

The Research on Crypto Lending Market Shows the Accurate Way to Make Profit

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[/EINPresswire.com/](https://www.einpresswire.com/) -- According to the last crypto lending market research there are a few points to be aware of to obtain a good profit from the crypto lending. Usually when an investment opportunity arises the beginners make a basic mistake of investing their own funds in the promising assets. Instead of selling cryptocurrency and withdrawing it through several platforms, you can act rationally by using the funds in the account as collateral to get spare — lent — cryptocurrency for circulation and investment.

For making the profit on crypto lending each borrower should consider an investment strategy for the loaned funds. The detailed explanation of the most profitable strategies read in this article:

<https://www.techtimes.com/articles/280824/20220920/4-ways-to-earn-money-with-a-crypto-loan.htm>

Then it is not less important to do your own research on the crypto lending platforms, according to the latest market changes. Each platform has its own conditions and advantages, which you need to consider.

When issuing a crypto lending, its price is still calculated in USD at the time of the transaction. Cryptocurrency here acts as a way to transfer funds. When the loan is repaid, the borrower returns the same amount in USD that he took, along with interest. If the price of the



Crypto loan strategies



Borrow against crypto

cryptocurrency has increased during this time, then in terms of it, the borrower will return less than he took.

This is what creates the conditions for long-term investors to profit from the growth in the value of not only collateral but also the body of the loan.

For example, a borrower takes \$1 thousand in Bitcoins at \$3 800 for 1 BTC and receives 0.2632 BTC. When the price of Bitcoin rises to \$10 thousand, it will return \$1 thousand, but the amount will now be 0.1 BTC.



Risk and return in crypto lending

One more detail to be considered for successful lending is the avoiding of the common mistakes while [lending coin](#) for further investment. The overview on this topic you can find in the article about crypto lending mistakes.

There is an advantage of coin lending is faster transactions compared to bank transfers. At the same time, the borrower does not provide lots of personal data to a third party and may not be afraid of freezing assets.

In general, 90% of loans in cryptocurrency are taken to fill the liquidity deficit. Margin traders and other users who do not want to sell their positions take highly liquid coins and loan tokens. Investing the funds in side projects with the benefit, they return the loan, and get their cryptocurrency back.

Best companies for crypto lending

Of course, one of the key factors of earning through lending coin is a competent choice of sites. And popular media, forums or Internet platforms will give a hand, regularly compiling collections of the best platforms for crypto loans. Here are the most discussed in media companies:

CoinRabbit.io. A platform that has recently conquered the market for [cryptocurrency lending](#) in popular stablecoins: from Ethereum to Tether. It is easy to borrow cryptocurrency: choose the currency of the loan, catch the moment for a profitable LTV (Loan-to-Value) ratio and get cryptocurrency to the account without monthly payments. That is why CoinRabbit.io occupies a leading position among all services for cryptocurrency loans.

Aave. The cross-chain protocol works with Polygon, Avalanche, and Ethereum networks. Support for three dozen currencies, there are floating and fixed rates. The deposit can be left both in stablecoins and in other tokens.

BlockFi. This centralized financial (CeFi) crypto platform, in addition to buying and selling cryptocurrency assets, offers users the opportunity to receive interest from their cryptocurrency, take loans in US dollars using their coins as collateral, and spend it through a BlockFi Bitcoin credit card. The users also allows can pledge special checks or rely on the help of intermediaries;

It is important to note that all services are either centralized or decentralized — DeFi. If there are no requirements for the borrower in the DeFi sector, except for the provision of collateral, then in centralized projects it is usually necessary to additionally provide personal data. And choosing the best and most suitable option is up to everybody.

CoinRabbit.io has got the 1 position in Crypto Lending according to Finance Magnates.

As the leader of the list, CoinRabbit.io offers one of the best services in the entire [crypto collateral loans](#) market, issuing loans in more than 140 stablecoins. The process of receiving funds here takes only 15 minutes. The cryptocurrency received during the loan is at the full client's disposal until he wants to return it — there is no limit on the time of use.

When registering, the platform does not require clients to pass KYC (Know Your Customer), and a loan can be taken in the first seconds after registration, without making any monthly payments. Users only pay the total commission for use and, in some cases, the gap by LTV.

The strategy matters

After receiving crypto backed loans, it is necessary to find a reliable way of investing that could bring a high, and most importantly — stable, income. Moreover, crypto collateral loans are no different from the usual one — with the only condition that the funds are not on any platform or exchange, they are freely available on a crypto wallet. Therefore, customer funds are completely at their disposal.

For this reason, it is possible both to select investment options for ordinary cryptocurrencies and to expand the investment horizon, moving from the usual cryptocurrency trading to the purchase of tangible assets.

Conclusion

Cryptocurrency loans tend to be the future of investing and earning in the FinTech sector. The research shows that in addition to withdrawing funds from exchanges and platforms, crypto loans can also be highly profitable when adjusting the LTV level and taking into account the collateral and lent cryptocurrency indexes.

This is especially relevant when choosing the right platform with comfortable conditions of use and choosing an elaborate strategy for regulating loan processing and repayment operations.

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