

# Good Morning News

## Decentralized News Organization

# SUSPENDED



MakerDAO, one of the oldest and most trusted decentralized autonomous organizations, has voted to suspend its operations on the AAVE platform due to the risk posed to DAI and the stETH that is currently backing the asset. The passing of this proposal comes at an ominous time for the industry as faith in borrowing and lending protocols begin to wane. The news of the successful proposal came just hours after the community of the popular Solend platform voted to “take control” of a whale account using the protocol. Dark times indeed for DeFi.

MakerDAO, known for being overly cautious and risk averse, could just be playing it safe by planning for the worst and hoping for the best. Or the DAO could be seriously worried that the fate of stETH is sealed and the fallout is not something they want to be around for. Either way, it’s definitely a black eye for the AAVE team. A move like this by such a well known and trusted organization will only

serve to accelerate the demise of the Ether derivative.

Behind closed doors, the AAVE community is also discussing actions that could be taken in case the worse should happen. Discussions of freezing the asset have been swirling around the Discord. The team had even offered MakerDAO an alternative solution of freezing all withdrawals on stETH as well as raising the liquidation threshold to 90% for the troubled asset. Though this solution was not ideal, it would’ve at least kept Maker’s assets within the protocol. Instead, the DAO chose the nuclear option.

The long-term effects of such a decision are uncertain. Clearly this is just another nail in the coffin for the seemingly doomed asset. At the end of the day, the only thing that gives these assets any value at all is faith. As faith in the token crumbles, so too shall its price and an entire ecosystem along with it.



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# THE DAILY

