

How Goldfinch is using USDC to grow local economies with the power of blockchain

THE OPPORTUNITY

Limited financial accessibility left business development in diverse regions at a standstill

Broadening financial access can drive huge growth in the global financial system, both on the ground in local economies and in the growing on-chain digital asset ecosystem. USDC is becoming an integral part of these systems by allowing value to be stored and sent cost-effectively and nearly instantly, dramatically increasing opportunities for those previously unable to access capital for business development at scale.

Early DeFi protocols require borrowers to deposit more crypto in collateral than they're able to withdraw in a loan. This framework can help protect the health of a given protocol, but reduces capital efficiency for users and can lock out potential borrowers who don't have crypto holdings that can be used to meet collateral requirements.

Finding new ways to underwrite loans for borrowers without existing crypto assets, or easy access to funding from the traditional financial system, could be a key component to bringing widespread adoption to the DeFi ecosystem, and can help fund upstart entrepreneurs and important projects all over the world.

THE JOURNEY

Expanding financing opportunities with blockchain is only the first step

Loans have been difficult to access for many businesses and consumers in developing economies where financial service infrastructure is often less robust and more fractured than in other parts of the world. That means it can be difficult for successful businesses to get a loan to continue driving growth, or for institutions to easily offer loans for things that can dramatically improve the lives of borrowers, like a new vehicle or a small business loan.

In more developed economies financing like this happens every day, but in other parts of the world capital can be scarce and funds and fintechs face competition for investment with sectors like infrastructure and government bond investments.



Goldfinch is a decentralized credit protocol that allows for crypto borrowing without crypto collateral. A core limitation of current decentralized crypto lending protocols is that they require borrowers to overcollateralize their loans with crypto assets, which prevents the vast majority of borrowers in the world from participating. Goldfinch is on a mission to expand access to capital by creating a single global credit marketplace. That means everyone, from startups in Lagos to institutions in New York, can borrow from the same capital markets and that all investors can access those deals directly.

HOW CIRCLE HELPED

 USDC

 CIRCLE ACCOUNT

On the other hand, DeFi users around the world are often flush with capital and seeking new opportunities to generate returns. While some DeFi protocols offer yield income, they're often subject to crypto market conditions and few do so based on real-world value creation.

"Goldfinch was built to achieve the expansion of financial access quickly by optimizing first for the borrowers who could benefit from crypto the most, and where crypto has the greatest impact. That meant starting with lending businesses in emerging markets," said Goldfinch Co-Founder and Warbler Labs CEO Mike Sall. "By accessing USDC funding from Goldfinch, these proven businesses are able to dramatically expand their services to millions of users who may otherwise never have had access to crypto's liquid, multinational capital. At the same time, it offers DeFi investors yields that are driven by real-world business activity, instead of insular crypto market dynamics."

Goldfinch is built to bridge the gap between these borrowers and lenders, making investment capital more available than ever while providing a new source of yield in the digital asset ecosystem.

"USDC's interoperability makes it an easy choice for Goldfinch's investors. At the same time, many of Goldfinch's borrowers are interacting with crypto for the first time when they access funding from the protocol, and they are reassured by USDC's excellent reputation, secure and transparent backing, and knowing their unit of exchange is sheltered from the risk of volatility."

Mike Sall

Co-Founder & CEO, Warbler Labs

THE SOLUTION

How Goldfinch harnesses USDC to evolve DeFi lending

Goldfinch is combining the global access and efficiency of distributing value via DeFi with the expertise of human underwriting and local deal-makers to unlock loans collateralized off-chain and paid out in USDC.

With over \$100m in loans distributed in the protocol's first two years of operation, reaching over 1m people and businesses with funding via the protocol's borrowers, Goldfinch* is helping DeFi evolve to fund more people while providing unique sources of yield to thousands of users that would have only been available to a select few in the traditional financial system. They chose to build with USDC because it's highly integrated into the DeFi ecosystem, easy to build with and use, and helps make their business more efficient and cost-effective.



At Circle, we're helping banks and financial firms make the move to digital dollars by removing the complexity, managing the risks, and accelerating the speed to market. For banks that want to join the "money movement" from traditional to digital, it's the right time to get started.

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