

Forum:[Hack Forums](#)

Thread: [How to buy a home with a crypto-backed loan](#)

Stanley - July 5, 2025, 6:55 am

How to buy a home with a crypto-backed loan

Discover platforms offering crypto-backed mortgages, allowing you to use digital assets like BTC and ETH to finance real estate purchases without selling your holdings.

https://cointelegraph.com/news/how-to-buy-a-home-with-a-crypto-backed-loan?utm_source=rss_feed&utm_medium=rss&utm_campaign=rss_partner_inbound

Braco22 - July 5, 2025, 12:52 pm

This is something that will transform the lending sector. Now instead of selling 2 BTC to buy your dream home, you can just take a loan against that BTC and enjoy it appreciate over the time, while your dream home also appreciates but the USD you have taken a loan depreciates. WIN, WIN and WIN. Triple win situation!

Omniscient - July 6, 2025, 5:45 pm

I've already looked into these companies, it's coming where you'll borrow from your BTC as collateral and never actually sell your BTC.

Bitcoin will be real wealth going forward.

Braco22 - July 7, 2025, 2:48 am

I am just unsure, is your Bitcoin the ONLY collateral? Or you have to collateralize the home as well?

Dirty - July 7, 2025, 4:39 am

(Jul 7, 2025 02:48 AM)Braco22 Wrote: [\[CITE\]](#) I am just unsure, is your Bitcoin the ONLY collateral? Or you have to collateralize the home as well?

I assume that will be the end goal eventually, But I have not yet looked at any of these companies to say so. Probably will have to put up other collateral or be ready to throw a pile of money at it if BTC crashes while this loan is going on?

Braco22 - July 7, 2025, 8:13 am

(Jul 7, 2025 04:39 AM)SIM-3719807 Wrote: [\[CITE\]](#) I assume that will be the end goal eventually, But I have not yet looked at any of these companies to say so. Probably will have to put up other collateral or be ready to throw a pile of money at it if BTC crashes while this loan is going on?

They'll eventually ask you to over-collateralize the loan if it's BTC only, like 160% of the home's worth, or combine the home + BTC. Either way, you don't sell your BTC so it's a VERY GOOD news in terms of adoption in the housing market.

Omniscient - July 7, 2025, 4:13 pm

(Jul 7, 2025 08:13 AM)Braco22 Wrote: [\[CITE\]](#) They'll eventually ask you to over-collateralize the loan if it's BTC only, like 160% of the home's worth, or combine the home + BTC. Either way, you don't sell your BTC so it's a VERY GOOD news in terms of adoption in the housing market.

From my understanding you get about 50% of your BTC deposit towards a loan.

For example, you give them 1 BTC and that's held as about \$50k in collateral. When you pay off the loan, you get the 1 BTC back.

For a mortgage though not yet sure.

I have gathered a list of Crypto-backed loan sites.

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

<https://unchained.com/>

<https://www.coinbase.com/loans>

<https://sovryn.com/zero>

<https://saltlending.com/>

<https://rocko.co>

<https://www.milo.io/rates/refinance-a-home/>

I have not used any of these. But I watch the market just in case.

The SaltLending to me seems one of the better ones. You get 70% LTV (Loan to value) and rates are as low as 9%.

Technically someone could have 1 BTC, get a loan \$70k at 9%, then buy .7 BTC with it. Then do that again with another company.

AI Quote: Absolutely, let's run through it again with 1 BTC = \$108,000 as the starting price.

Step 1: Initial Setup

1 BTC = \$108,000

70% LTV loan:

$\$108,000 \times 0.70 = \$75,600$ Buy more BTC with loan:

$\$75,600 / \$108,000 = 0.7 \text{ BTC}$

Total BTC controlled:

1 BTC (collateral) + 0.7 BTC (bought) = 1.7 BTC

Step 2: After 3 Years (BTC = \$250,000)

Total BTC held: 1.7

Value:

$1.7 \times \$250,000 = \$425,000$

Step 3: Loan Repayment After 3 Years

Principal: \$75,600

APR: 9% (compounded yearly)

Amount Owed:

$\$75,600 \times (1.09)^3 = \$97,902$

In BTC at \$250,000:

$\$97,902 / \$250,000 = 0.3916 \text{ BTC}$ needed to repay

Step 4: BTC Remaining After Repayment

Initial total: 1.7 BTC

After repaying loan:

$$1.7 \text{ BTC} - 0.3916 \text{ BTC} = 1.3084 \text{ BTC}$$

Value in USD:

$$1.3084 \times \$250,000 = \$327,100$$

Step 5: Compare to HODL

If you just held 1 BTC:

$$1 \text{ BTC} \times \$250,000 = \$250,000$$

Step 6: Gain from Leverage

Leverage scenario: \$327,100

HODL scenario: \$250,000

$$\text{Extra gain: } \$327,100 - \$250,000 = \$77,100$$

Return on your original \$108,000:

$$(\$327,100 - \$108,000) / \$108,000 = 202.87\% \text{ gain}$$

Summary Table

Scenario	End BTC	End USD value	After loan payoff	Net USD value
HODL	1	\$250,000	N/A	\$250,000
Leverage	1.7	\$425,000	Pay back \$97,902	\$327,100

Bottom Line:

Leverage turns 1 BTC into 1.3084 BTC after all is paid back, if BTC moons from \$108k to \$250k in 3 years at 9% APR.

Your USD gain from leverage is \$77,100 higher than just HODLing.

* But: If BTC crashes or is flat, your downside risk is bigger, and you risk liquidation.

Want to see this with different LTV or APR? Or a price that doesn't double?

Braco22 - July 8, 2025, 2:22 am

Yeah, a lot of DeFi chains have borrowing against BTC in form of wBTC and I think they give you around 75% and liquidation call is at 80%. The interest rate is I think variable and when the market is not booming like crazy it hovers around 5-7%.

I am currently actively borrowing on Binance for the past 3 years, and as soon as we see an explosion in the market the borrow interest rates tend to shoot up to 50-60% per year. When the market is sideways or in a down turn, since let's say end of December the rates have been around 4.5 - 6.5%. The only downturn is that the interest rate is paid hourly, and is compounding hourly as well. But Binance let's you have 78% initial LTV while the liquidation LTV is at 91%.

