riskier and begets the higher interest rate.

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I would not ever expect to get a low interest rate loan backed by crypto unless the value recached a consistent level more inline with the inflation rate; but at that point, why wouldn't you just use the cash?

While there is volatility it's the same with margins in the stock market. If the value of your portfolio goes below certain levels you either pay down the loan with cash or you add more crypto for collateral to balance it.

And the reason you don't just sell the asset for cash is because Bitcoin continues to go up. It's going to depend on the size and time-length of your loan. For instance I would want \$100k with 3-5 years to pay it back. In that time the Bitcoin is very likely going to increase in value, so why would I sell it when I can get a loan from it?

.Infinity. - January 30, 2025, 4:18 am

Coinbase has been offering these for a very long time, with much better rates and LTV. A couple years ago you could do 85% LTV at 5% interest. Not sure about current rates but just log in and check.

There I saved you thousands, now give me back my ub3r upgrade that was stolen over 10 years ago thanks!

Omniscient - January 30, 2025, 8:09 am

(Jan 30, 2025 05:18 AM).Infinity. Wrote: [\[CITE\]](#) Coinbase has been offering these for a very long time, with much better rates and LTV. A couple years ago you could do 85% LTV at 5% interest. Not sure about current rates but just log in and check.

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Coinbase closed my account. You saved me nothing.

Tyr - January 30, 2025, 8:41 am

(Jan 30, 2025 09:09 AM)Omniscient Wrote: [\[CITE\]](#) Coinbase closed my account. You saved me nothing.

It's okay. Just pay them the \$40 monthly ransom fee they ask for in order to get your account back via 24/7 customer support even tho they make you wait on hold for 5 hours. I am sure if you did something against their TOS they'll make an exception.

Coinbase literally held onto 3/4 of what I had invested for years. Their premium program is the biggest excuse and waste of money I have ever come across in my life and the advanced trading options for triggers when market price goes below x seemingly love to come as a notification 2 days late.

It's a good thing they made the money they did and were able to get a legal team together with the whole 700 employees they have

i hate cb man

Omniscient - January 30, 2025, 9:59 am

(Jan 30, 2025 09:41 AM)Tyr Wrote: [\[CITE\]](#) It's okay. Just pay them the \$40 monthly ransom fee they ask for in order to get your account back via 24/7 customer support even tho they make you wait on hold for 5 hours. I am sure if you did something against their TOS they'll make an exception.

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They're not that amazing. I use other services which are better.

Tyr - January 30, 2025, 12:00 pm

(Jan 30, 2025 10:59 AM)Omniscient Wrote: [\[CITE\]](#) They're not that amazing. I use other services which are better.

I was being sarcastic man. They're absolute garbage for the price.