

Nebula Lending Protocol

Nebula provides a money market, where suppliers are able to earn interest on their deposits, whereas borrowers are able to borrow assets for variable rate, where they don't specify any time frames, or borrow for fixed rate, where borrowers provide maturity, until which they have to repay a loan.

Depositing assets

Depositing allows suppliers to provide their assets to a lending pool, receiving MTokens as a proof of participation in the pool. Suppliers are able to redeem their MTokens at any moment of time receiving their initial deposits plus earned interest.

Borrowing assets

Allows a user, who has provided enough collateral (by depositing them to a corresponding pool) to borrow assets for variable rate. Here, no maturity is needed, the user can repay his loan at any time. Interest is accrued every block. The only condition, which has to be met, is that the borrower provides enough collateral, so that his position can't be liquidated.

Liquidating position

When a borrower's position is no longer safe (for example, too much interest has accrued, collateral has decreased in value or borrowed asset has increased in value), the liquidator is able to repay the borrower's loan and seize his collateral on a discount price.

Borrowing for fixed rate

Allows a user to borrow assets for a fixed rate for a specific period of time. There are two conditions, which have to be met, before borrowing: providing a respectful amount of collateral and specifying a maturity period. Currently, the loans for 1, 2 and 4 weeks are available. The protocol calculates interest, based on the variable rate at the moment of borrowing, and guarantees that rate won't be changed during the maturity period.

After the maturity is reached, a borrower should repay his loan during the next rest period (currently 4 hours) plus interest. Borrower is also able to repay his loan before maturity is reached, paying interest, calculated based on the fixed rate and time elapsed since borrowing. Borrower also has to pay a small extra interest for repaying before maturity is reached.

Liquidating fixed loan

A loan becomes unsafe when maturity period and rest period are passed. After this, a liquidator can repay a borrower's loan plus interest and seize borrower's collateral at a discount price.