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# THEOPETRA

“K.I.S.S.” Whitepaper

***@TheopetraRECT***

Authors: @bowtiedbarbary @bowtiedF'er  
@bowtiedkoi @bowtiedwanderer





## REAL ESTATE MEETS WEB 3.0

- **Strong Collateral:** Low interest rates (1-4%) and high Loan-To-Value (80-100%)
- **Cheapest Debt:** Real Estate (RE) offers superior financing terms to borrowers
- **Historical Store of Value:** \$200 Trillion Market Cap, Inflation-Resistant
- **DeFi:** Crypto offers high yield lending (6-15%) on stablecoins (i.e. USDC)

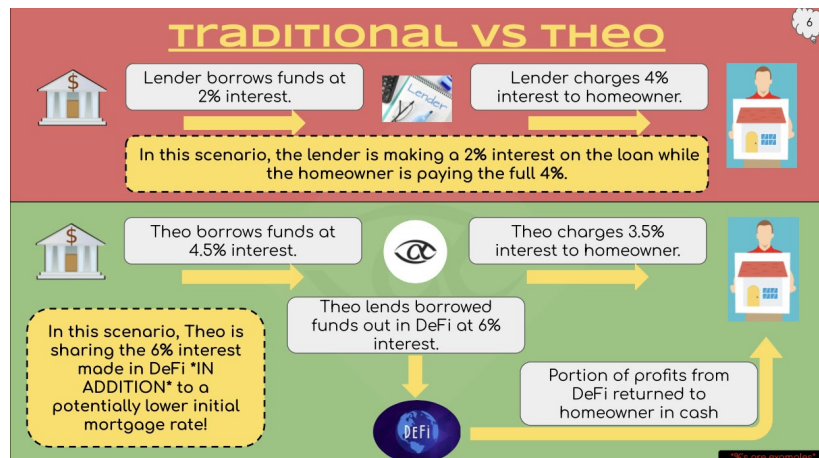
*Arbitrage between low rates in Real Estate TradFi and high rates in Crypto DeFi:*

Additional Tax Benefits...

- Depreciation
- 1031 Exchange
- Cash-Out Refi

In 2022, Theopetra<sup>1</sup> will show *proof of concept* single-family mortgages before moving into multifamily properties.

(Graphic: @bowtiedtopshot)



## USING BLOCKCHAIN WITH THEOPETRA

*Blockchain technology, or its technical term Distributed Ledger Technology (DLT) is the foundation of any digital asset, giving it the properties of transparency and security.*

- **Programmability:** Highly programmable smart contracts automate execution and enable the creation of new financial instruments and digital assets
- **Immutability:** Tamper-proof data coordination across a blockchain's decentralized architecture increases security and auditability
- **Permissionless:** Anyone with a crypto wallet and an Internet connection, regardless of their geography, and net worth can access the Theopetra's DeFi protocol
- **Transparency:** The transaction ledger will be public and every transaction will be broadcasted and verified by other users

\$THEO<sup>2</sup> will leverage these key principles of blockchain technology to increase protocol security and transparency, while unlocking liquidity and growth opportunities within an integrated and standardized ecosystem.

<sup>1</sup> Refers to the DAO managing the Theopetra protocol

<sup>2</sup> Represents the native governance token



## TOKENOMICS OF THEOPETRA

Theopetra utilizes a Protocol-Owned Liquidity (POL) model made popular by Olympus DAO:

- Protocol holds stable coin assets in a Treasury to back each token
  - When Value of \$THEO token > Treasury → protocol creates new tokens
    - Equivalent of selling \$1 for more than \$1 and a profit to protocol
  - When value of \$THEO token < Treasury → protocol buys and burns tokens
    - Equivalent of buying \$1 for less than \$1 and a profit to protocol
- Protocol owns all liquidity, distributing market-maker fees to token holders
- When the Treasury mints new tokens they are distributed to all stakers

Theopetra improves this model by replacing Treasury-held stablecoins with Real Estate (RE):

- **Store of Real Value:** RE historically increases with inflation while USD-backed stablecoins are unstable as inflation decreases purchasing power over time
- **Cashflow:** Owning RE is a cash flowing asset by collecting rent/mortgage payments
- **Tangible:** RE is a tangible asset; stablecoins at risk of “bank-run” style liquidity crisis
- **Tax Benefits:** Tax Savings can be passed on to token holders as if they held the property

Borrowing against real-world assets at a lower rate and then lending at a higher rate on the Theopetra platform, provides profit and strengthens the use case for the \$THEO token.

## OVERVIEW OF BENEFITS

*Theopetra Self-Repaying Mortgages (SRM) will offer homeowners unparalleled value →*

- **Speed:** Homeowners will close and complete their purchase in less than a week
- **Cash Offers:** Allows buyers to make competitive offers, potentially at a discount
- **Lower Down Payment, Monthly Payment:** 2% down payment and an interest rate that eventually becomes *negative*

*Non-Fungible Tokens (NFT): Customers will wait in line unless they own a Theopetra NFT →*

- **Priority Access:** Skip the long line waiting for a THEO Self-Repaying Mortgage
- **Liquidity:** NFT can be sold to those who are currently house hunting
- **Innovation:** As THEOPETRA grows new features introduced to NFT Holders

*\$THEO Token: Protocol-native Utility Token for users, investors, and homeowners →*

- **Reduce Tax Liability:** Depreciation tax deduction passed to THEO token holders
- **Lending Collateral:** THEO is potential collateral for lending and borrowing in DeFi
- **Generate Yield:** Staking \$THEO, holders will be rewarded with additional tokens as the protocol mints new coins to maintain a 1:1 ratio of treasury reserve (real estate) to tokens