Pixels.so | Borrow Against Your NFTs

LITEPAPER

3/30/22

What we do.

Pixels.so | Borrow Against Your NFTs is a platform that allows users to deposit their NFTs and borrow against them. The platform uses the Pixels.so Token (PIXL) and the Pixel Panthers NFT collection as its utility-governance tokens.

In addition to supporting Solana-native projects, the platform also plans to use Wormhole to allow ERC-721 projects (like CryptoPunks) and Metaverse-based virtual property to be used as eligible collateral.

Pixels.so believes this blended approach between DeFi and NFTs will help unlock the full potential of NFTs and the Metaverse. Pixels.so changes everything and we want you to be a part of it.

We intend to build out a full suite of innovative products which attempt to merge DeFi further into the Metaverse. We are going after a $7 Billion+ market, with limited competitors and quickly growing demand.

How we'll do it.

A multi-stage launch.

I. Token Listing

List the Pixels.so token and garner decentralized liquidity using Atrix's permissionless double-dip farm being paid in PIXL token emissions.

- This is complete. We are currently listed on many decentralized exchanges and Atrix is set up.

II. NFT Launch

Pixel Panthers | Co-Own a Bank in the Metaverse
The Pixels.so NFT was developed by an award-winning team of artists who have gained global recognition for their work as a full-suite design studio.

- **Pixel Panthers | Co-Own a Bank in the Metaverse** will provide holders with ability to stake on-platform and earn additional PIXL tokens!
- Pixel Panthers co-own a Bank in the Metaverse, vote on the direction of the Pixels.so | Borrow Against Your NFTs platform, and directly benefit from the growth of the platform.

III. Peer-to-Peer NFT Borrowing

Official launch of the Pixels.so | Borrow Against Your NFTs platform

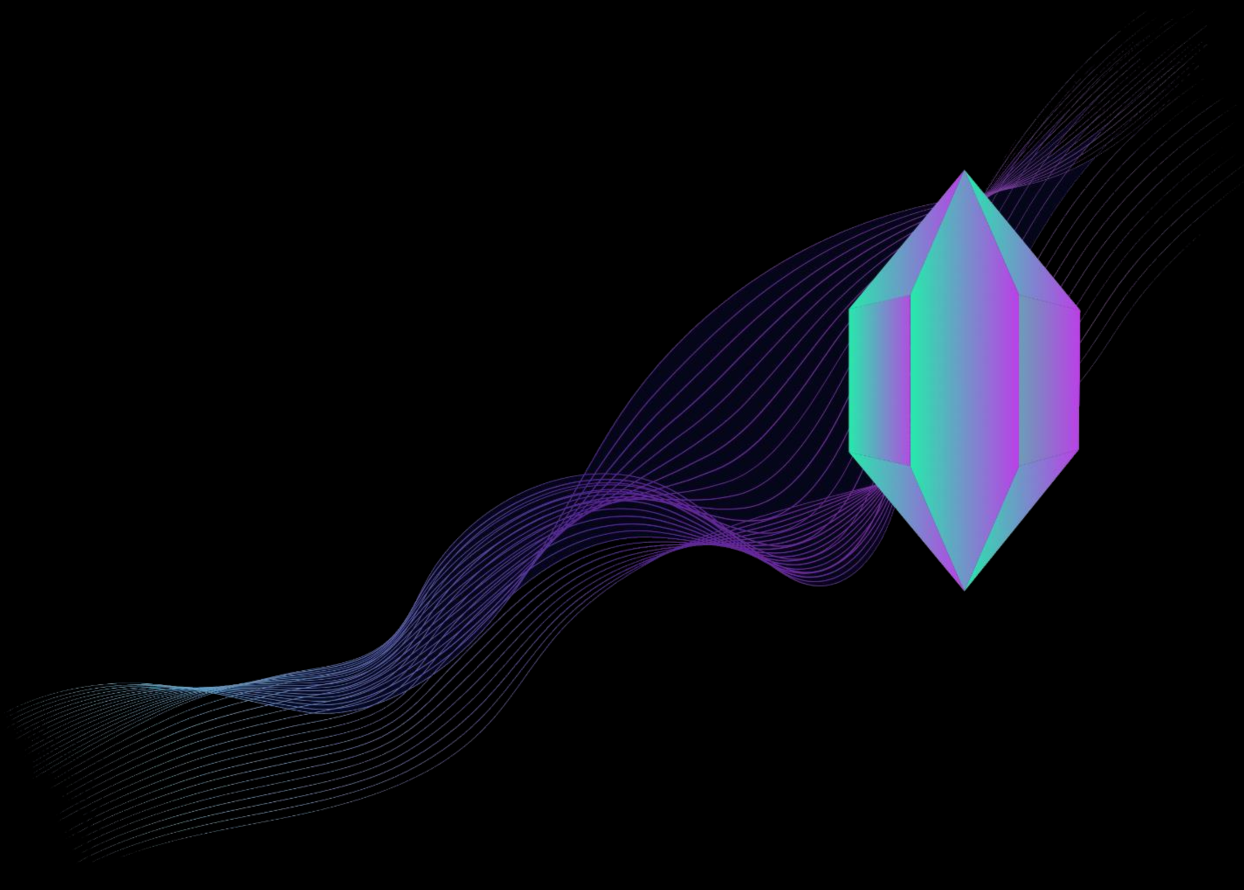
- Borrow Against Your NFTs
- Launch borrowing and lending for ERC-721 NFTs and other Metaverse projects' tokens using the permissionless peer-to-peer model.

IV. Instant NFT Borrowing

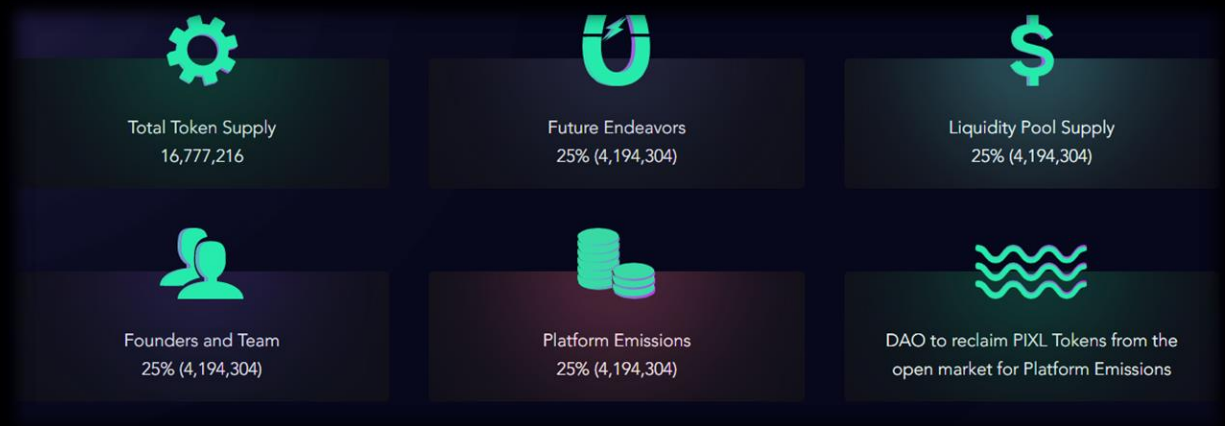
Launch borrowing and lending for well-established Solana NFTs using the instant liquidity model.

V. Looking Onward

The platform will boast a full suite of DeFi products fueling the integration of DeFi and the Metaverse. Our future products will be catered around our concept of being the Bank of The Metaverse. There are many innovation offerings to build out and we are more than excited to bring these to market in never-before-seen ways!



Tokenomics



Ways to Borrow.

Peer-to-Peer NFT Borrowing Model

NFTs can be deposited by borrowers permissionlessly, and a loan can be requested against the NFT's value. Lenders on the platform can commit that capital and earn the specified APY. This APY is proposed by the borrower and is static once set. The timing could range from 30 days to 120 days. The borrower must make a final payment of principal and accrued interest by the specified contract end date, otherwise the collateral (NFT) will default to the liquidity provider.

Instant NFT Borrowing Model

When a user deposits their NFT (Solana NFT, ERC-721 NFT, or other Metaverse assets), they will be able to borrow against the market value of their asset. Borrowers will be able to borrow up to 25% of their NFT's value. The borrower will have immediate access to liquidity, which comes from an interest-bearing USDC pool supplied by the lenders.

Pricing and Yield.

Peer-to-Peer NFT Borrowing Model

The interest rate will be set by the borrower and agreed to by the lender. If a liquidity provider agrees to the borrower's terms, then the provider will approve the contract and commit capital.

Instant NFT Borrowing Model

For NFTs (Solana NFTs, ERC-721 NFTs, and other Metaverse tokens), payments will be made at the discretion of the borrower. However, the borrower must maintain certain loan-to-value (LTV) thresholds.

The interest rate model will use dynamic pricing, influenced by supply of USDC and demand for borrowing (the utilization ratio). If there is a high amount of USDC being requested but a low supply of USDC deposited to borrow from, rates will dynamically adjust upward. This means that USDC deposits are incentivized in times of high borrowing demand, meaning high interest rates. It also means borrowing against your NFT is incentivized in times of high deposited UDSC supply, meaning low interest rates.

The NFT pricing/valuation process will be determined via a pricing oracle with data being fed through all major Solana NFT marketplaces. Pricing will be based on average sale price, average floor price, and will be weighted by different levels of attribute rarity. Prior to requesting a loan for the NFT, our platform will use the attribute-weighting model to determine the current price of the collateralized NFT.

Liquidation Process.

Peer-to-Peer NFT Borrowing Model

The borrower must payoff their loan in the specified time period (30, 60, 90, 120 days) which is decided upon prior to requesting the loan. If the borrower does not payoff their loan plus accrued interest, then the collateral will default to the wallet that provided the liquidity for the loan.

Instant NFT Borrowing Model

When the loan amount plus accrued interest exceeds 75% of the collateralized NFT (loan-to-value ratio), the NFT will appear on a liquidation page for anyone to claim. When claiming an NFT, a user would repay the loan balance plus accrued interest and in return will receive the defaulted NFT. The claim price will be adjusted by +10% and the excess will go into the USDC pool's insurance fund.

Insurance Fund

The insurance fund will act as a safety net protecting lenders in the USDC pool. The fund's purpose is to protect against severe volatility in the NFT market and will protect against losses in the USDC pool.

If a defaulted NFT exceeds a loan-to-value ratio of 100% it no longer becomes advantageous for users to claim the NFT. In such a scenario the insurance fund will supplementally lower the claim price to incentivize users to claim any defaulted asset(s). The insurance fund will act dynamically so that if the LTV value continues to rise the amount repaid into the USDC pool, when claimed, also rises. The insurance fund will be funded by excess reserves in the DAO treasury earned through the platform's net interest income and through the process of claiming defaulted NFTs.

What's Coming Next.

11/20/21
Launch date and Atrix setup
Pixels.so token listed on DexLabs

12/1/21
Pixels.so listed on CATO DEX

12/2/21
Pixels.so listed on SolAPE DEX

12/3/21
Pixels.so listed on Degen DEX

January 2021
Website Revamp
Whitepaper Release

Q2 2022
NFT Launch

2022
Stake Pixels.so NFT and earn PIXL tokens as yield

2022
Stake Solana-based NFTs

2022
Borrowing against NFTs using the Peer-to-Peer Model.

2022
Borrowing against ERC-721 and other Metaverse Tokens

2022
Open USDC deposits on marketplace

2022
Borrowing against NFTs using the Instant Borrowing Model

Socials

Twitter: @Pixels_so

Telegram: https://t.me/pixels_official

Discord: https://discord.gg/ryp2VUFE6h

This document is subject to change.