

# TextileCredit Launches No-Code Debt Tokenization Feature, Bringing Programmable Private Credit On-Chain

*First live feature marks major milestone in Textile's roadmap to decentralize trust, underwriting and capital formation in the \$8 trillion global credit gap.*

CA, UNITED STATES, February 11, 2026 /EINPresswire.com/ -- [Textile](#), a decentralized lending protocol building programmable infrastructure for private credit, today announced the launch of its no-code debt tokenization feature — the first live component of its broader roadmap to transform the traditional credit supply chain into an open, composable capital graph.



TextileCredit Logo

The release enables fintech lenders, institutions, and individuals to [tokenize](#) debt pools without writing smart contract code, lowering the technical barrier to entry and expanding global participation in private credit markets.

## Transforming the Credit Supply Chain

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Founded by Benoit Nolens and Tomer Bariach, Textile is a decentralized protocol building programmable infrastructure for reputation-driven lending.”

*Press Editor*

Textile is designed to address what its founders describe as an estimated \$8 trillion global credit gap — a shortfall driven not by lack of demand or yield, but by inefficiencies in how capital is aggregated, verified, and distributed.

In the traditional model, capital flows through multiple layers of intermediaries — from banks and family offices to funds and fintech lenders — creating friction, opacity and limited access. Textile replaces discretionary trust and bilateral relationships with programmable infrastructure,

allowing credit to move through deterministic smart contracts and verifiable data systems.

At the core of the protocol are Debt Pools, represented by ERC-20 compliant Debt Tokens, which encode credit structures directly on-chain. Through the new no-code interface, lenders can tokenize structured credit products — including waterfalls, covenants, seniority and reserves — as smart contracts without requiring technical expertise.

#### Key Features of Textile's Debt Tokenization

- Decentralized Credit: Participation without reliance on traditional intermediaries
- Tokenized Debt: ERC-20 debt tokens tradable on secondary markets
- Continuous Compounding: Interest accrues every second
- Revolving Credit: Borrowers can draw and repay multiple times
- Global Access: Open participation for individuals and institutions worldwide

Through the platform's staking [mechanism](#), capital providers can deposit funds into a borrower's credit pool and receive Debt Tokens in return, earning yield as lenders within the ecosystem.

#### Building the Missing Infrastructure

According to Textile's May 2025 working blueprint, Textile: Programmable Private Credit, the private credit market lacks two foundational layers necessary for scalable coordination:

- A Financial Layer enabling permissionless participation and structured liquidity.
- A Data Layer allowing verification without compromising proprietary borrower information.
- The no-code debt tokenization feature represents the first operational step in deploying the financial layer.

Upcoming components of Textile's roadmap include:

Secondary Market Vaults designed to underwrite duration risk rather than rely on volatility-based market making.

Structured Vaults that encode immutable allocation rules (e.g., diversification caps, repayment history thresholds) directly into smart contracts.

Insurance Vaults, where underwriters post bonded capital that can be programmatically slashed upon objective failures such as missed repayments or servicing interruptions.

#### Privacy-Preserving, Verifiable Credit Data

Beyond tokenization, Textile is developing a robust data infrastructure aimed at enabling trustless capital formation. The protocol separates data from disclosure through cryptographic commitments, including Merkle-root based dataset fingerprints, allowing fintechs to submit encrypted off-chain data while proving portfolio-level properties on-chain.

Cross-source validation — matching open banking data, invoicing systems and logistics APIs —

ensures integrity without exposing borrower-level details. Programmable disclosures enable capital providers to verify metrics such as default rates or concentration limits through cryptographic proofs rather than manual due diligence.

### Toward an Indexed Credit Future

Textile envisions a future where private credit operates more like programmable equity indices — transparent, rules-based and globally accessible. By encoding risk constraints, verification logic and allocation rules into composable smart contracts, capital can flow passively and efficiently across a diversified set of credit providers.

The newly launched no-code tokenization feature marks the protocol's first live implementation of this vision.

As Textile continues to roll out advanced transparency tools, structured vaults and insurance mechanisms, the platform aims to unlock participation at the "long tail" of the credit market — enabling fintech lenders to access global capital without sacrificing data ownership, and allowing capital providers to gain diversified exposure backed by enforceable, on-chain guarantees.

Textile describes itself not as a lending platform or fund, but as infrastructure for a programmable private credit system — one where verification replaces trust and discretion is replaced by code.

More features focused on data transparency, risk tooling and composability are expected to follow in subsequent releases.

Note: All Crypto activity involves risk. Do your own research

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