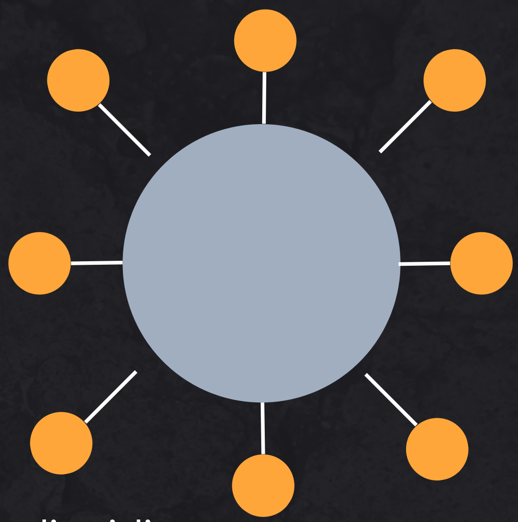
# Constant Finance

## Empowering the Next Wave of DeFi Lenders & Borrowers with Fixed Rates

Litepaper v1.1

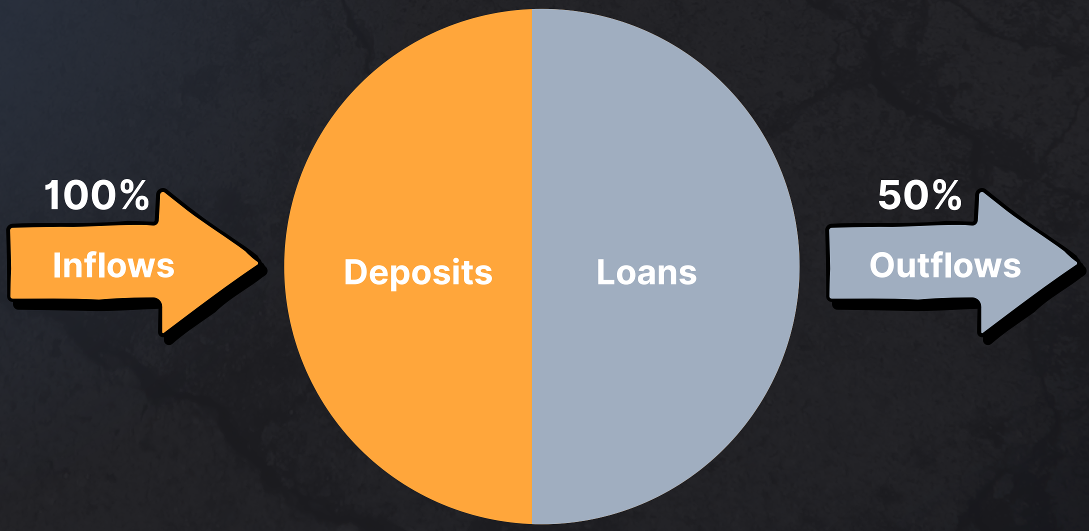
# Problem

Most major DeFi protocols utilizes a pooled model. Lenders deposit their tokens into shared liquidity pools. Borrowers take from those pools. It sounds efficient until you look at the numbers.



- Lenders deposit 100% of the capital.
- Borrowers only use around 50% of that liquidity.
- The other 50% just sits idle.

Shared Lending Pool




This is known as the "100/50 Inefficiency" (100% supplied, only 50% utilized.)

Result: Low APYs, high borrowing costs, bloated protocols.

# Solution

Const eliminates the inefficiency by redesigning the lending engine from the ground up:

**Direct Matching**

- Funds aren't dumped into a shared pool.
- Every lender is matched with a borrower.
- Capital only moves when there's demand — no idle liquidity.

**Smarter Capital Efficiency**

- Every token works.
- No over-pooling. No bloat.
- Just optimized, active capital.

**Fixed Rates = Predictability**

- Lenders know their returns.
- Borrowers lock in their costs.
- No more guessing, no more rate volatility.

Const unlocks higher returns for lenders, fairer costs for borrowers, and real scalability for DeFi by eliminating idle capital and replacing bloated liquidity pools with efficient, fixed-rate matching.

# What sets Constant Apart?

Const is a next gen DeFi protocol that utilizes a self-custodial smart matching system designed for peer-to-peer lending. It enables users to participate in the ecosystem as either lenders or borrowers, without the middleman.

| Feature | Constant Finance | Traditional Protocols |
|---|---|---|
| **Capital Utilization** | ~100% | ~50% |
| **Interest Rate** | Fixed | Variable |
| **Lending Model** | Direct Matching | Liquidity Pools |
| **Idle Capital** | None | Always Present |
| **Predictability** | High | Low |

Our goal is the empower the next wave of DeFi users with Fixed Rate lending and borrowing. With fixed rates, active capital, and a transparent system, Const is building a lending experience that new users can trust from day one.

# FAQs

### WHAT IS CONSTANT FINANCE?

Constant Finance is a decentralized peer-to-peer lending protocol that directly matches lenders and borrowers. It offers fixed-rate, fixed-term lending — no pools, no wasted capital.

### HOW IS THIS DIFFERENT TO AAVE OR COMPOUND?

Instead of liquidity pools, we use a dynamic engine that matches lenders and borrowers directly. This prevents idle capital and gives you predictable, fixed returns.

### DO BORROWERS STILL NEED COLLATERAL?

Yes. Loans remain over-collateralized to protect lenders, but our adaptive health-factor model makes collateral use more efficient and reduces unnecessary liquidations.

### HOW ARE LIQUIDATIONS HANDLED?

We use an automated system that steps in when needed to protect lenders and maintain stability — without harsh, full-position wipes. It's fair, efficient, and designed to minimize disruption.

### CAN I EXIT A LOAN EARLY?

Yes. Borrowers can repay the loan early at any time by settling the principal and accrued interest. Lenders can exit early once a replacement is found. A small fee may apply.

### WILL THERE BE A NATIVE TOKEN?

Yes. The CONST token will power governance, fee discounts, and other incentives that will be detailed in the forthcoming Whitepaper.

### WHAT CAN I DO NOW TO GET INVOLVED?

We're launching BETA soon! Follow our socials to be updated!

https://x.com/constant_fi https://constfi.com/