



BROTHERLYLEND WHITE PAPER





Contents

Abstract	2
Introduction.....	3
The Problem.....	4
The Solution	5
Understanding BrotherlyLend’s Concept.....	7
The Vision of BrotherlyLend.....	8
How It Works.....	10
In the Event of John Losing His Investment Position	12
Technical Description of BrotherlyLend.....	12
The Development Stages of BrotherlyLend Platform	17
Legality and Compliance of BrotherlyLend	18
Roadmap	19
Conclusion	21





Abstract

Cryptocurrency is a new concept but it is evolving at a fast pace. An overview of the cryptocurrency market gives a clear idea of what the trends are. Moreover, you can also gauge the potential of the blockchain technology. Anyone with basic knowledge of cryptocurrencies can safely say that cryptocurrencies are not just digital coins that one would feel like trading for a new t-shirt or a wristwatch on an online website.

The growth of cryptocurrencies like Dash, Ethereum, Bitcoin, Ripple, etc. is not a secret anymore. Within a matter of a few years, the values of these currencies have gone through the stratosphere. This exponential growth in cryptocurrency values leads to new market trends that early adopters of the crypto-coins didn't expect. The creators and early adopters thought they created a decentralized currency that could help them remove the middleman. Moreover, they assumed they could buy things at much lower costs.

However, cryptocurrencies with such values are not merely coins anymore – at least to their owners. With an increase in the values of major cryptocurrencies, their owners think they have the golden opportunity to be influential investors in the market. In a nutshell, they don't want to let go of their crypto-coins. At least, they don't want to buy goods that have no investment value.





Such a scenario has created perfect conditions for a platform like BrotherlyLend to exist. BrotherlyLend will help the owners of highly valued cryptocurrencies use their digital crypto-assets as securities. Hence, they can get a stable currency in their hands that they can use to buy day-to-day items. Moreover, they don't have to lose ownership of their currencies. As a result, their investments will rest safely with them while they are simultaneously able to use a stable digital coin for small transactions.

Introduction

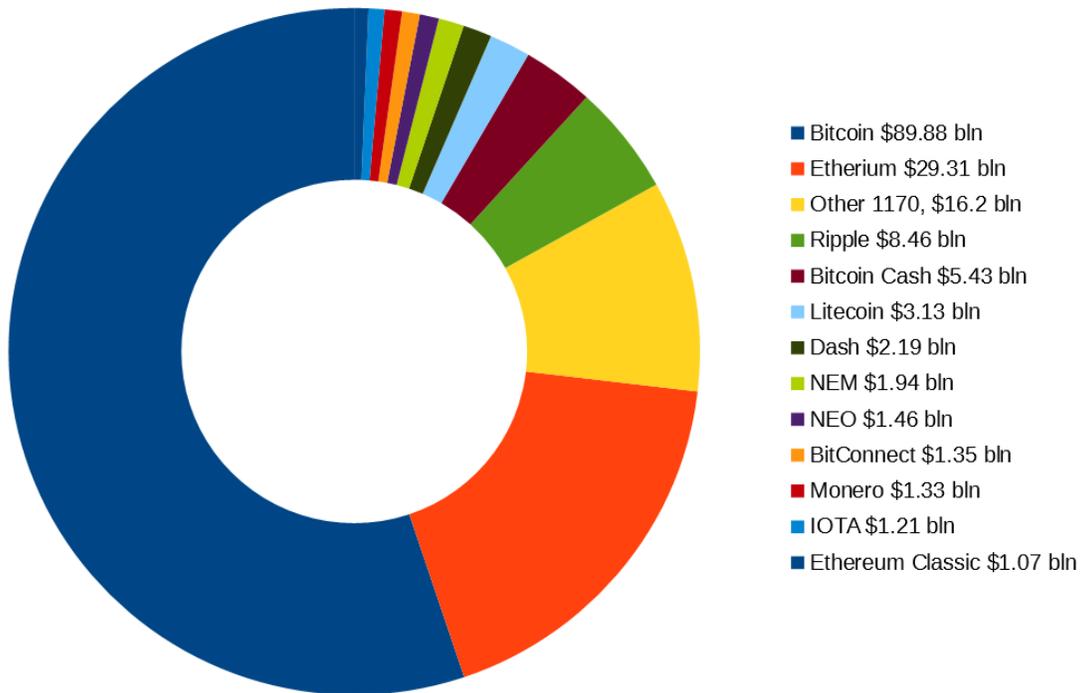
When Satoshi Nakamoto created the first successful and practical cryptocurrency i.e. Bitcoin, the world had not realized that this anonymous person/group had invented a revolutionary technology. At that time, Bitcoin was just a digital coin that people could use to buy items of daily use. All people knew was that they had created a currency that was not issued by a bank under the order of a government.





Cryptocurrency market capitalizations 2017.10.18

Source coinmarketcap.com



[\(Image Source\)](#)

The Problem

The early adopters of the cryptocurrency soon realized that the implications of blockchain were far-reaching. As time passed, the value of early cryptocurrencies rose tremendously. At the time of writing this whitepaper, one BTC is equal to 6,688USD. The value is enormous and those who own bitcoins would never want to trade for a Big Mac





or a Starbuck's Cappuccino. If that does not make sense, then answer this question. Would you sell your house to buy a slice of pizza? If not, why?

The answer to that question is exactly why those who own Bitcoin, Ethereum, Ripple or other similar currencies would not want to trade their cryptocurrencies. However, such a trend will freeze the cryptocurrency markets. No one will ever want to sell their house (cryptocurrency) to buy a cheeseburger.

The Solution

BrotherlyLend has arrived to solve that exact problem for those who own these highly volatile yet exponentially valued cryptocurrencies. Rather than forcing these individuals to shell out their cryptocurrencies in the market, there has to be a solution that promotes the use of cryptocurrencies while keeping everyone happy. BrotherlyLend achieves that by allowing owners of the cryptocurrencies to take out loans against their crypto-coins.

In this model, cryptocurrencies will act as securities that investors can use to get some cash in their hands. This will keep coins flowing in the blockchain market, as borrowers will now be able to make small purchases with the loan they get. At the same time, they never lose the ownership of their crypto-coins. When they return the loan amount as per the terms and conditions, their investment comes back to them.





COINTELEGRAPH
live cryptocurrency community opinion

BTC MERCHANTS BY CONTINENT IN NUMBERS



NORTH AMERICA
2442



EUROPE
2060



ASIA/RUSSIA
370



SOUTH AMERICA
333



AFRICA
37



OCEANIA
193





[\(Image Source\)](#)

Understanding BrotherlyLend's Concept

Let's say you have 1,000 Bitcoins. The value of the Bitcoins you own based on the value stated above will be around 6,688,000. What this means is that you have quite a lot of wealth in your hands. What do you do when you have this much money? You don't spend it on buying delicious food or depreciating exotic cars. You want to invest this money to double or triple its value.

However, you can't let go of your Bitcoins because you know they are going to increase in value even more. Selling them will not be wise right now. That's where BrotherlyLend comes in.

With BrotherlyLend, you can use your 1,000 BTC or some portion of them to take out a loan. You can use this loan to fulfill your business or personal needs. When you return the borrowed amount, you get access to your Bitcoins again. In short, you met your immediate needs without spending your highly valuable and investable currency.

The best part of BrotherlyLend, as the name suggests, is that it makes loans affordable for you by removing fluctuating and exorbitant interest rates. BrotherlyLend charges only a small fee based on the amount you borrow.

- You pay a \$10 fee to get loans of \$1000 or less.





- You pay a small fee of just \$50 for any loans with a value of over \$1,000 or less than \$5,000.

The repayable loans will have lenient regulations so returning them should not be a problem for borrowers. The absence of interest rates will make BrotherlyLend the most affordable and sensible loan choice for anyone interested.

[The Vision of BrotherlyLend](#)

One of the misconceptions about money is that it has to have a form. When you imagine money, you think of banknotes and coins. However, that's a very limited and narrowed way of defining money. According to the famous journalist and hacker, Yuval Noah Harari, anything that you are willing to exchange for another thing while trying to match their values is currency. In the past, people used to do barter trade. In those times, everything exchangeable in the market was money i.e. salt, spices, meat, etc.



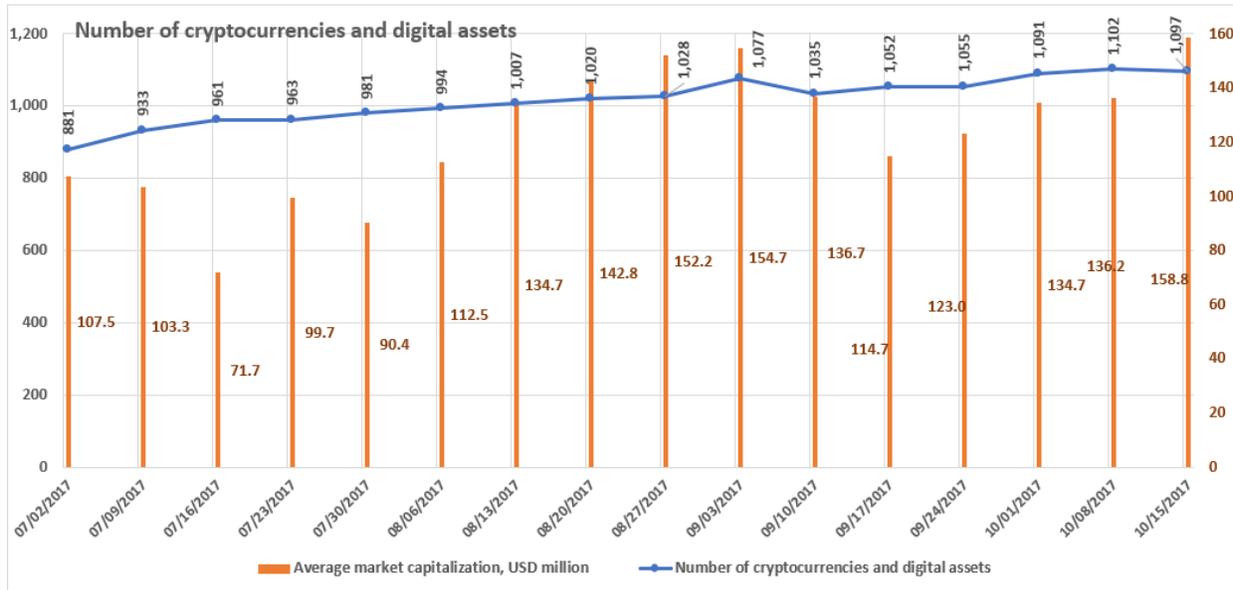


Figure 1.3. Number of cryptocurrencies and digital assets

[\(Image Source\)](#)

Cryptocurrency is the most advanced form of currency. What makes it unique is that it does not have a physical existence. Bitcoins, Ethereum Tokens, Monero, Ripple, etc. are just numbers in the binary fabric. Being a currency, cryptocurrency has to perform all the functions and serve all the purposes that today's plastic or paper money serves. However, the owners of cryptocurrencies cannot enjoy this liberty.

If you own cryptocurrency and go to the bank to put it as collateral, the bank will not entertain you. The bank knows about cryptocurrency but it still does not have any policies, regulations, and laws that would allow it to keep the cryptocurrency as a





security to forward some other type of loan. A bank can forward a loan to a new homeowner by keeping his/her home as security. If they don't pay back the loan, the bank acquires the property. However, the banks are still shying away from treating cryptocurrencies in the same manner.

The vision of BrotherlyLend is this:

- Be the foundation of a world where cryptocurrencies can be used as a security/asset just like any asset in the physical world.
- Create a platform that would allow the transactions of this nature wherein a cryptocurrency would act as an asset/security.
- Put together a system where banks won't intervene, forward loans to cryptocurrency owners, and take away a huge chunk of their crypto-wealth in the form of interest.

For BrotherlyLend, a small fee is enough for cryptocurrency owners to put their valuable coins as a security.

How It Works

John owns a good number of bitcoins that he has been holding for a couple of years now. John wants to start a small business (perhaps a small store) and needs money for that. He contacts the bank to get the loan. As is expected from the banks these days,





they reject his loan application because of the size of his business. Perhaps, the bank looked into his credit history and thought of him as a high-risk client.

John can now go to a currency exchange, shell out his bitcoins, get the desired amount of money, and comes back home happy. However, John realized as he steps inside his house that he has made a huge mistake. Before he left the house, he had an investment position. However, he does not have that position because he gave his coins at the money exchange counter.

The best way for John is to go to a platform where they specifically take cryptocurrencies as a security and forward loans in the form of fiat currency. That's where BrotherlyLend comes in.

John can go to BrotherlyLend and follow these four steps to use his cryptocurrency as a security:

- John opens the BrotherlyLend website
- He looks for the loan application and fills it out with correct information
- He then use as many bitcoins as he wants as a deposit
- BrotherlyLend accepts John's application as well as bitcoins
- John receives the money against his bitcoins in 24 hours.





In the Event of John Losing His Investment Position

One of the characteristics of cryptocurrencies is their volatility. Thus, their values can go up and down by significant margins in next to no time. At the time of putting a cryptocurrency as a security, there is a perfect way to overcome this issue of volatility. What if John could opt for a 30% to 70% repayment-to-collateral ratio?

Using this method, John can access 70% of the amount he has deposited in the form of bitcoins as a loan. In the case of currencies like Bitcoin, the fluctuations can be significant and thus 50% ratio is not unadvisable.

Technical Description of BrotherlyLend

- The smart contracts that will guarantee and protect the integrity of the agreement will be ethereum-based.
- The wallet will require multiple signatures to secure the amount of the collateral asset.

The following entities will be a part of every signature address that will be secure the terms and conditions of the agreement.

- The BrotherlyLend service for escrow account
- The lender
- The borrower





Here are the credit flow possibilities for a borrower who benefits from the BroCoins.

- The system lends the required money to the borrower based on the agreement
- The borrower pays back the loan before the agreed date
- The borrower makes at least some part of the payment before the agreed date
- An extra deposit from the borrower triggers loan extension

As per the agreement, the security has to go back to the borrower as soon as he/she repays the loaned amount. There are two possibilities in this scenario.

- The borrower repays the loan early
- The borrower repays the loan on the agreed date

If the borrower makes an early payment, the following two possibilities arise.

- The borrower makes early repayment in the full amount of the loan
- The borrower repays early but only a partial of the loan amount

A repayment as per the agreement triggers a complete disbursement of the security back to the borrower's account. However, if the borrower cannot return the loan amount within the agreed-upon timeframe, the security transfers to the platform where a part of it is used for compensating for the damages of the breaking of the contract.

Any amount that remains after the compensation goes back to the borrower.





Here are the three main components of the BrotherlyLend system that every borrower should understand before becoming a part of it.

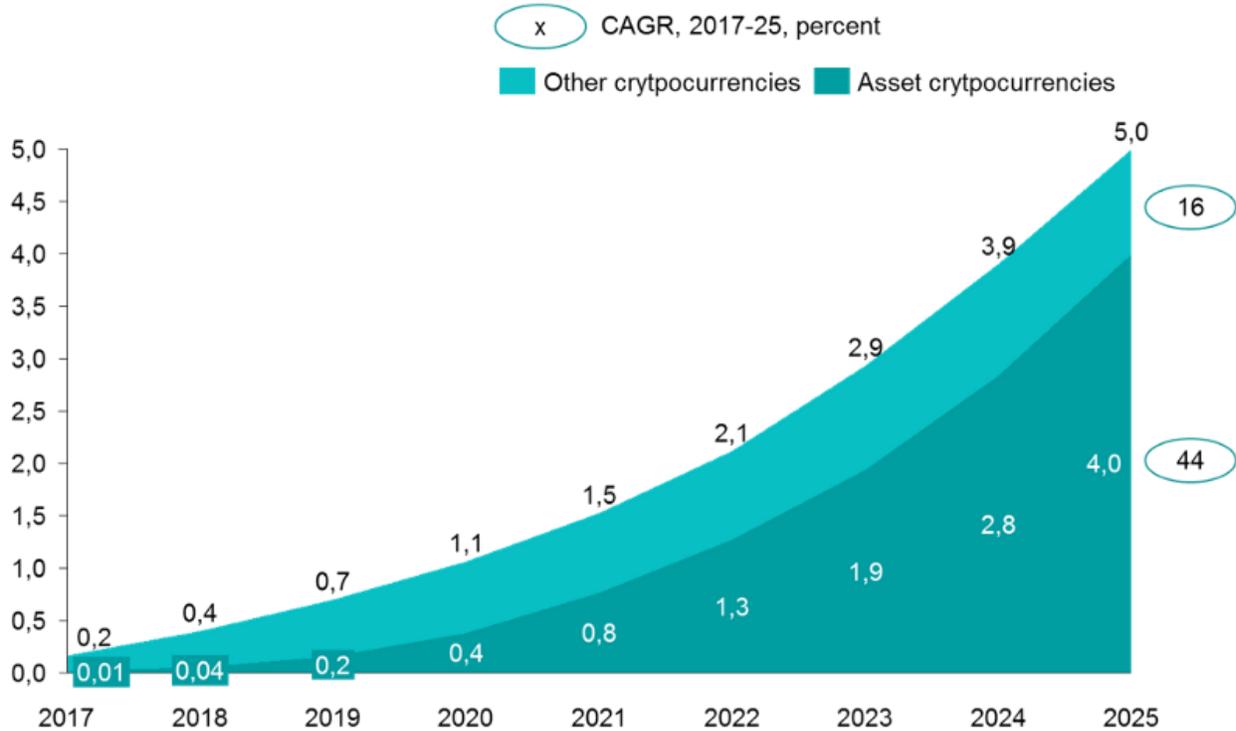
The Currencies Available for Loaning

The system will allow borrowers to get the loan in all major fiat currencies of the world. However, in the initial stages of the platform, the loan will be available in US dollar and Pound Sterling.

The Currencies Available for Collateral

When the platform launches, borrowers will be able to use Ethereum and Bitcoins to put as collateral to get the loans. They can also use the platform's own currency, namely BroCoins. The platform will include more currencies for collateral later on. However, the preferred currencies on the BrotherlyLend will be those whose market capitalization will be high.





[\(Image Source\)](#)

The BrotherlyLend Exchange

The exchange will be available for borrowers to sell and purchase several types of cryptocurrencies. They will also be able to exchange BroCoins.

There are certain advantages available to the borrowers if they choose to exchange BroCoins on the platform. Some of the advantages of using the platform's own currency include the following:





- The borrowers who use BroCoins will be able to take advantage of privileged terms and conditions.
- If the borrower acquires membership of the platform, they will be able to enjoy discounts of up to 60% across the platform on paying various types of fees.
- Nearly 50% of the discount amount in USD will take place in the form of BroCoins.

There will be two types of funds on the BrotherlyLend platform to regulate and manage the loans and collaterals.

- The borrowers will have to use a BrotherlyLend Safety Fund for the purpose of countering a huge difference in the loan and the collateral amount. The collateral and loan amount difference can be the result of a huge value fluctuation in the price of the collateral currency.
- There will also be a credit fund that will act as a benchmark for the platform to give out loans. The platform will allow only a specific number/volume of loans based on the credit fund. The credit fund will continue to get bigger with time but at the time of the completion of the ICO, it will be a little more than \$20 million.

Following are the parameters of the loan on the BrotherlyLend platform.

- The ratio of Repayment to collateral
- 0% interest rate





- The length of the credit
- The amount or size of the loan
- Currency of the collateral
- Currency of the loan

The Development Stages of BrotherlyLend Platform

Making the Platform Operational in Major Global Markets

This will be the initial phase of putting the platform in the practical world for use. The last quarter of 2018 will mark the inception of the platform. At this stage, the developers of the platform will be constantly working to optimize it for the borrowers in various parts of the world and on virtually all the major mobile and desktop devices. The first major markets in which the platform will be available include American, Asian, and European.

One of the major goals in this phase will be optimization and functionality of the credit fund.

Marketing the Platform and Acquiring Customers

The successful development and optimization of the platform will mark the end of the first phase and the start of the second marketing phase. The team will work to introduce the platform to the world while using its network and public relations. Furthermore, it





will come up with strategies to acquire more and more customers. User retention will be just as big of a focus as acquiring new customers. The optimization of the platform will be ongoing to ensure it is user-friendly and welcoming enough to encourage more users to join.

Development and Implementation of BrotherlyLend API

The third phase will be a critical one for BrotherlyLend. At this point, the developers will create their API to achieve the integration of their platform on various wallet services and cryptocurrency exchanges. The use of the API will allow financial institutions to forward loans to the borrowers in fiat currencies in exchange for BroCoins and other cryptocurrencies.

Legality and Compliance of BrotherlyLend

BrotherlyLend is a limited company that facilitates owners of crypto-coins in obtaining loans in the form of fiat currency. In the process, BrotherlyLend accepts the cryptocurrencies from the borrower as a security/collateral. It is a completely legal entity with registration in United Kingdom. The company will operate legally and for its operations, it will partner with institutions that provide loans in the form of fiat currencies. All the transactions will take place only after obtaining the proper financial licenses and formal signing of the contracts.





The company also enables the sale and purchase of tokens on its platform. In addition to issuing loans in the form of fiat currencies, BrotherlyLend holds the rights to issue the same in cryptocurrency format should the need arise in future.

Here is an understanding of the legality of various components of BrotherlyLend system.

- BrotherlyLend will promote and implement the KYC procedures i.e. know your client, for accepting investments. The use of this standard will ensure no money laundering intents are nourished and promoted on the platform.
- Paper securities are not to be confused with BrotherlyLend or the services it provides.
- BroCoins are utility tokens.

Roadmap

January 2018

- We form a team of developers
- We create and check the feasibility of the concept
- We plan the launch
- We continue with ongoing research

May 2018

- We start developing the platform based on the concept





- We start developing the tokens

August 2018

- We file the patent to protect the legal status of our solution

September 2018

- We make the platform official and announce it publicly

October 2018

- We run a private round of sales

November 2018

- We run the round of presales

First Quarter of 2019 (A glimpse of the first release of the platform)

- We calculate the repayment to collateral ratio
- The idea of loan against collateral becomes practical
- We introduce the terms around extensions of loan payment options
- We present options pertaining to early payments
- The platform starts working
- Usage of BroCoins, Ethereum and Bitcoins possible as collateral currency





Second Quarter of 2019 (An insight of the second release of the platform)

- Collateral now possible using multiple currencies
- Introduction of BrotherlyLend debit and credit card
- Third party wallets and exchanges can now use BrotherlyLend API to offer fiat loans against cryptocurrencies

Third Quarter of 2019 (An insight into third release of the platform)

- Allowing currencies other than Bitcoin and Ethereum to be used as collateral
- Introducing decentralized decision making
- We launch our iOS and Android mobile application

Last Quarter of 2019 (Decentralization of the Platform in Completion)

- Creation and launching of BrotherlyLend's exchange based on decentralization
- Implementation of decision making based on decentralization
- Introducing smart contracts deals and multi-chain transactions

Conclusion

Once BrotherlyLend becomes fully functional, the cryptocurrency world will see a true boost. Our platform will make cryptocurrencies more viable in the real world. Owners of highly valuable cryptocurrencies will have a way of using their digital coins for their benefits without leaving their investment position. Borrowers will enjoy loans without





any interest and against only a small fee of \$10 or \$50 based on the size of the loan. In the end, BrotherlyLend will open doors for cryptocurrencies to flow into the real world from the digital realms and allow cryptocurrency owners to find value in their crypto-assets even when they are not directly investing their holdings.

