

SquiggleDAO and Zharta Make History With \$1M Squiggle-backed Loan

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In a landmark move within the digital art space, Squiggle DAO tapped into the NFT Finance protocol Zharta for an unprecedented \$1 million NFT-backed loan, leveraging 11 of its treasury's Squiggles, including their highly sought-after Hyper Bold.

This transaction underscores the evolving nexus between digital art and finance – a relationship long embraced by traditional art institutions like Sotheby's ([with an art loans portfolio estimated to be worth \\$1 billion](#)).

Traditional art loans involve managing complexities such as asset custody, handling, and counterfeiting concerns. Thanks to the inherent properties of NFTs, however, NFT lending streamlines this cumbersome process, heralding a new era of financial optimization. Since 2022, the sector has seen a meteoric rise, with a record-breaking \$197 million borrowed in Q2 of 2023 alone, and a 270% increase in lending volume year-to-date as of June 2023. This growth reflects a broader trend: Art collectors increasingly view NFTs as an essential part of their portfolios.

At the heart of this revolution lies Erick "Snowfro" Calderon's Chromie Squiggle collection, introduced in 2020, as Art Blocks' flagship project. Art Blocks defined the gold standard of how onchain art is created, Chromie Squiggles being Art Blocks project #0 carved a niche in digital art history.

The 1-year, 1 million USDC loan SquiggleDAO and Zharta have just brokered stands out as the largest Squiggle-backed loan, but is also notable for the pieces backing it: the Hyper Bold Squiggle was central to the agreement and it, along with the inclusion of a "Full Set" of Squiggles, makes this bundle a collector's dream.

Zharta's advanced non-custodial protocol guarantees a secure setting for institutional-grade operations. The protocol prides itself on its borrower-friendly features, chief among them their no-auto-liquidations policy, which protects its borrowers against market volatility throughout the loan period. Auto-liquidations are common in the Web3 space but go against Zharta's "responsible DeFi" philosophy, which puts not only its users' peace of mind but the health of the DeFi ecosystem itself front and center. Their unique approach, paired with their thoroughly audited security framework and impeccable track record, makes Zharta as the premier choice for high-caliber operations.

The deal cements the long standing partnership between Zharta and SquiggleDAO, a relationship marked by collaboration on numerous projects and participation in leading global NFT showcases, including Art Blocks' Marfa Weekend and Art Basel Miami.

"We are thrilled to announce our collaboration with Zharta, marking a significant milestone in our commitment to pioneering financial initiatives. This groundbreaking loan underscores the unwavering trust in Chromie Squiggles as pristine collateral, reinforcing their position as a preferred asset among lenders". As articulated by NiftyFifty, a SquiggleDAO core contributor, "by combining Zharta's and SquiggleDAO's strengths, expertise and reputations, we can break new ground by doing the largest Squiggle-backed loan."

"Collaboration is our secret weapon in the NFT world. It's how we unlock value and set the pace, establishing precedents that motivate others to innovate for the future," says Nuno Cortesão, Co-Founder of Zharta Finance. "The composability of web3 protocols and NFT assets enables us to envision innovative products previously inconceivable in traditional ecosystems. This partnership with SquiggleDAO marks the beginning of our journey. We are committed to working together to drive innovation within the NFT finance sector."

This feat is a reminder of what the Web3 ethos is all about and underscores the enduring value of the Chromie Squiggle collection, solidifying its position as a cornerstone of the NFT ecosystem.

About Squiggle DAO

SquiggleDAO is championing the Chromie Squiggle's cultural significance, fostering community, awareness, and ownership to nurture a vibrant future for generative, on-chain art. The community organically formed in 2021 and has collectively built a treasury which holds 330 Squiggles. This collection of Squiggles is the largest community-owned and fourth largest overall Squiggle collection.

About Zharta

Zharta is a trustless and non-custodial protocol that unlocks digital value for the web3 community by offering both lending and renting services supported by NFTs. It is committed to responsible decentralization, advocating for integrity, unity, and collaboration within the web3 space to create enduring value. Launched in early 2023, Zharta has become a key player in the NFT art segment and supported the largest long-term ETH loan ever taken against a small-scale Fidenza.