

Gauntlet Recommendations: Ethereum Compound v3 USDC - Interest Rate Curve & Incentive Changes

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- Proposer: [0x7B3c54e17d618CC94daDFe7671c1e2F50C4Ecc33](#)
- Start Block: 17680516 (7/12/2023, 6:42:35 PM ET)
- End Block: 17700226 (7/15/2023, 1:23:35 PM ET)
- Targets: [0x316f9708bB98af7dA9c68C1C3b5e79039cD336E3](#) ;
[0x316f9708bB98af7dA9c68C1C3b5e79039cD336E3](#) ;
[0x316f9708bB98af7dA9c68C1C3b5e79039cD336E3](#) ;
[0x316f9708bB98af7dA9c68C1C3b5e79039cD336E3](#) ;
[0x1EC63B5883C3481134FD50D5DAebc83Ecd2E8779](#)

Forum Post

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Proposal Text

Gauntlet Recommendations: Ethereum Compound v3 USDC - Interest Rate Curve & Incentive Changes

Simple Summary

A proposal from Gauntlet to adjust 2 Interest Rate Curve parameters and 2 COMP reward distributions in Ethereum Compound v3 USDC.

Gauntlet recommends the following changes to the Ethereum v3 USDC IR curve:

- Increase **Borrow Kink** from 90% to **95%**
- Increase **Annual Borrow Interest Rate Slope High** from 0 to **0.567**

Gauntlet recommends the following changes to Ethereum v3 USDC rewards:

- Decrease **daily USDC COMP borrow rewards** from 481.41 to **381.41** (~\$22,800/day)
- Increase **daily USDC COMP supply rewards** from 0 to **100** (~\$6,000/day)

For more details, see the full forum post [here](#).

Motivation

The proposed IR curve increases the Borrow Kink to 95% and re-introduces the positive Annual Borrow Interest Rate Slope High, at a milder level than was initially set when launching the comet. This change will eliminate reserve losses at high utilizations, and aims to increase liquidity for both USDC borrowers and suppliers.

This change will not affect borrow or supply APRs when utilization is $\leq 90\%$, and it will have minimal impact on borrow APR when the utilization rate is $\leq 95\%$.

[Full proposal and forum discussion](#)

Specification

The proposal updates the base tracking borrow and supply speeds, the borrow kink, and the borrow per year interest rate high slope by using the respective methods on the `Configurator`.

By approving this proposal, you agree that any services provided by Gauntlet shall be governed by the terms of service available at gauntlet.network/tos.

Checks

Checks Compound Proposal Details Passed

Info:

- 1- Set BaseTrackingSupplySpeed of [USDC Configurator](#) from 2,979,166,666,666 to 1,157,407,407,407 (It's getting **decreased** by **1,821,759,259,259**) . Hence changing Daily Supply rewards from 257.3999999999424 to 99.9999999999648 (It's getting **decreased** by **157.3999999999776**)
- 2- Set BaseTrackingBorrowSpeed of [USDC Configurator](#) from 1,157,407,407,407 to 4,414,467,592,592 (It's getting **increased** by **3,257,060,185,185**) . Hence changing Daily Borrow rewards from 99.9999999999648 to 381.4099999999488 (It's getting **increased** by **281.409999999984**)
- 3- Set BorrowKink of [USDC](#) via [Configurator](#) from 93% to 95% (It's getting **increased** by **2%**)
- 4- Set BorrowPerYearInterestRateSlopeHigh of [USDC](#) from 389.9999999978496 to 56.7 (It's getting **decreased** by **333.2999999978496**)
- 5- Deploy and upgrade new implementation for [USDC](#) via [Configurator](#).