

New platforms offer more for much less

Recently, crypto platforms have started creating opportunities for many people who were beforehand, excluded from certain financial services. People with a shaky credit history for instance, have to spend a substantial amount of time to find a loan with acceptable interest rates.

According to recent studies, nearly 8 million households in the United States are currently living without a single member of the family having a bank account. The good news is that many platforms now offer crypto savings accounts that do not have the same requirements as opening a traditional banking account.

That being said, it's important to note that the promises provided by crypto platforms are appearing, mainly due to the way better conditions compared to their traditional banking counterparts. However, there are still many risks that one should consider when taking on such a product.

For instance, despite the large amount of popularity that many cryptocurrencies have gained over the years, this has had little to no impact on the crypto market's stability. If anything, the volatility has only increased more. This means that if someone were to take a crypto-based loan, the value on their assets can significantly be reduced overnight. In many such cases, this leads to the users being forced to make an extra deposit or the entire asset investment might be lost.

This has only shifted attention to the so-called "stablecoins" that are pointed out by many experts as the likely saviors in this conundrum. This is far from the truth however, since recently, even the most well-known and respected currency Tether, which is tied to a 1:1 ratio with the US dollar, came under fire for the lack of fiat currency backing.