Yamfore Classic Litepaper

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I. Executive Summary of the Yamfore Protocol

Yamfore streamlines lending on the Cardano blockchain with its decentralized platform that eliminates the need for traditional lenders. Utilizing an internal stablecoin reserve, it offers indefinite loan durations and no margin calls, ensuring borrowers are safe from loan liquidation during market volatility. Loans are secured using ADA. CBLP token holders manage loan terms and the platform's governance, ensuring:

- **Long-Term Stability:** The Yamfore protocol is designed for perpetual operations, with safeguards to ensure it cannot go bankrupt. Automated processes enable the platform to continue functioning independently, providing a resilient service built to last.
- **Revenue Generation:** Yamfore's income is derived from a one-time fee for loan initiation, collected in CBLP tokens, and fixed interest on loans, payable at redemption. Additionally, the platform profits from staking the ADA collateral, creating a sustainable financial model for the protocol.
- **Decentralized Governance:** The protocol employs a decentralized governance model where decisions are made through proportional voting relative to CBLP token holdings, ensuring that those invested in the platform have a say in its operation. This includes setting lending terms, and determining fee structures.

II. Overview

The Yamfore protocol is a decentralized lending system that allows users to obtain crypto-backed loans without a set maturity by using the Cardano blockchain's native token, ADA, as collateral. Borrowers can repay their loans whenever they want without making regular payments to maintain their positions open. The protocol comprises several interconnected components that facilitate a stable and user-friendly lending experience, including:

The CBLP Utility Token

CBLP is Yamfore's native governance and utility token. It serves multiple purposes within the ecosystem:

- **Utility:** Users must pay a one-time fee in CBLP tokens when they take out a loan, integrating the token directly into the lending process.
- **Governance:** CBLP holders have voting rights on key decisions within the protocol, such as setting loan-to-value ratios, interest rates, CBLP flat fee rate, and more.
- **Economic Incentive:** The tokenomics of CBLP incentivize holding and participating in the protocol, as fees collected in CBLP are sent to the treasury, increasing the value controlled by the protocol and, by extension, its token holders.

Stablecoin Treasury

The internal stablecoin treasury is the financial backbone of the Yamfore protocol. This treasury consists of a diverse basket of stablecoins all native to the Cardano blockchain. These stablecoins are the primary medium for funding loans, enabling the protocol to sidestep conventional lending institutions.

With a focus on high capital efficiency, the treasury does not hold onto these assets for long; instead, the protocol aims to promptly lend them out to borrowers, ensuring a dynamic flow of capital and the maintenance of essential liquidity for operations. This arrangement ensures that the protocol's capital is effectively deployed, with stablecoins constantly being recycled into new loans and never sitting idle within the treasury.

CBLP treasury

Yamfore maintains a CBLP-denominated treasury that entirely comprises of CBLP, the native governance and utility token of the protocol. These tokens are integral to the functioning of the Auction Platform, where they are offered to the community at a discounted market rate. The proceeds from these auctions, in the form of stablecoins, are then redirected to bolster the stablecoin treasury, ensuring a consistent supply of funds for the issuance of new loans. This mechanism is vital for perpetuating the protocol's liquidity and ensuring the stability and longevity of the Yamfore platform.

CBLP Auction Portal

The CBLP Auction Portal is a cornerstone feature within the Yamfore ecosystem, designed to facilitate liquidity and encourage active participation from its community. It operates by allowing individuals to use their stablecoins to purchase CBLP tokens at a discounted rate. This mechanism serves a dual purpose: it provides the protocol with a steady stream of stablecoins to fuel its lending operations, and it offers CBLP token holders a direct avenue to increase their holdings and, by extension, their influence within the protocol's governance.

The tokens sold through the auction come from Yamfore's internal CBLP treasury. As participants buy CBLP tokens, the stablecoins they use for purchase are channelled back into the lending pool, ensuring a constant replenishment of funds for new loans. This creates a cyclical system that boosts the protocol's liquidity while simultaneously supporting the CBLP token's value and utility. The CBLP Auction Portal thus stands as a strategic tool for growth and sustainability, aligning the interests of the protocol with those of its token holders.

Smart Contracts and NFTs

When a user locks in their ADA collateral, a smart contract governs the terms of the loan, ensuring that the process is transparent and tamper-proof. Upon initiating a loan, the protocol issues an NFT to the borrower, which symbolizes ownership of the loan and the terms agreed upon. This NFT is a unique digital certificate that can be traded or held until the borrower decides to repay the loan and reclaim their ADA collateral.

It's worth stressing that the borrower can trade the NFT representing the underlying loan, allowing them to engage in all manner of varied trading strategies. Whatever the original borrower decides to do, the loan would still operate under the same terms, with the NFT operating as a bearer instrument, and then voided once the loan has been repaid. Together, these components create a decentralized, borrower-centric lending environment.

The CBLP token allows users to participate in the ecosystem and gives them a stake in its governance; the stablecoin treasury provides the capital; the CBLP treasury refills the Auction Platform that increases the available funds; and the smart contracts with NFTs ensures a secure and transparent loan process. This synergy aims to offer a more favorable lending experience compared to traditional crypto-backed loan services.

III. Yamfore Loan Lifecycle

The lifecycle of a Yamfore loan can be summarized in five easy steps:

(1) Loan Issuance:

When a borrower opts for a loan, they pledge ADA as collateral and lock it into Yamfore's smart contracts. The system immediately calculates a one-time fee payable in CBLP tokens based on current ADA-USD market prices. When someone starts a loan and pays the fee in CBLP tokens, those tokens are moved to the CBLP treasury, which takes them out of immediate circulation.

When demand is high for loans, CBLP token holders can choose to raise the CBLP fee for initiating a loan. This means borrowers must use more CBLP tokens to acquire a loan position. When demand subsides, the fee can be lowered to make sure the protocol keeps lending out money efficiently.

Upon fee payment, borrowers receive stablecoins directly from the protocol's stablecoin treasury, based on the agreed loan-to-value ratio set at loan initiation. A unique NFT is simultaneously minted to their wallet, representing the loan terms and serving as a digital certificate of their collateralized ADA.

(2) Interest Accumulation:

With the loan disbursed, interest begins to accrue passively at a fixed annual rate determined by the protocol's governance. There are no periodic payments required; the interest simply adds to the total debt.

a. Example: A borrower with a $100,000 loan at a 7% fixed interest rate will incur $7,000 yearly interest. This interest rate accumulates per-epoch at $95.89 per epoch, calculated as $7,000 / 73 epochs.

(3) Staking Rewards:

During the loan period, the protocol stakes the locked ADA, and all staking rewards are funnelled to the protocol, not the borrower. The collected ADA staking rewards are then sent to the ADA auction portal, where arbitrageurs can obtain a fixed market percentage discount on the price of ADA in exchange for providing stablecoins to the protocol. The stablecoins received from the ADA auction portal are immediately lent out, incentivizing more demand for CBLP tokens in the open market.

(4) Repayment:

At any point the borrower chooses, they can repay the loan. This is done by paying back the principal amount of stablecoins borrowed, plus the accumulated interest.

(5) Closure and Collateral Retrieval:

Upon repayment, the borrower's NFT deed is redeemed, while their ADA collateral is unlocked and returned to them. The stablecoins used for repayment are then cycled back into the protocol's treasury to fund new loans.

Throughout this cycle, the borrower retains exposure to the price movement of their ADA, benefiting from any appreciation in value, as they are not required to sell their ADA to access capital. The lack of a fixed repayment schedule provides flexibility, allowing borrowers to strategize the best time for repayment.

Borrowers are not subject to margin calls or liquidation risk during their loan term, regardless of the price action of their collateral. They also do not have to make any ongoing interest repayments, and their loan term is indefinite. This makes Yamfore crypto-backed loans more similar to perpetual long positions on the price appreciation of ADA than traditional crypto-backed loans from other protocols or platforms.

On the other hand, Yamfore earns money from a loan when it charges the borrower a one-time fee in CBLP tokens at the start of the loan and then again when interest is collected on the closed loan position. The platform also earns from ADA staking rewards while holding the borrower's collateral during the loan period.

Because all capital lent is owned by the protocol, a greater level of risk can be taken on by the protocol on behalf of the borrowers. This enables significantly more favorable loan terms that otherwise wouldn't be possible through traditional lending protocols or platforms.

As such, contrary to more involved lending protocols, Yamfore can simply wait for more preferable debtor conditions while still generating a yield to offset any loans issued on terms that are unfavorable in hindsight. There are no bankruptcies or margin calls within this system.

IV. The Benefits of Using Yamfore Over Other Lending Protocols

Yamfore redefines the crypto lending experience by offering unique benefits that set it apart from traditional lending protocols. First and foremost, Yamfore eliminates margin calls and loan maturity dates, enabling borrowers to leverage their collateral without the pressure of timed repayments or the threat of liquidation calls during market dips. This allows for more effective and stress-free use of assets, where borrowers can hold their positions indefinitely and plan an exit that aligns with their financial strategies.

Unlike conventional lending systems, Yamfore's model fosters a cooperative environment rather than an adversarial one. There are no lenders in the traditional sense — instead, the protocol itself provides the lending capital. This removes the competitive dynamics often seen between lenders and borrowers, creating a harmonious ecosystem where the interests of the protocol align with the users it serves.

Liquidations, often a significant risk in crypto lending, are absent in the Yamfore protocol. Borrowers are insulated from the volatility of the crypto markets, meaning their collateral is safe from being automatically sold off during market downturns, a common practice in other protocols to protect lenders' capital.

The issuance of an NFT to represent loan ownership is another innovative feature of Yamfore. This NFT can be traded or sold, offering borrowers a range of strategic options such as hedging, leveraging for increased market exposure, or capitalizing on favorable lending terms through the trade of the NFT itself. It acts as a bearer instrument, providing flexibility and liquidity to a borrower's loan position.

For CBLP token holders, the benefits are multifold. They have governance rights, influencing important decisions such as lending parameters. Their involvement in governance activities not only shapes the protocol's future but also can enhance the value of their holdings as the protocol grows and the demand for CBLP tokens increases, particularly since these tokens are integral to initiating loans within the ecosystem.

V. Hypothetical Case Study

Bob, an ADA holder, explored Yamfore's innovative lending protocol to leverage his cryptocurrency holdings without selling them. Initially, Bob owned $1,000 in ADA and decided to engage with Yamfore to secure a loan. Faced with the need to cover a 25% CBLP flat fee to initiate a loan, he evaluated two distinct options provided by the protocol:

- **Supplementing ADA with CBLP Purchase:** Bob could augment his position by purchasing an additional $250 worth of CBLP tokens. This purchase would increase his total position to $1,250 — the $250 worth of CBLP tokens would be used to cover the one-time payment of his loan position. Consequently, Bob would be eligible for a $500 loan, reflecting a 50% loan-to-value ratio against his original ADA amount.
- **Reallocating ADA for CBLP:** The alternative involved reallocating 25% of his ADA to CBLP tokens, which would mean converting $200 worth of ADA into CBLP. This action would leave Bob with $800 worth of ADA to use as collateral, permitting him to secure a $400 loan from the protocol, maintaining the 50% loan-to-value ratio.

Bob opted for the first option, supplementing his ADA with CBLP tokens, which allowed him to maximize his loan amount while retaining his initial ADA investment.

With his collateral in place, Bob received a $500 loan from Yamfore, equivalent to a 50% loan-to-value ratio against his $1,000 ADA collateral.

This loan came with a fixed annual interest rate of 7%. Yamfore's unique model meant that Bob faced no maturity date for the loan, no risk of liquidation, and no required ongoing interest payments. His loan position was represented by an NFT, solidifying his ownership and terms.

As the crypto market evolved, Bob's ADA appreciated in value to $2,000 over the year. At this point, he decided to close his loan position. To do so, he repaid the principal of $500 plus the accumulated interest of $35. Upon repayment, Bob reclaimed his full collateral, now doubled in value.

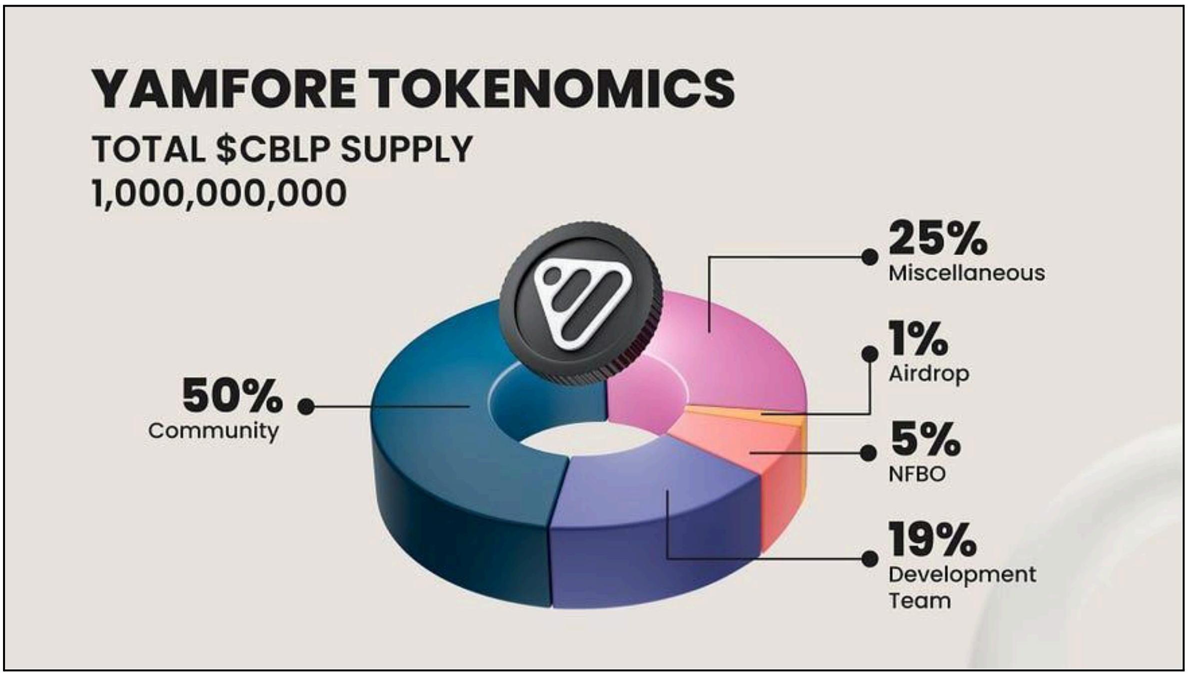
Throughout the loan term, Bob had no further financial obligations to Yamfore, enjoying a "hands-off" loan experience. The protocol, in turn, benefited from the staking rewards generated by Bob's collateral ADA during the loan period. In the end, Bob incurred a total cost of $285 for the loan — $250 for the CBLP flat fee and $35 in interest. However, considering the growth in his ADA's value, Bob concluded his loan term with a significant net gain of $1,715, demonstrating the effectiveness and borrower-friendly nature of Yamfore's lending approach.

VI. Tokenomics

The CBLP token is the native governance and utility token of Yamfore. It is required to use the protocol's services, and it provides a decentralized and transparent method for individuals with the most monetary stake in the protocol to participate in governance.

Yamfore is committed to a community-focused token distribution, with 75%+ of the tokens allocated to community members. This ensures that the CBLP token is distributed to those who are most supportive of the protocol's success, not just to a select few affluent individuals.

The $CBLP token allocation.



Cardanoscan:	https://cardanoscan.io/token/ee0633e757fdd1423220f43688c74678abde1cead7ce265ba8a24fcd43424c50?tab=transactions
Policy ID:	ee0633e757fdd1423220f43688c74678abde1cead7ce265ba8a24fcd
Fingerprint:	asset1vha2kdkxfegsam7qxr5hw8h7yglg9aljcphxph

Note: The official Big Blymp team wallet can be easily identified by searching for the $BigBlymp ADA $handle. This was done deliberately to ensure full transparency of funds.

Community

50% of CBLP will be allocated to the community, with all generated revenue going towards bootstrapping the stablecoin treasury via the Fair Token Offering (FTO)

Miscellaneous

25% of CBLP will be allocated for miscellaneous development costs. These included: CBLP liquidity provision, auxiliary development costs, community-building initiatives, partnerships, bug bounties etc

Airdrop

1% of CBLP will be allocated for the community airdrop.

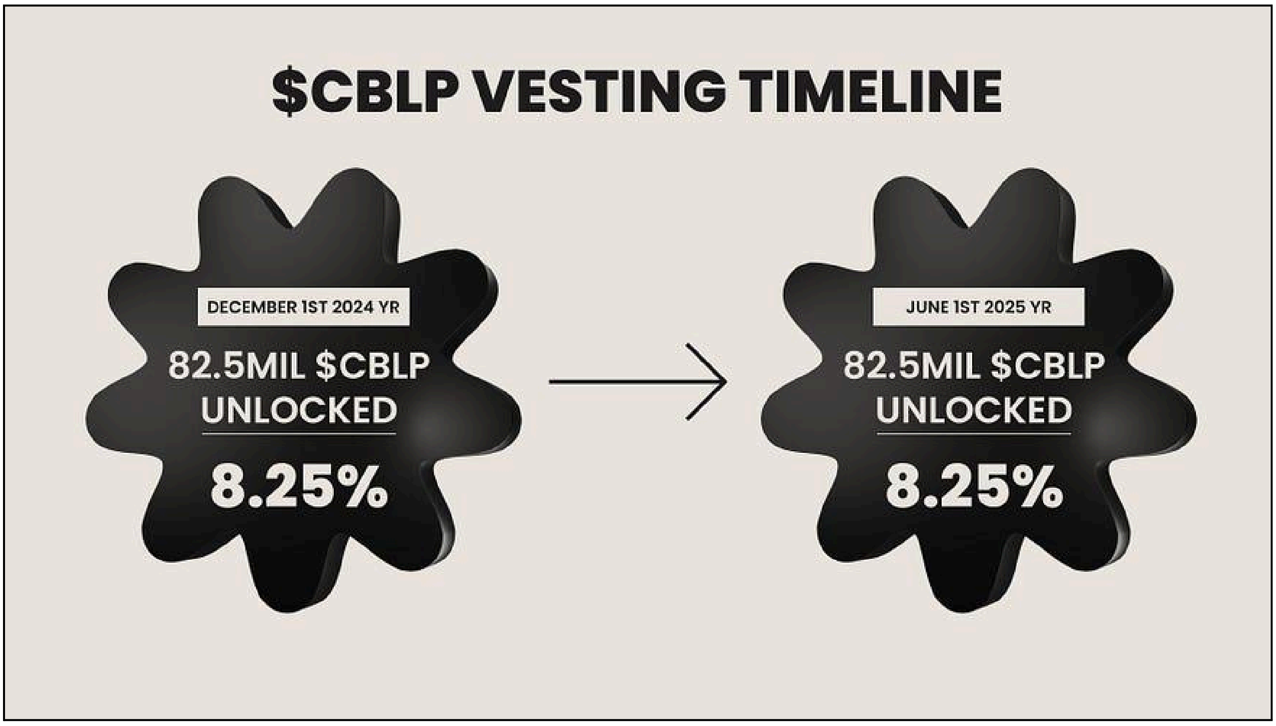
NFBO

5% of CBLP will be allocated for the NFBO event.

Development Team

19% of CBLP will be allocated for the core development team.

Big BLYMP Vesting Schedule.



Vesting Timeline: *The team’s vesting schedule is transparent and strategically aligned with long-term holder interests. The token distribution is structured in two equal releases of 82.5 million CBLP tokens each, with the first release scheduled for December 1st, 2024, followed by the second and final distribution on June 1st, 2025. This 6-month interval between distributions helps ensure steady market dynamics while demonstrating the team’s commitment to the project’s sustainable growth.*

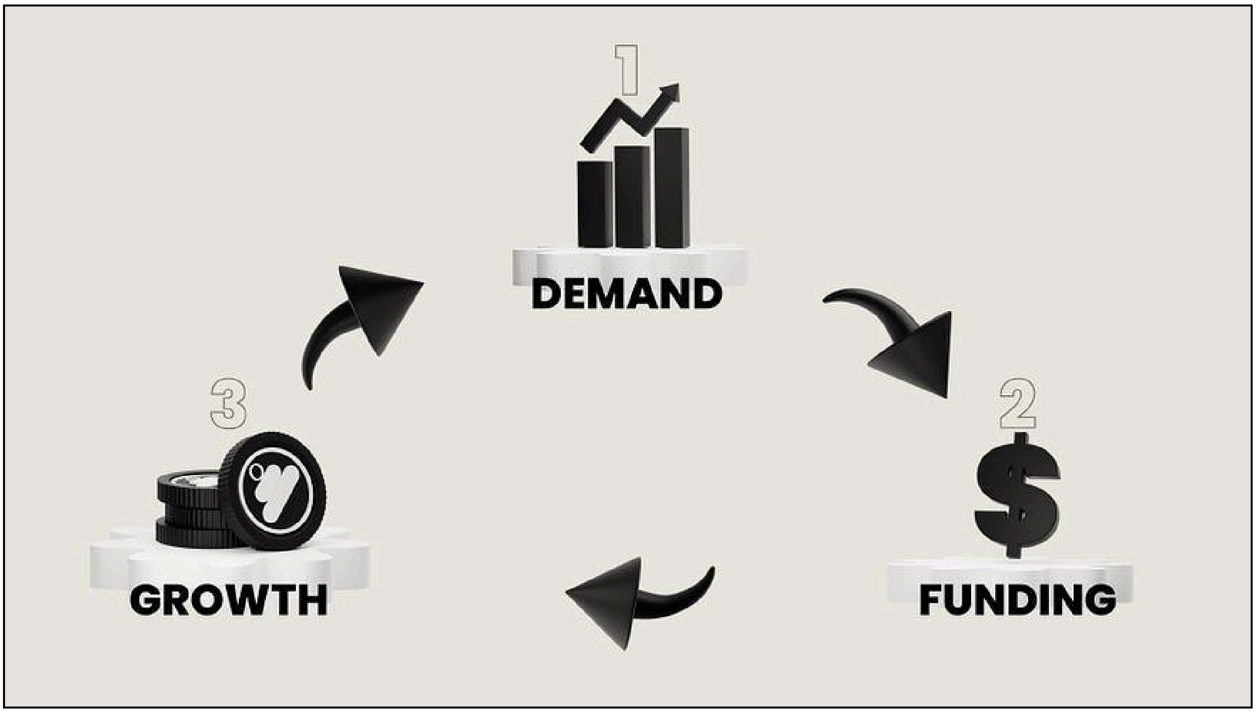
VI.1. Protocol Growth

Yamfore earns revenue by charging a multitude of fees for loans, such as the CBLP flat fee, accrued interest, as well as collecting the ADA staking rewards generated from the locked ADA collateral of borrowers. These various revenue sources boost the pool of funds available for issuing more loans, directly helping the protocols & CBLP's growth.

It's worth stating that CBLP token holders need to find the right fee level for loans. If the fees are too high, individuals simply won't want to take out loans. The perfect fee will have been temporarily found when borrowers are using all the stablecoin treasury available to be lent out.

The aim is to continuously grow the capital available for loans without significantly compromising the long-term growth of the CBLP tokens value. CBLP holders dictate this, by deciding how often tokens are released via the CBLP auction portal, and what percentage discount is offered to arbitrageurs. The CBLP auction event occurs every 24 hours (1 day), allowing anyone to acquire CBLP tokens cheaper than the market price, immediately benefiting from arbitrage.

The Protocol’s Growth Cycle.



VI.2. Capital Flow

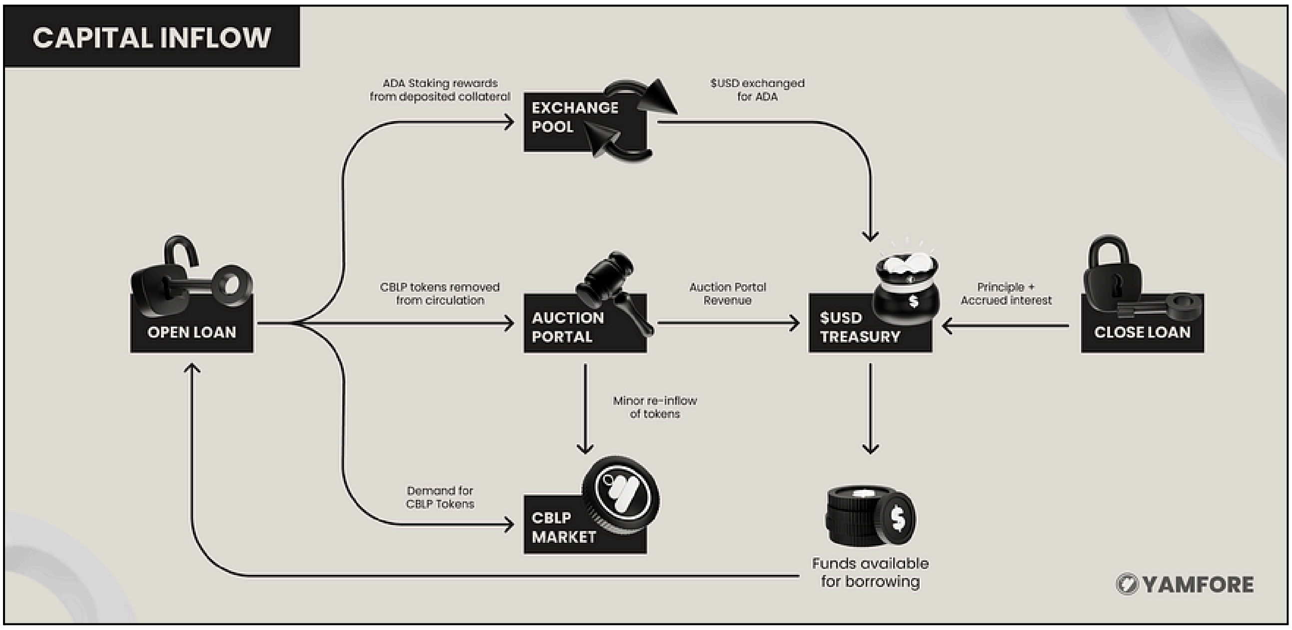
The Yamfore protocol features a dynamic capital flow designed to fuel its lending operations and ensure liquidity within the system. At its core, Yamfore's CBLP treasury is crucial for the protocol's financial activities. This treasury gathers fees from the protocol's operations, notably the CBLP flat fee paid by borrowers when initiating loans. A portion of these collected tokens is then allocated to the CBLP Auction Portal.

The CBLP auction portal serves as a platform where these CBLP tokens are offered to participants at a discounted price, effectively allowing users to provide liquidity by exchanging their stablecoins for CBLP tokens — a deliberate arbitrage opportunity to incentivize attracting more stablecoins into the protocol. These stablecoins are then injected into Yamfore's stablecoin treasury, directly increasing the funds available for new loans and supporting the growth of the protocol by expanding its borrower base.

This circulation of capital is a well-thought-out cycle aimed at self-sustainability. By converting the value from CBLP market transactions into stablecoins, the protocol ensures a steady reserve for lending while also managing the CBLP token's market presence to prevent significant price fluctuations. The frequency and quantity of CBLP tokens released for auction are governed by the CBLP holders, who determine the discount rates and vesting schedules, allowing them to influence the protocol's liquidity and capital management.

In essence, the capital within Yamfore flows from borrowers' fees into the treasury through the Auction Portal, where it fuels liquidity, and back into loans, creating a self-reinforcing loop that balances the protocol's growth with its market stability.

The Flow of Capital Through Loans, the Exchange Pool, and Different Stages of the Protocol.



VII. Governance

Yamfore utilizes a unique and novel approach to governance called "**Progressive Governance**".

The goal of Progressive Governance is to enable more participation in decentralized governance by simplifying the process and removing the multiple points of friction & centralization the average DeFi users experience. Progressive Governance in Yamfore simplifies the decision-making process by allowing it to happen directly on the blockchain.

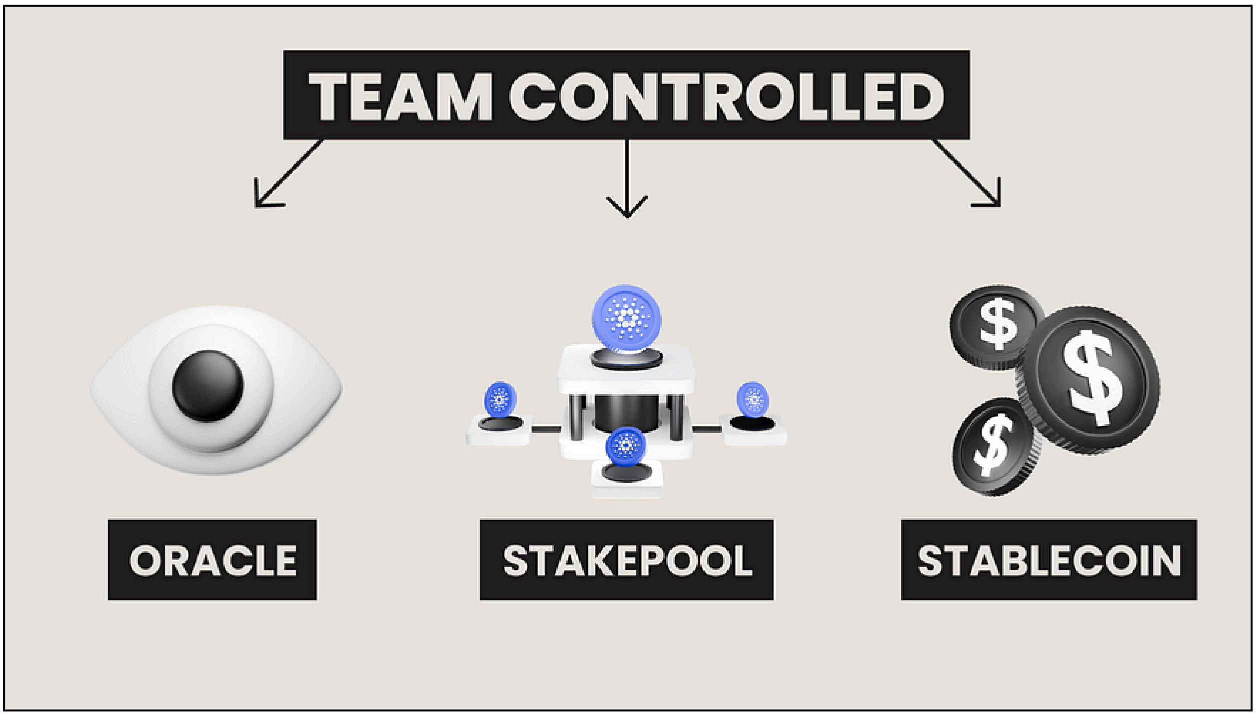
This means users don't need to register on separate forums or social media to weigh in on governance issues. Every CBLP token holder gets a direct and equal vote, ensuring fairness and transparency. Progressive governance remains a heavy work in progress, with more details scheduled to be released at a later date.

On-chain protocol parameters controlled via Progressive Governance.

PARAMETER	DESCRIPTION
$CBLP Flat Fee	The one-time fixed fee charged in $CBLP tokens for creating a loan
$CBLP Treasury	The vesting rate of the $CBLP treasury via the $CBLP auction portal
Fixed Interest Rate	The yearly fixed interest rate for all loan positions
$ADA Exchange Pool	The percentage discount on the market price of $ADA for arbitrageurs
Quorum Requirement	The minimum required $CBLP tokens staked in the consensus for a parameter change
Proposal Deposit	The minimum deposit amount of $CBLP tokens to submit a governance proposal
$CBLP Auction Portal	The percentage discount on the market price of $CBLP for arbitrageurs

***Note**: While Yamfore is built with decentralization in mind, some aspects currently require temporary centralized management due to a combination of technical constraints and carefully considered design choices.*

Team Controlled aspects of Yamfore.



VIII. Conclusion

Yamfore is reimagining the future of crypto lending with a protocol that puts borrowers in the driver's seat. With its forward-thinking design, borrowers can secure loans against their ADA without the usual worries — no due dates, no fear of losing their collateral with market volatility, and the freedom to repay on their own terms. This approach not only empowers borrowers to make the most of their digital assets but also opens up exciting possibilities for savvy trading moves using the protocol's unique NFT bearer instruments.

For those holding CBLP tokens, Yamfore is not just a lending platform but an opportunity to be part of a pioneering community shaping the protocol's journey. The value of CBLP is closely tied to the success and growth of Yamfore, offering token holders a stake in a project that aims to redefine decentralized finance. The protocol is aimed to operate in perpetuity on its own by automating as many tasks as possible and by dynamically incentivizing third parties to act in the interests of the project.

Yamfore invites both borrowers and token holders to embrace a vision of DeFi that is secure, user-centric, and brimming with opportunity — a true testament to the transformative power of blockchain technology.

IX. Disclaimer & Terms of Use

Before using the Yamfore protocol, end-users should be aware of certain inherent risks. The Yamfore protocol is an open-source collection of autonomously operating smart contracts on a blockchain. No single individual, organization, or governing body controls the protocol. Instead, CBLP token holders determine its development and direction. The Yamfore protocol is provided on an "as is" basis, and no developer or entity involved in its creation or promotion bears responsibility for any damages or loss of funds arising from its use. While the Yamfore protocol will undergo rigorous internal testing and external auditing before launch, there is always a risk of undiscovered bugs or exploits in its smart contracts. These, depending on their severity, could lead to partial or complete loss of deposited funds.

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