

Mars Updates

# MRC-3: Vote to raise two credit lines in the Fields of Mars live

APRIL 29, 2022



Last week, Delphi Labs published [Mars Request for Comment №3](#) (MRC-3): a proposal that would boost the credit lines for two leveraged yield farming strategies in the Fields of Mars.

Specifically, the proposal would increase the Fields caps for the LUNA-UST and MIR-UST strategies as follows.

PROPOSED CREDIT LINE INCREASES			
STRATEGY	CURRENT CREDIT LINE	PROPOSED CREDIT LINE	INCREASE SIZE
LUNA-UST	\$5M UST	\$20M UST	300%
MIR-UST	\$2M UST	\$3M UST	50%

Demand for the initial leveraged yield farming (LYF) strategies, which generate impressive APYs by yield farming on Astroport, has been high. Raising the caps would allow more users to take advantage of the strategies, which have been at or near capacity since launch.

From the proposal:

*Increasing the caps for these two strategies will allow Fields to grow and thus, Mars borrow demand to increase. We target these two strategies specifically (and not ANC-UST) given that these two strategies have regularly experienced high utilization or even maximum utilization, especially in the LUNA-UST case. At the moment of writing, the LUNA-UST strategy is maxed out and the MIR-UST strategy is sitting at 92% utilization. Meanwhile, the ANC-UST strategy's utilization has been consistently below ~100% (sitting at 72% currently), particularly after ANC incentives ended for the pool. In this sense, we don't think it's necessary to increase the ANC-UST cap at the moment.*

All Martian Council members (MARS stakers/xMARS holders) [can vote here](#) on whether or not to implement higher credit lines for the LUNA-UST and MIR-UST strategies.

As outlined in the proposal, increasing the caps isn't without risks. Liquidations, position distributions and smart contract risks could potentially lead to a shortfall event in the Red Bank. However, liquidations have been tested on Terra mainnet for more than a month. Stress testing simulations and the current distribution of LYF positions relative to their liquidation thresholds likely pose a small risk to the protocol. Finally, a \$1 million Mars Protocol bug bounty has been live for more than a month on [immunefi](#).

MRC-3 and all other Mars Improvement Proposals follow the process [outlined in Github](#).

To pass, a vote must hit the following targets:

- **Participation:** To be eligible to vote, xMARS holders must have held their xMARS at least 1 block before the proposal was submitted on-chain.
- **Quorum:** At least 10% of all available voting power (xMARS supply + vesting xMARS) must participate in the vote.
- **Threshold:** A simple majority (at least 50% + 1 of all cast votes) of participating voters must vote in favor of the proposal.

The voting period will be open for 37,028 blocks or approximately 3 days (of which 2 days are remaining). If it successfully passes an on-chain vote, MRC-3 will be authorized by the Martian Council for implementation by Mars contributors after a mandatory waiting period of 23,040 blocks (~42 hours).

Now, Martians, the Council summons you.

Place your vote directly on-chain or enter the Martian Council chamber now at <https://app.marsprotocol.io/#/council> to help us decide the future of Mars.

## About the Fields of Mars

While the Red Bank is the foundation of Mars, the true catalyst for borrowing demand is the Fields of Mars and its specialized “contract-to-contract” (C2C) lending.

As detailed in [A vision for the ‘Fields of Mars’ and contract-to-contract \(C2C\) lending](#), the Fields solve a core problem that impacts virtually all credit protocols today: you have to be a depositor in order to be a borrower.

In the Fields, you don't have to deposit in Mars' Red Bank to become a borrower. Instead, you can deposit assets directly into a Fields smart contract which has been whitelisted to borrow from the Red Bank on your behalf. This borrowing can only be done for very specific use cases, and the first of these use cases is leveraged yield farming.

By expanding the credit lines for the most popular leveraged yield farming strategies, Mars could generate a “flywheel effect” where yields on Red Bank deposits increase, which in turn increases the amount of deposits.

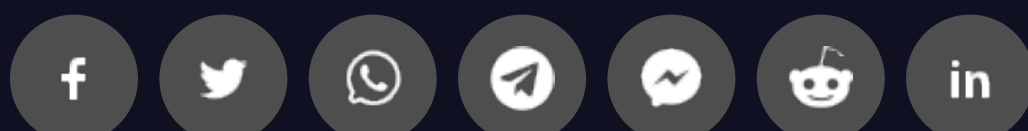
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