

Extreme Crypto Market Collapse 2022: How to Save Your Coins with Reliable Crypto Loans

Extreme crypto market collapse facts in 2022 and the explained way to avoid your personal crypto crash.

KINGSTOWN, KINGSTOWN, SAINT VINCENT AND THE GRENADINES, August 19, 2022 /EINPresswire.com/ -- The main reason for the 2022 crypto market collapse is simple: the major lending protocols implemented high-risk investment strategies in the pursuit of profit and failed. This caused fear well beyond the lending market and sparked a wave of liquidations. Moreover, it became a personal tragedy for millions of people: many have lost all their life savings that were thought to be secured with the UST stablecoin. It was reported that some investors committed suicide due to the Terra (LUNA) price crash.

Like any previous meltdown, this crisis was a test of strength for crypto companies – and it highlighted [reliable lending services](#) that manage customers' funds with care, which you definitely need to check out. Let's see how reckless governance wiped out major platforms and how you can spot a service that will treat your deposit responsibly.

How Greed Rocked the Market

Here's a few examples of how irresponsible management caused the greatest market crash in 2022:

- Anchor protocol offered an insane 20% interest rate on UST deposits – and experts warned this



Bitcoin collapse 2022



Crypto fall

APR is too high to maintain. Soon, the fears got confirmed: the platform owed much more than it could pay, so the protocol went bust. Thousands of users who kept their life savings in UST lost everything in just a few days.

- Celsius Network, a US-based lending platform, invested in third-party companies which caused a suspension of withdrawals and the bankruptcy statement – customers doubt if they'll see their money again. The platform's hole in the balance reached \$2.85 billion.

- Another lending platform Hodlnaut also halted swaps and withdrawals – due to losses caused by the UST crash and the overall decline of crypto prices. The company might owe up to \$500 million to its users. Hodlnaut's YouTube channel and the platform CEO's Twitter account have been deleted.

- Three Arrows Capital (3AC), a cryptocurrency hedge fund, now has about \$2.8 billion of unfulfilled obligations to its customers – and also to creditors like Celsius and BlockFi who have suffered themselves. Overconfident attempts to recoup after the crypto and Bitcoin collapse were the main reason why the company went bankrupt.

- BlockFi crypto platform used to issue loans to 3AC, but reached out for help itself this time. The company had \$600 million of crypto loans not covered by collateral in Q2, which endangered funds of thousands of its customers. A credit facility of \$400M keeps BlockFi afloat.

All these companies wished to maximize their gains using users' funds – they leveraged high-risk investments in DeFi protocols and offered gigantic APR that was impossible to fulfill. Reckless attitude to users' funds deprived people of their hard-earned money and caused a major crypto crash.

But the question arises – are there companies that get through the crisis smoothly?

Crypto winter – time to expand

Here's the truth: it's not the crisis itself, but poor management that makes companies in crypto fall. Some of them feel well even amidst the turmoil. For instance, some of the largest exchanges not only grow but invest in struggling crypto projects to save them.

They issue loans to affected lending services and continue fulfilling obligations to users no matter what. Some of them even expand operations and hire new team members.

How to Save Your Digital Assets from Crypto Collapse?

Every crisis has a major benefit. It wipes out platforms where you wouldn't like to invest and clearly shows what crypto projects remain stable no matter what happens.

How do you spot a reliable lending service? We will explain on the example of [CoinRabbit](#) – a platform that continues to unconditionally fulfill obligations to its users.

- Users' funds are not used in risky investments to increase APR; liquidity is always at hand. CoinRabbit's model is simple: it makes money on loans, so it always has sufficient funds to make interest payouts on users' deposits. CoinRabbit doesn't use customers' money in any other way, including investing it in third-party projects in the pursuit of profit. Hence, the service just can't lose clients' money as it simply stores it.
- No crazy interest rates. CoinRabbit doesn't offer yields above the market and thus always has the means to pay what is promised. 8% APR on deposits is a moderate percentage that the service can provide undoubtedly. Extra yields always imply higher risks: greater interest numbers look attractive, but when the crisis comes and the service can't pay them out, users lose millions of dollars.
- Safe storage of funds. CoinRabbit keeps customers' money on cold wallets protected with multiple layers of security. Private keys are constantly updated and can be accessed from just a few selected IP addresses.
- AML protection. CoinRabbit doesn't ask customers to go through KYC checks, but it leverages an anti-money laundering system to protect funds from fraudsters.
- Risks and the potential are assessed. CoinRabbit constantly evaluates the market dynamic, so the service is prepared for any kind of volatility. Could Bitcoin crash or grow? No one knows for sure, but thorough market assessment helps CoinRabbit secure its growth from shocks and continue to evolve even in the bear market.

Secure Your Funds with Reliable Services

In the midst of a crypto market crash, it may seem that the industry collapses and there is no good future for crypto. But as any crisis is largely caused by irresponsible management, there are always platforms that treat users' funds with care and withstand any turmoil. Do your due diligence before investing, avoid interest rates that look too good to be true, and we hope that whichever service you choose to make a deposit, your crypto remains safe.

With CoinRabbit, you can rest assured that your funds are safe in any market situation. They handle their customers' money with care: coins are stored on a cold wallet and they never reinvest them anywhere else. Check out their website to see what they offer: KYC-free crypto loans, deposits with daily interest payouts, and a [blog](#) with platform reviews and tips for crypto loans.

Liza Zut

CoinRabbit

+7 9818602999

[email us here](#)

Visit us on social media:

[Twitter](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/586878177>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2022 Newsmatics Inc. All Right Reserved.