

FACT WHITEPAPER

FEE ACTIVE COLLATERAL TOKEN

ABSTRACT

Blockchain has been gaining popularity, and its application in the financial sector has brought about more concerns and expectations. While all sorts of tokens perform some essential functions of value transfer and distribution, it is a long way to go from the fully functional financial services that we need. To uphold the Internet of Value, there is a need for a better financial system based on the blockchain. This new system should have full financial functionality and bridge the gap between centralized and decentralized systems.

Fee Active Collateral Token (FACT) creates a decentralized credit facility that enables trustworthy crypto secured financing. FACT is providing an efficient crypto-asset management tool for Defi-world lending. We want to ensure that people can conveniently use borrow assets for financial freedom in any part of the world.

Contents

- ABSTRACT..... 2
- BACKGROUND 4
- MARKET PROBLEM..... 5
- THE SOLUTION: FEE ACTIVE COLLATERAL TOKEN (FACT)..... 6
- HOW FACT WORKS..... 7
- CORE TECHNOLOGY 8
- FACTNOMICS..... 10
- WHY FACT?..... 11

BACKGROUND

Satoshi Nakamoto published “Bitcoins: A Peer to Peer Electronic Cash System” in 2008, presenting the concept of blockchain, and building the technology foundation of transaction information encryption transmission and blockchain network. Since the establishment of the Bitcoin cryptocurrency platform, the Bitcoin system has been on the rise with broader circulation. Also, the blockchain, as the underlying support technology, has been applied to more use cases.

Various tokens have emerged, bringing a new round of prosperity in the cryptocurrency market. There are nearly 6,000 cryptocurrency types with a total value of more than \$300 billion. In the area of peer-to-peer lending facilities, there is a growing rate of 52% (CAGR), and the market is expected to reach USD 460 billion in 2022. There is an increasing demand for peer-to-peer lending facilities for cryptocurrencies, which would address the limitations of the existing situation.

Crypto offers various advantages over traditional assets as they are decentralized, borderless, and can be traded nonstop anywhere. While this provides an opportunity, it also poses high risks due to liquidity, no regulation, and general oversight. Although the cryptocurrency market keeps snowballing, there is a strong demand for a perfect solution for lending with security and convenience for crypto-users.

FACT has been designed to resolve the inconvenience of lending. FACT provides a robust infrastructure for cryptocurrency, promoting efficient lending. As a revolutionary lending platform with global reach explicitly focused on blockchain and cryptocurrency, FACT gives token holders a unique chance to participate in this rapidly expanding market. As the company grows, our team plans to continue developing a broader array of financial products built with blockchain technology to ensure complete security, decentralization, and transparency. FACT aims to be a leading, fully-decentralized financial company.

MARKET PROBLEM

Defi world is growing every day with multiple projects which aim to replace the financial institution, yet these come with risks and investor confusion. The variable interest rate is not transparent, and there are a lot of factors to be considered. Voting system makes the Defi centralized by those holding most tokens (has the highest voting weight)

Yield Farming is a sustainable revenue stream for investors to stake tokens which increases the token value, hence why these investors are rewarded by the token distribution. The problem is there is no other revenue stream for those who stake only by locking the tokens for a specific duration then get the reward.

FACT team has introduced a new ecosystem that replaces interest rates with one time fixed 2% fee. The Liquidity pool providers will also be eligible for the staking rewards so there are two revenue streams for those providing the liquidity.

THE SOLUTION: FEE ACTIVE COLLATERAL TOKEN (FACT)

FACT believes in decentralized structures as centralized structures have a limited lifespan, whereas decentralized structures learn, adjust, and adapt. FACT is designed to solve the credit money problem in the crypto space through decentralized peer-to-peer lending. We have created decentralized credit money for the crypto space.

FACT is a decentralized finance ecosystem that allows users to borrow FACT directly from the liquidity pool by paying a one-time processing fee to the pool participants. This loan is repaid monthly for six months or before the six months ends. FACT eliminates fluctuating interest rates between different ecosystems to avoid currency inflation while giving maximum revenue to the token holders, which is enabled by zero-interest loans and, therefore, the biggest market share.

We plan to offer an extensive array of lending options. FACT provides the most reliable possible loans to acquire. We take responsibility for user funds and ensure the safety of assets.

Our team has always been thinking about how to create an impact on the world and ease the general public through financial freedom. We have all come together and joined our hands to create a better world for the generations to come. We have utilized all the latest technologies and blended them with decentralized finance to create one of a kind product that is community-driven and works efficiently.

HOW FACT WORKS

Paying off your 0% interest loan is always a winning deal. FACT is fully decentralized as we have eliminated the voting system proposals, unlike other systems that rely on changing interest proposals. As a liquidity provider, you will be eligible for instant fee distribution on any CDP created adding to that you'll be eligible for the staking rewards.

As a borrower, smart contracts will lock the collateral and give you up to 80% collateral factor. To illustrate, let us say you have taken \$800 worth FACT, and you have locked \$1000 worth Collateral. Then you came back to pay it off. The smart contract will have two methods for paying off since the purpose of Defi to be profitable for the users.

If the FACT value has increased beyond the original amount, you will need to pay the 80% collateral amount that you have taken, and the profit from FACT is yours.

In case that FACT value has decreased, you will only have to pay the Fact amount that you've borrowed + extra 2% stability fee (in case the FACT value has decreased) for the liquidity providers and take your original collateral back.

We have replaced the loan interest with a fixed 2% processing fee for the liquidity pool participants. Borrowers know the exact processing fee (no hidden fees) for their loans before confirming the transaction. Loans interest rate is 0%, with a one-time fixed fee distributed to the liquidity pool participant instead of calculating interest via APY or APR.

We offer a 100% secured system with an extensive bounty program and series of smart contracts that will be audited by the OpenZeppelin team before launching. The web and mobile app will allow real-time profits for the liquidity pool participants.

CORE TECHNOLOGY

➤ **Technical Landscape**

The platform includes the basic network layer, the intermediate agreement layer, and the application service layer. The basic network layer features a data layer and a network layer. The data layer includes the underlying block data, related data encryption, and time stamping technologies; the network layer comprises a distributed networking mechanism, a data dissemination mechanism, and a data verification mechanism.

The intermediate protocol layer consists of a consensus layer, a contract layer, and an incentive layer. The consensus layer features numerous consensus algorithms of network nodes. The incentive layer incorporates economic factors into the blockchain network, mostly including the issuance instrument of economic incentives, the distribution instrument, and the likes; the contract layer primarily comprises of several algorithms, scripts, and smart contracts the basis of the blockchain programmable features.

The platform's application service layer is the most vital part of the blockchain industrial chains, including various application scenarios and cases of blockchain technology, programmable currency, programmable finance, and programmable society. The application layer is the underlying technical architecture of the FACT application ecosystem. The open-source and programmable application layer provides technical support for establishing the global digital currency application ecosystem.

➤ **Open Source Agreement**

Through the platform, users can implement peer-to-peer transactions and instant settlement. They can easily convert trading assets (FIAT, crypto and other forms of assets). The process is as simple as sending an email. It significantly reduces the risk and fees of loans.

Unlike the centralized network mode, the computers of each node in the P2P network have equal status, and each node carries the same power. Therefore, there is no centralized server. All nodes share part of the computing resources, software, or information content through a specific software agreement. The wallet and unique open-source lending network are the core technologies that constitute FACT.

➤ **Asymmetric Encryption Algorithm Connecting the wallet to the DAPP**

An asymmetric encryption algorithm is the usage of public and private keys to encrypt and decrypt the storage and transmission of data. The public key can be publicly released, which allows the sender to encrypt the information, and the receiver can decrypt the encrypted content by using the private key. The public-private key pair has a long calculation time and is mainly used to encrypt fewer data. Commonly used asymmetric encryption algorithms are RSA and ECC. FACT uses asymmetric public and private key pairs to build trust between nodes.

➤ **The FACT Protocol**

The FACT Protocol integrates crypto loan protocol for its open financial services platform. The FACT Protocol will provide users with crypto-asset investment and financing to meet various clients' crypto-financial needs. Built on the Ethereum blockchain, the FACT Protocol features pools of tokens with algorithmically derived interest rates, based on the supply and demand for the token. Suppliers (and borrowers) of an asset interact directly with the FACT protocol. They earn (and pay) a 0% interest rate without negotiating terms such as collateral, maturity, or interest.

The FACT Protocol aggregates the supply of users. When a user supplies a token, it becomes a fungible resource. This feature ensures complete liquidity at the same time it will be Staking so the LP will be eligible for the 2% processing fee reward and the Staking rewards at the same time. Users can withdraw their tokens at any time, without waiting for a specific loan to mature.

Also, users can easily borrow from the protocol using collateralized lines of credit. Borrowing demands a user to stipulate the desired asset. There are no strict terms to negotiate, maturity dates, or funding periods. However, each account is required to have a balance that covers the outstanding borrowed amount. This is referred to as a collateral ratio. An account will be unable to execute any action (such as borrow or withdraw) to bring its value below the desired ratio. To increase (or reset) the collateral ratio, a user can repay a borrowed asset in whole or in part, at any time. Even while being used as collateral, balances will keep accruing interests.

FACTNOMICS

Staking Rewards	7,000,000	43.75%
Liquidity Pool	5,500,000	34.38%
Team	1,350,000	8.44%
Presale	830,000	5.19%
Marketing	750,000	4.69%
Private Sale 1	420,000	2.63%
Security Charges And Bounty Program	150,000	0.94%

Users with FACT can access an innovative lending platform, which is connected to the multibillion loans and financing industry. 16 million FACTS are issued. These tokens will be used for staking/pool mining rewards, giving loans, and we will burn 1M FACT tokens to save the value of the token. We are making a presale on Telegram and then the uniswap listing. The hard cap on the resale is 200ETH, which will be reached easily.

FACT aims to burn a minimum amount of 250,000 tokens per year, which is a minimum of 20,000 FACT monthly to reach 18% of the total exchange supply to be burned by 2024 depending on the total number of the wallets staking the token per month.

If the flow of the staking coins is higher than 500k, burning will be at a minimum of 20,000 FACT and if the volume is low burning tokens will increase dependent on the following equation: total monthly burned tokens will be calculated as:

$20,000 + \text{Avg Token Staked Per Wallet (ASW)}$

$\text{Total staked token for the last 30 days} / \text{no of wallets has made staking for the last 30 days} = \text{average token staked per wallet}$

Burning tokens helps stabilize FACT value and curb potential price inflation. The same process will happen every month until we burn 1 million FACT 18% total supply for exchanges.

WHY FACT?

➤ **Risk Free Borrowing**

Fact is giving a new paying off options which will make the borrower always in profits by paying off the loan by the original DAI amount in case the Fact value has decreased or to pay by the Fact amount borrowed if the Fact value increased.

➤ **Cost Savings**

Blockchain does not require any third party or clearinghouse. This reduces costs incurred from fees paid to clearinghouses or third parties. This means we offer a cost-saving platform.

➤ **Decentralization**

One of Blockchain technology's chief advantages is that there is no requirement for a trusted third party or intermediary. FACT is a decentralized platform to help people get loans for financial freedom.

➤ **Immutability**

Transaction data is written into a blockchain, and it is virtually impossible to amend this data. This means no entity can tamper with any data you input or any transaction you make.

➤ **Transparency and Trust**

Blockchain features shared ledgers alongside publicly visible transactions. The architecture provides transparency, and as a result, trust is more easily established. This quality is a distinctly instrumental aspect when unregulated third parties are providing transfers for digital values. By leveraging the blockchain technology, we are bringing transparency and trust into everything we do.