

Perpetual Loans for All Creators

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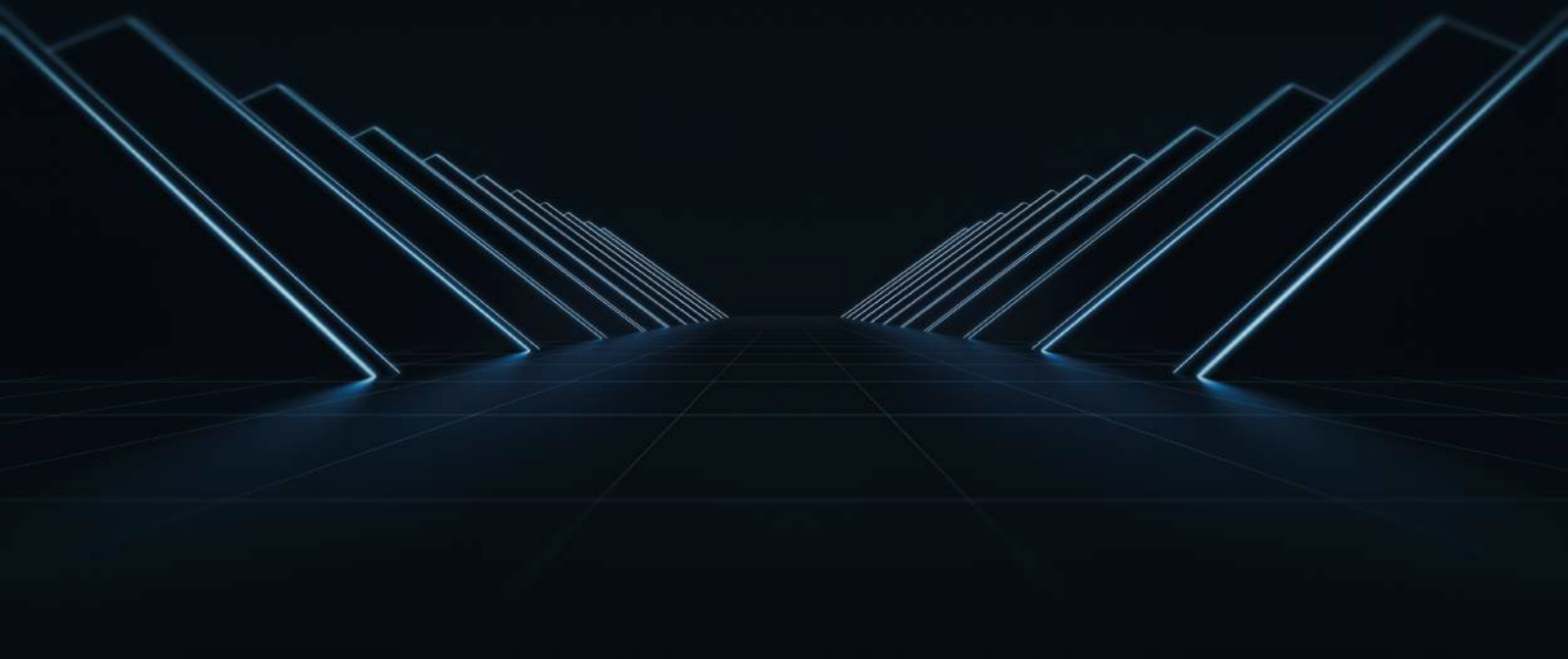


Financing of Creators Motivation

Finding a start financing in the creative economy is a great challenge especially for newcomers. As many entrepreneurs in this segment discover, sometimes it is much easier to give away a good idea than to make a business out of it.

Creativity, by definition, disrupts what went before; it's about new ideas, new technologies, new products, new services, and new ways of doing things. Driven in large part by the digital revolution, many creative industries are not just creative in what they do; they are also creative in how they do it.

Raising finance may be difficult for several reasons. Banks and investors tend to be conservative; they like certainty. They are unlikely to be impressed by an enthusiastic entrepreneur who is convinced that an entirely new and untried idea, whether it is a design, a software tool, a fashion concept, or a videogame, is going to be a commercial success. Furthermore, banks want collateral for their loans but many creative businesses have no capital assets to offer as safety.



Rationale

Investors specializing in the creative industries may indeed recognize the entrepreneur's genius but, in return for their investment, they want some ownership of the idea and therefore some control of how it is developed and marketed. This may not seem acceptable to the entrepreneur who prefers debt-finance in the form of a loan rather than equity finance in the form of sharing ownership with the investor.

We, at DeTech, want to change this and to enable start financing to all creators.

Our main idea is built on the fact to provide a start financing to everyone entering DeTech community. Here, the following options can be implemented:

- **Newcomer has already a project or creation** which can be evaluated on the DeTech platform with our decentralized assessment system providing the first guideline on the related intrinsic value. Taking this as input the collateralization model is applied calculating a potential first loan amount. Consequently, this loan can be transferred to the creator account within some minutes.
- **If the newcomer doesn't have any project or ready-made creation**, a mini loan can be issued to him/her. Now, here comes the magic: this mini loan is backed by the segment DAO and budgets originated from its ecosystem fund.

Inclusive Perpetual Loans for Creators

As you can see from the above financing logic all newcomers will get a chance for initial financing, or simply first loan.

Now, if the initial loan is paid back on time, the personal credit rating of the creator is upgraded and if the next loan is required the collateralization factor X will be decreased enabling a higher amount for borrowing. Consequently, next loan is ready to be granted, and so on...

This is how fully inclusive DeTech Perpetual Loans are born!

As long as the creator's credit history is solid and positively confirmed with each new loan, the next tranche can be issued by DeTech with iteratively improved terms and conditions. The credit history is integral and immutable part of the reputational profile of the creator and is stored in the metadata.

In the nutshell, global creative progress can be significantly boosted by featuring benefits from DeFi and DAO mechanisms of DeTech decentralized solutions!



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