

Risk Parameter Updates for MKR and AAVE

Updated as of block [19334170](#) at 2/29/2024, 10:50:11 AM ET

- ID: 103
- Proposer: [0x683a4F9915D6216f73d6Df50151725036bD26C02](#)
- Start Block: 14663588 (4/26/2022, 9:31:34 PM ET)
- End Block: 14683298 (4/29/2022, 11:51:59 PM ET)
- Targets: [0x3d9819210A31b4961b30EF54bE2aed79B9c9Cd3B](#) ;
[0x3d9819210A31b4961b30EF54bE2aed79B9c9Cd3B](#)

Forum Post

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

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Proposal Text

Risk Parameter Updates for MKR and AAVE

Simple Summary

A proposal to adjust two (2) parameters for two (2) Compound assets.

Background

This proposal is a batch update of risk parameters to align with the [Moderate risk level](#) chosen by the Compound community. These parameter updates are the tenth of Gauntlet's regular parameter recommendations as part of [Dynamic Risk Parameters](#).

[Full proposal and forum discussion](#)

Motivation and Specification

This set of parameter updates seeks to maintain the overall risk tolerance of the protocol while making risk trade-offs between specific assets.



Our parameter recommendations are driven by an optimization function that balances 3 core metrics: insolvencies, liquidations, and borrow usage. Our parameter recommendations seek to optimize for this objective function. For more details, please see [Gauntlet's Parameter Recommendation Methodology](#) and [Gauntlet's Model Methodology](#).

Parameter	Current Value	Recommended Value
MKR Collateral Factor	65%	70%
AAVE Collateral Factor	65%	70%

Checks

Checks Compound Proposal Details  Passed

Info:

- 1-  Set [cAAVE](#) collateral factor from 38% to 70% (It's getting **increased** by **32%**)
- 2-  Set [cMKR](#) collateral factor from 38% to 70% (It's getting **increased** by **32%**)