

[Gauntlet] 2023-12-15: Arbitrum v3 USDC Native, Arbitrum v3 USDC.e, & Base v3 USDbC - Interest Rate Curve Recommendations

Updated as of block [19319905](#) at 2/27/2024, 10:52:23 AM ET

- ID: 207
- Proposer: [0x7B3c54e17d618CC94daDFe7671c1e2F50C4Ecc33](#)
- Start Block: 18813705 (12/18/2023, 10:16:47 AM ET)
- End Block: 18833415 (12/21/2023, 4:42:11 AM ET)
- Targets: [0x4Dbd4fc535Ac27206064B68FfCf827b0A60BAB3f](#) ; [0x866E82a600A1414e583f7F13623F1aC5d58b0Afa](#)

Forum Post

Forum post is present here: [Forum Post](#)

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Proposal Text

[Gauntlet] 2023-12-15: Arbitrum v3 USDC Native, Arbitrum v3 USDC.e, & Base v3 USDbC - Interest Rate Curve Recommendations

Simple Summary

A proposal from Gauntlet to adjust six Interest Rate (IR) Curve parameters in each of the Arbitrum v3 USDC Native, Arbitrum v3 USDC.e, & Base v3 USDbC comets.

Gauntlet recommends the following IR Curve updates in each comet:

- Raise **Annual Borrow Interest Rate Slope Low** from 0.035 to **0.053**
- Raise **Borrow Kink** from 0.8 to **0.85**
- Raise **Annual Borrow Interest Rate Slope High** from 0.25 to **1.8**
- Raise **Annual Supply Interest Rate Slope Low** from 0.0325 to **0.048**
- Raise **Supply Kink** from 0.8 to **0.85**
- Raise **Annual Supply Interest Rate Slope High** from 0.4 to **1.6**

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

Motivation

Gauntlet recommends adjusting the Arbitrum v3 USDC Native, Arbitrum v3 USDC.e, and Base v3 USDbC Interest Rate (IR) Curves with four main objectives:

1. Raise Borrow APR and Supply APR rates at the kink due to sustained high utilization
2. Increase the kinks
3. Ensure positive reserve growth beyond the kink
4. Increase the rate caps

[Full proposal and forum discussion](#)

Specification

The proposal updates the IR curve parameters by using the respective methods in 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- Bridge wrapped actions to Arbitrum

- a- Set BorrowKink of [USDC](#) from 0.85 to 0.85 (It remains the same)
- b- Set BorrowPerYearInterestRateSlopeLow of [USDC](#) from 5.29999999956 to 5.3 (It's getting increased by **0.00000000044**)
- c- Set BorrowPerYearInterestRateSlopeHigh of [USDC](#) from 179.99999997552 to 180 (It's getting increased by **0.000000002448**)
- d- Set SupplyKink of [USDC](#) from 0.85 to 0.85 (It remains the same)
- e- Set SupplyPerYearInterestRateSlopeLow of [USDC](#) from 4.799999999304 to 4.8 (It's getting increased by **0.000000000696**)
- f- Set SupplyPerYearInterestRateSlopeHigh of [USDC](#) from 159.999999999264 to 160 (It's getting increased by **0.000000000736**)
- g- Deploy and upgrade new implementation for [USDC](#) via [Configurator](#).
- h- Set BorrowKink of [USDC](#) from 0.85 to 0.85 (It remains the same)
- i- Set BorrowPerYearInterestRateSlopeLow of [USDC](#) from 5.29999999956 to 5.3 (It's getting increased by **0.00000000044**)
- j- Set BorrowPerYearInterestRateSlopeHigh of [USDC](#) from 179.99999997552 to 180 (It's getting increased by **0.000000002448**)
- k- Set SupplyKink of [USDC](#) from 0.85 to 0.85 (It remains the same)
- l- Set SupplyPerYearInterestRateSlopeLow of [USDC](#) from 4.799999999304 to 4.8 (It's getting increased by **0.000000000696**)

m- Set SupplyPerYearInterestRateSlopeHigh of [USDC](#) from 159.999999999264 to 160 (It's getting increased by **0.0000000000736**)

n- Deploy and upgrade new implementation for [USDC](#) via [Configurator](#).

2- Bridge wrapped actions to Base

a- Set BorrowKink of [USDbC](#) from 0.85 to 0.85 (It remains the same)

b- Set BorrowPerYearInterestRateSlopeLow of [USDbC](#) from 5.29999999956 to 5.3 (It's getting increased by **0.00000000044**)

c- Set BorrowPerYearInterestRateSlopeHigh of [USDbC](#) from 179.99999997552 to 180 (It's getting increased by **0.00000002448**)

d- Set SupplyKink of [USDbC](#) from 0.85 to 0.85 (It remains the same)

e- Set SupplyPerYearInterestRateSlopeLow of [USDbC](#) from 4.799999999304 to 4.8 (It's getting increased by **0.00000000696**)

f- Set SupplyPerYearInterestRateSlopeHigh of [USDbC](#) from 159.999999999264 to 160 (It's getting increased by **0.000000000736**)

g- Deploy and upgrade new implementation for [USDbC](#) via [Configurator](#).