

Liberation of Money

The Dollar, Reimagined

ANTHONY DEMARTINO
JULY 2026

Sentora®

Liberation of Money: The Dollar, Reimagined

How stablecoins are positioned to replace bank accounts, payday lenders, and corporate credit lines, and how one platform already enables this transformation

BY ANTHONY DEMARTINO | JULY 2026

An estimated $124 trillion will transfer from the Baby Boomer and Silent generations to Millennials and Gen Z by 2048, with $38.3 trillion moving in the next decade alone, according to Cerulli Associates. The key question is not where this money will go, but what recipients will expect it to do while it remains unspent.

According to a 2025 Santander Bank survey, 58% of Gen Zers and 54% of Millennials actively increased their savings over the prior year, outpacing Gen X at 47% and Baby Boomers at 39%. 81% of Gen Z and 79% of Millennials say growing their savings is a top priority, and 69% of Gen Zers made lifestyle sacrifices specifically to save more. This is a generation with a fundamentally different view of what financial security looks like and of the tools they want to use to achieve it. They are aggressive savers who are rate-aware and digitally native, which is exactly why a 0.4% bank savings product loses them.

The traditional system is changing. The checking account is becoming a wallet, the currency is becoming a stablecoin, and the blockchain is the rails. With these components in place, the more flexible neobanks and fintechs will deliver offerings far better aligned with this generation: a new form of checking account that earns a return on idle balances, income that starts earning the moment it arrives, an on-chain credit union built on user-to-user lending, and a new class of collateral-backed card products. Best of all, these solutions can be implemented while addressing a fundamental inefficiency in fintech's current balance sheet. Each is examined in turn below.

The Tax Nobody Talks About

The average US savings account paid 0.4% APY in 2025 while the Federal funds rate sat at 4.25 to 4.50%. That year, the Federal Reserve paid banks $176 billion in interest on reserves. Household deposits generated that income, and institutions kept it. A 27-year-old with $20,000 in a savings account collected $80. The same $20,000 in a yield-bearing stablecoin strategy that deploys reserves into short-term US Treasuries and returns the proceeds to the holder, produced $800 to $1,600 at the 4 to 8% rates available in 2025 and 2026.

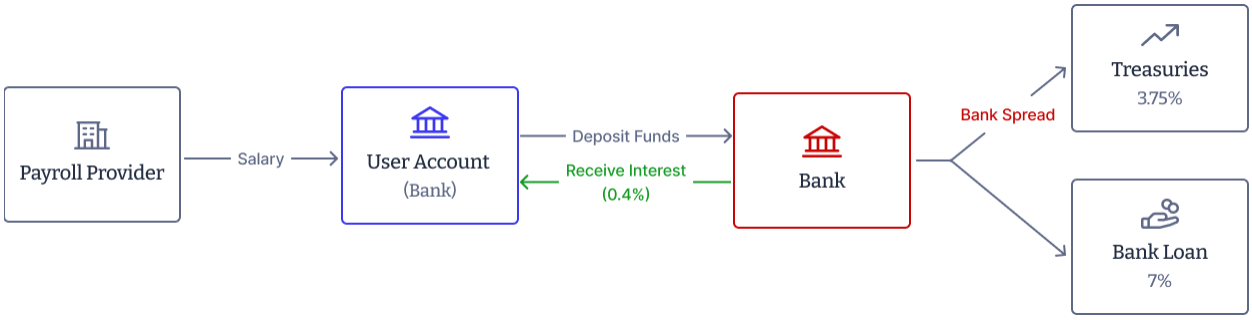
This is arithmetic rather than a crypto argument. A stablecoin is a digital dollar that holds its value and involves no speculation. It simply routes the yield the dollar generates back to the person who holds it, instead of transferring it to the bank.

The data shows the shift is already underway. Stablecoin market capitalization exceeded $315 billion in 2026. Transaction volume reached $33 trillion in 2025, up 72% year over year. Visa's stablecoin-linked card spend hit a $3.5 billion annualized run rate in Q4 2025, up 460% year over year. Stripe, Siemens, and Fifth Third Bank are routing treasury operations on-chain. Institutional stablecoin strategies grew from $9.5 billion to over $20 billion in assets during 2025 alone.

Bank deposits are already migrating to on-chain dollars.

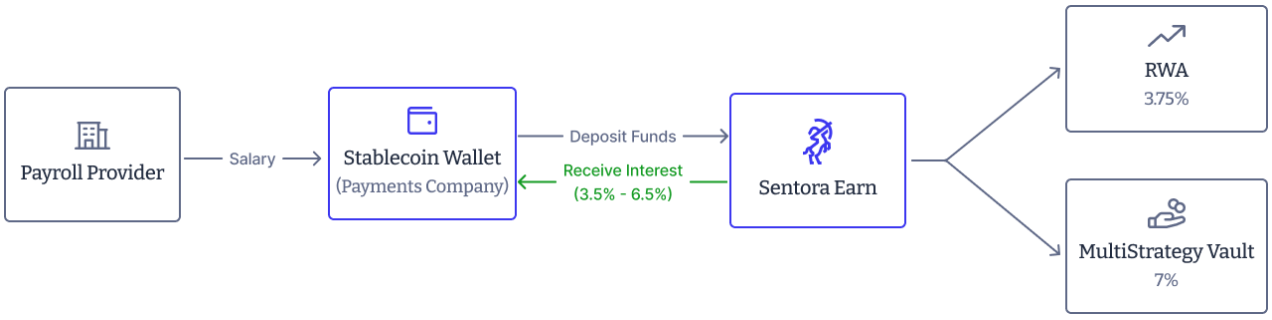
Checking Account – Current Model

User deposits funds from the payroll provider into a traditional checking account
User receives a small fraction of the treasury rate (~0.4%)
The bank lends user funds to earn a large spread (Net Interest Margin)
Access to money is on a delayed timeline, though protected by FDIC insurance



Checking Account – Proposed Model

✓ **Self-Custody:** Deposits from Payroll flow into a self-custodied stablecoin wallet.
✓ **Maximized Yield:** User earns 90% of generated yield (compared to 10% in current model).
✓ **Instant Access:** Funds are available instantaneously with flexible risk-managed Earn options.
✓ **Assurance:** Optional insured vaults are available for a lower, protected yield.



The Paycheck That Shouldn't Wait

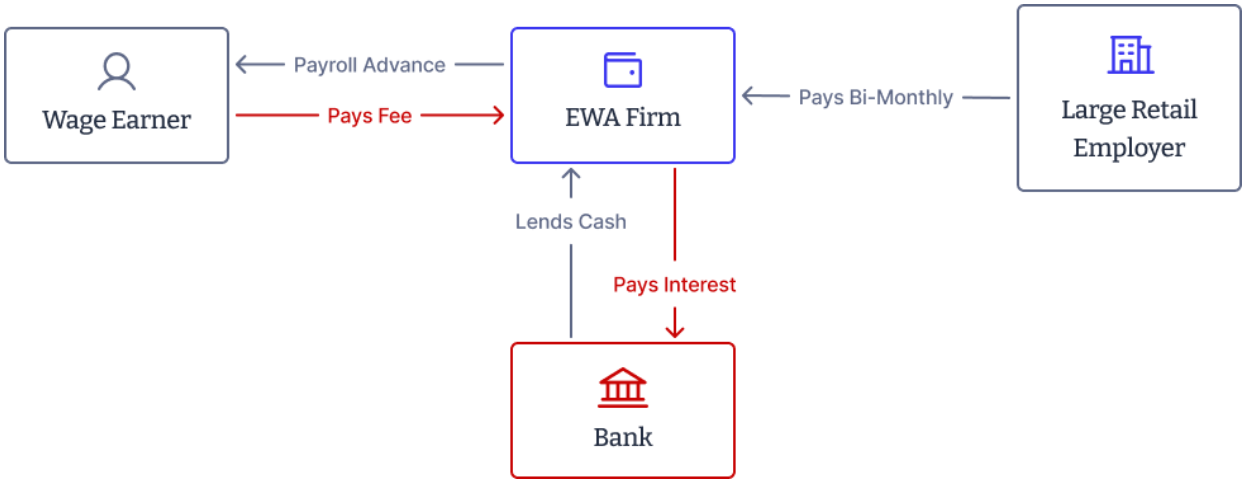
For the 78% of Americans living paycheck to paycheck, the two-week payroll cycle represents a structural gap that the payday lending industry exploits. In 2022, that industry collected $2.4 billion in fees from borrowers seeking access to wages they had already earned. The average annualized rate is 391%, and in states without caps it exceeds 600%.

On-chain stablecoin payroll closes this gap. Settlement occurs in under three seconds. Transferring $144, the value of a typical eight-hour shift at $18 per hour, costs only a fraction of a cent. The batch queue, the ACH processing window, and the float a bank collects on someone else's wages all disappear.

However, there is still one engineering challenge: employers cannot restructure payroll cycles overnight. The solution is a short-duration on-chain bridge: a lending protocol advances earned wages to the worker's wallet, uses the employer's bi-weekly payroll as the repayment mechanism, and charges a small access fee. The worker experiences real-time payment while the employer's payroll cycle remains unchanged.

Earned Wage Access – Current Model

Critical Inefficiency: Bank fees are charged to both parties, primarily benefiting the financial institution.

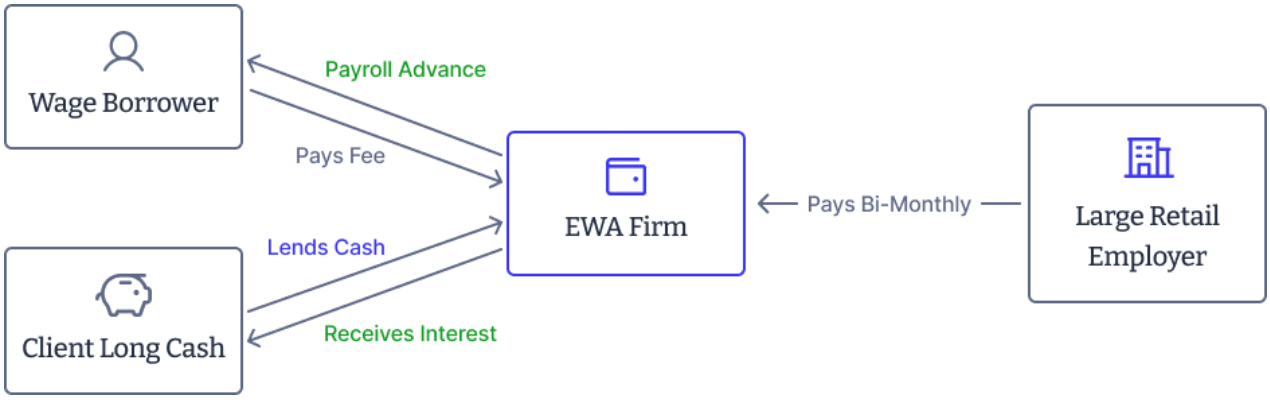


Earned Wage Access – Proposed Model

✓ **Borrowing Costs:** EWA Firm reduces costs by 30–40% by bypassing traditional banking layers.

✓ **Yield Product:** Increases user retention and creates a new income stream from the borrowing/lending spread.

✓ **Direct Value:** Interest flows directly from the platform to the Client instead of staying with the bank.



The Virtual Credit Union

The bridge loan that funds the payroll advance does not need to originate from a bank. It can come from other members of the same network: individuals with excess savings who prefer to fund real needs at 4 to 5% rather than hold a savings account at 0.4%.

This is the credit union model: members deposit funds for member lending, and the surplus returns to them instead of bank shareholders. The on-chain version runs the same structure on programmable infrastructure: users deposit stablecoins into a vault, which deploys them as short-duration advances to workers accessing earned wages early. Workers pay an access fee, and the protocol returns most of that fee to vault depositors as yield.

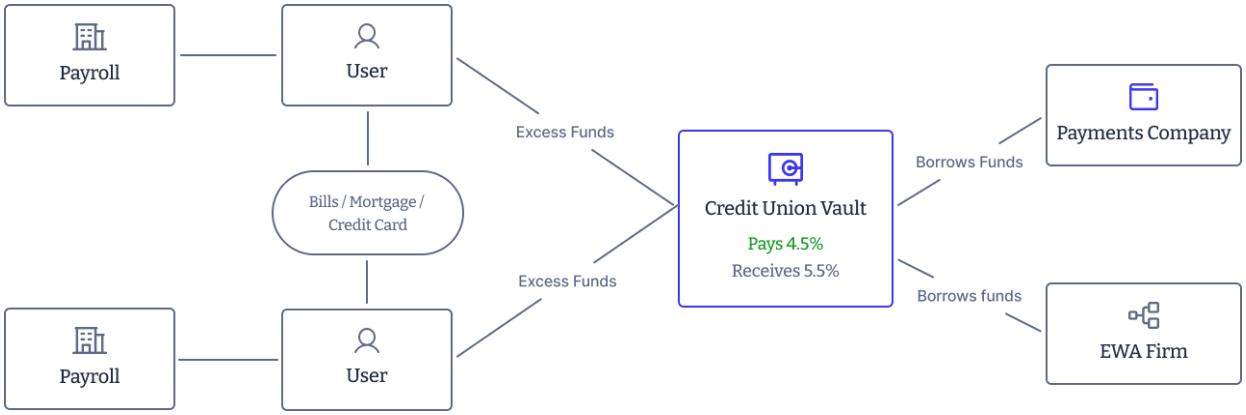
Wages are among the most reliable repayment sources in consumer finance. The bi-weekly payroll cycle provides a fixed settlement date, which makes loan duration predictable and keeps default rates low. As onchain credit histories accumulate through consistent repayment, this payroll bridge can serve as the foundation for broader consumer credit, with rates reflecting a much lower cost base compared to traditional lenders.

The model has already been implemented successfully: Morpho, integrated into Coinbase's Bitcoin lending platform in 2025 and embedded in the World App for over two million users, demonstrates on-chain member-funded lending at scale. The earned wage access vault is a simpler, more focused, lower-risk application of the same architecture: anchored in real wages, repaid through payroll, and governed by transparent smart contracts instead of institutional discretion.

Onchain Credit Union – Stage 1

Direct Peer-to-Peer Value

Cutting out the bank means the real borrow rate is passed directly to the lender. Both parties benefit as lenders earn higher yields while borrowers enjoy reduced costs.

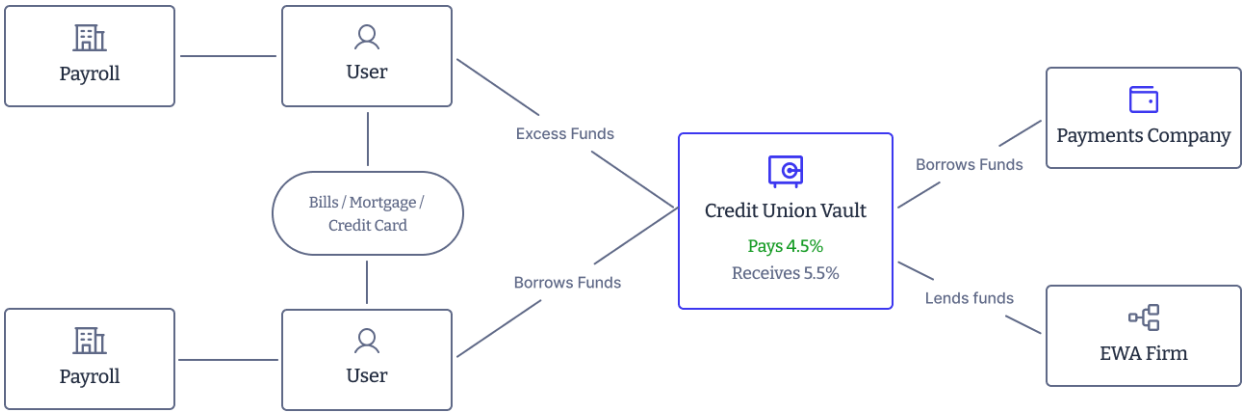


Onchain Credit Union – Stage 2

Blockchain Visibility: A credit risk profile can be created since all income and payments are visible on-chain.

Credit Scoring: Over time, this data provides a credit score for individuals, opening the path to unsecured credit.

Financial Inclusion: Allows lower-income users to access financial products they are currently excluded from.



The Card That Never Charges 28%

The average credit card APR on accounts assessed interest reached roughly 23% in 2025, with penalty rates on overdue balances approaching 28%. This pricing reflects the cost structure of unsecured lending: the issuer has no collateral, so every cardholder bears the costs of the least reliable cardholders' defaults.

Most cardholders, however, are not without assets. They hold brokerage accounts, index funds, and increasingly, tokenized real-world assets. The problem is that these assets sit in one silo while the borrowing happens in another. A wealth manager would call the solution a securities-backed line of credit; private banks have offered them to high-net-worth clients for decades at rates a few points above the risk-free rate. Tokenization makes the same structure available to anyone with a wallet.

The product is a hybrid debit/credit card. The cardholder deposits tokenized stocks or RWAs into their self-custodied wallet, and the card provider extends a credit line against that collateral. Day-to-day, it functions like any card. At the end of the cycle, one of two things happens:

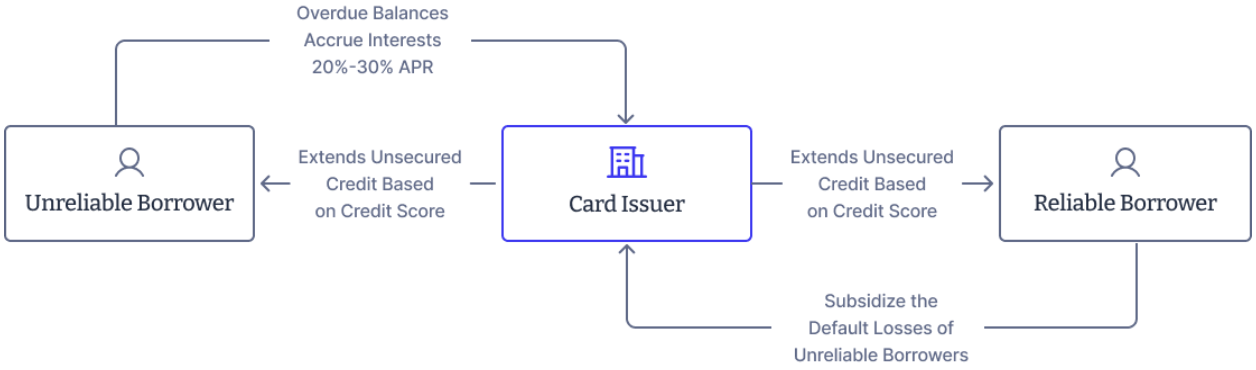
- If the user pays the balance in full, nothing changes; the collateral was never touched.
- If the user cannot pay in full, the provider borrows dollars on-chain against the user's equity collateral to settle the balance, at DeFi lending rates of approximately 7%.

The comparison is stark. A $5,000 balance carried for a year costs roughly $1,150 at a 23% card APR and closer to $1,500 at penalty rates. The same balance financed against collateral at 7% costs $350, roughly 75% cheaper than what card issuers charge on overdue balances. The user's portfolio remains invested and continues to earn returns; only a loan is drawn against it. There is no forced liquidation at origination; collateral is only at risk if its value falls below maintenance thresholds. If a user’s collateral falls below the maintenance threshold a portion of the loan will convert to a conventional credit card unsecured loan. Prior to an event users will be notified and a cure period extended.

For the provider, the model inverts the economics of card lending. Credit risk is replaced by collateral risk, which is exactly what Sentora's monitoring infrastructure is built to manage: real-time loan-to-value tracking, automated margin calls, and risk models that price collateral volatility across asset types. Charge-offs, the largest expense line in card portfolios, effectively disappear.

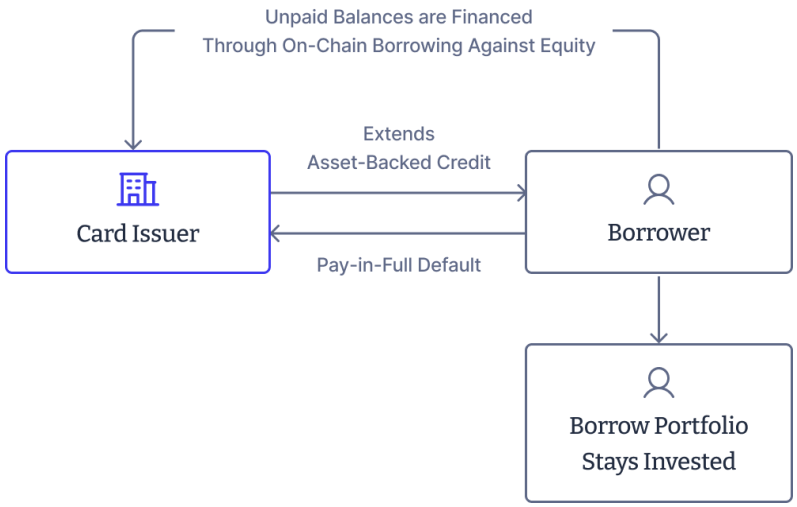
Card Lending - Current Model

The card issuer extends unsecured credit based on a credit score
Overdue balances accrue interest at 20–30% APR
Reliable borrowers subsidize the default losses of unreliable ones
The user's investment assets sit idle in a separate account, unable to reduce borrowing costs



Card Lending – Proposed Model

✓ Asset-Backed Credit: Tokenized stocks and RWAs in the user's wallet collateralize the credit line.
✓ Pay-in-Full Default: Collateral is untouched when balances are settled; the card behaves like a debit card with float.
✓ 7% Revolve Rate: Unpaid balances are financed through on-chain borrowing against the user's equity, roughly 75% cheaper than credit card rates on overdue balances.
✓ Portfolio Stays Invested: No liquidation, no taxable event; assets keep compounding while securing the line.



The Fintech Balance Sheet Problem

A less visible version of this structural problem affects the companies trying to serve these individuals.

Every major payment provider, remittance company, and neobank maintains an operational balance sheet. Prefunding accounts, settlement reserves, and liquidity buffers are essential working capital for the modern financial system, and they are expensive. A payment company borrowing $100 million at SOFR plus 150 basis points, a typical spread for an investment-grade fintech on a revolving credit facility, paid approximately 6.9% to 7.2% annually in 2025 and 2026 just to maintain necessary liquidity. That expense buys operations rather than growth.

The consequences show up in the numbers. Only 15% of neobanks were profitable in 2026. Fintech valuations stabilized around 4.2 times revenue in Q4 2025, with lending and balance-sheet-heavy companies at 2.5 times while capital-light platforms reached 17 times. The difference between a fintech that borrows from banks and one that does not often determines whether the company can raise its next round. Early-stage startups face a harder version of the same constraint: a seed-stage payments company cannot access institutional revolving credit, so its scale is limited to what its equity can support, and it grows more slowly than better-capitalized competitors even when its product is superior.

A user-funded vault addresses this constraint and benefits every party involved.

Consider a remittance company borrowing $50 million from a bank at 6.9% and paying $3.45 million per year in interest. Funding the same $50 million through a stablecoin vault that pays depositors 4.5% APY costs $2.25 million per year, a saving of $1.2 million annually.

Under this approach, users gain a yield product that banks do not offer. Net interest expense falls, user retention improves, and the bank collects nothing. Structured as an off-balance-sheet special purpose vehicle using standard securitization architecture applied to stablecoins, the vault also reduces the fintech's formal debt obligations, compressing leverage ratios and improving equity valuation at any revenue multiple.

For a startup that cannot access a credit facility, the vault goes beyond balance sheet optimization: it becomes the balance sheet itself. It is funded by users who already trust the platform, pays out yield that would otherwise go to the bank, and is governed by onchain rules instead of a traditional lending agreement.

The Neobank That Does All of This, Built on Sentora

Each of the products described above (the yield-bearing savings account, real-time payroll advance, community earn vaults, corporate treasury alternative, and collateral backed credit cards) represents a standalone innovation. Together, they form another comprehensive product: a stablecoin-native neobank that offers the services of a traditional bank at a lower cost, with the economics flowing to members instead of shareholders.

This bank does not need to be built from the ground up. Sentora has already developed the infrastructure stack required to make it possible.

Sentora's platform operates over 1,000 risk models across more than 40 DeFi protocols and 12 blockchains, with over $3 billion in capital deployed. Its Advanced Strategy Vault, which powered Kraken's DeFi Earn program for 30,000 participants and $110 million in assets, serves as the yield engine. The platform's risk and collateral monitoring infrastructure provides the compliance layer, making each product auditable and suitable for board reporting. Firelight.Finance, incubated by Sentora, is the insurance protocol that backstops covered vault failures. Insurance has always been the final component whose absence has previously limited institutional adoption of onchain yield products at scale.

A neobank built on Sentora's stack can offer, from day one:

Yield on deposits

User stablecoin balances are deployed into Sentora yield vaults, earning 4-8% APY instead of 0.4% in a bank account. No new infrastructure is required; this is Sentora's core product.

Real-time earned wage access

On-chain payroll advances bridge the gap between workers' earned wages and the employer's biweekly settlement cycle, with annual fees below 36%, which is five times lower than the average payday loan. The Earn Vault funds the advance, risk models determine pricing, and Firelight covers tail risk.

Community lending

Users with excess balances lend to others needing short-term liquidity through the same vault infrastructure, earning yield that previously went to the bank. This is the credit union model on-chain.

Treasury vaults for fintech partners

Payment companies, remittance firms, and neobanks can borrow operational liquidity from the platform's user base instead of bank revolving credit facilities, paying 4 to 5% to

depositors rather than 6 to 9% to institutional lenders. This reduces on-balance-sheet debt and improves equity valuation.

Firelight insurance

Every product in the stack is covered by a programmable, capital-backed insurance protocol, which has undergone three independent security audits including OpenZeppelin. This ensures that institutions, employers, and individual users can deploy capital with confidence that covered-event losses are backstopped.

The GENIUS Act provides the regulatory framework, and the necessary infrastructure is in place. The only remaining requirement is an operator with the relationships, risk expertise, and platform to integrate these components. The stablecoin is the rail; the vault is the yield product.

Sentora was designed to fulfill this role.

–ADM

Sentora's platform operates over 1,000 risk models across more than 40 DeFi protocols and 12 blockchains, with over $2 billion in capital deployed. It's the primary risk curator for industry leading earn integrations like Kraken, Telegram Wallet and Deel, supporting over 100,000 unique depositors and hundreds of millions worth of deposits with its yield engine.

Sources: Cerulli Associates (2024 U.S. High-Net-Worth and Ultra-High-Net-Worth Markets Report); Santander Bank GPS Tracker 2025; DeFiLlama stablecoin market cap data (2026); CoinLaw Stablecoin Statistics 2026; DL News State of DeFi 2025; Research and Markets Earned Wage Access Providers Market Report 2026; LendingClub Paycheck to Paycheck Report 2025; Center for Responsible Lending (Feb 2025); CreditNinja Average Payday Loan Interest Rate (Aug 2025); NCLC Data on Earned Wage Advances (Feb 2026); California DFPI EWA Report 2025; ABA Banking Journal (Mar 2025); FDIC Quarterly Banking Profile Q4 2024; FinTech Weekly (Apr 2026); Windsor Drake Fintech Valuation Multiples Report Q4 2025; PitchBook Q3 2025 Fintech & Payments Public Comp Sheet; Wise plc FY2025 Annual Results (Jun 2025); GENIUS Act (2026).

About the Author



Anthony DeMartino

Anthony DeMartino is a versatile Financial Executive with over two decades of experience running multiple trading businesses across top-level banks such as HSBC, Barclays, and UBS. After running the top Agency and SSA business for both UBS and Barclays, he took over Emerging Markets macro trading for Barclays. In 2018, wanting to go deeper into Emerging Markets, he took a role as Head of Latam local markets trading, where he was responsible for trading activities across Brazil, Mexico, Argentina, and Chile. In 2021, DeMartino moved into Crypto when he became CEO and founder of Coinbase Risk Strategies, focused on DeFi and Derivatives trading. More recently, he completed a merger and Series A to create Sentora, a crypto-native solutions firm focused on building institutional DeFi yield-generating products.