# Overview

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**Please review our Disclaimer and Terms of Service before using the Gravita Protocol or interacting with GRAI.**

Gravita Protocol is a decentralised borrowing protocol built on Ethereum that provides users with interest-free loans secured by both Liquid Staking Tokens (LST) and a Stability Pool (SP).

Loans are issued in the form of minting **GRAI**, a token with similar volatility dampening mechanism as LUSD, and can be *up to* 90% of the value of a user's collateral (99% in the case of bLUSD).

You can find more information on the maximum LTV ratio of the supported assets in our Vessels and Collateral page.

Gravita Protocol builds off Liquity's economic model ↗ to ensure efficient borrowing and timely liquidations. A one-off borrowing fee is charged upfront on each new debt (or debt increase). In order to incentivize short-term borrowing, the fee is refunded if the user repays his debt before the expiry of six months (~182 days), pro rata for the time elapsed, but the minimum fee corresponds to one week worth of interest. You will find more information on the Fee Model page.

Gravita has an unique multi-collateral design in which each position has a single collateral type, but they are all linked to the same stability pool:



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Borrowers mint GRAI against the value of their collateral. It can then be used in various ways - swapping for other assets, or earning income by providing liquidity or participating in the stability pool.

In order to reduce the volatility of GRAI, a Liquity-like redemption mechanism is enabled.

Gravita Protocol is non-custodial, with the goal of becoming more ossified and governance-minimised.

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