

# Governance vote aims to add Stader LunaX (LUNAX) to Red Bank

MAY 6, 2022



Stader Labs' liquid staking token LUNAX gives holders the ability to earn staking rewards and air drops on the Terra blockchain without locking their tokens or maintaining staking infrastructure.

A [new governance proposal](#) would list LUNAX as a collateral asset for lending and borrowing on the Red Bank.

"Stader promotes decentralization by spreading stake across multiple best-in-class validators selected based on transparent, objective performance criteria," [the proposal reads](#). "The addition of LunaX on Mars would thus encourage the decentralization and security of the Terra network, benefiting the Terra ecosystem as a whole."

If the proposal is approved, LUNAX holders would be able to deposit and borrow against their holdings while earning LUNA staking rewards.

"This will attract a larger audience to Mars as market participants borrow against their LunaX and/or lend it out for a yield," the proposal continues. "Ultimately, this will generate more fees for Mars with the new demand."

Mars' Red Bank currently supports three assets:

- Anchor Protocol (ANC)
- Terra (LUNA)
- Terra USD (UST)

The Martian Council is voting on adding Staked Luna (stLUNA) now (participate [here](#)), and LUNAX would be the fifth Red Bank asset.

After running LUNAX through the [Red Bank Asset Listing Risk Framework](#), the authors propose the following risk parameters:

- Loan-to-Value: 40%
- Liquidation Threshold: 50%
- Liquidation Bonus: 15%
- Optimal Utilization: 45%
- Interest Rate Model: This asset will use a 2-slope interest rate implementation with the following parameters:
- Base Rate (interest rate at 0% utilization): 0%
- Slope 1: 7%
- Slope 2: 300%
- Optimal utilization: 45%
- Whether the asset will be usable as collateral: Yes

Read the full [forum post](#) for background on additional risks around adding LUNAX. The voting period will last ~3 days. If successful, it will be implemented in the Fields after a mandatory 2-day review period as detailed in the [Mars Improvement Process](#).

All Mars stakers (xMARS) can now ascend to the Martian Council to vote on the LUNAX proposal at <https://app.marsprotocol.io/#/council>.

If the vote is successful, Mars will support its fifth asset, and it could unlock interesting yield farming opportunities in the Fields of Mars.

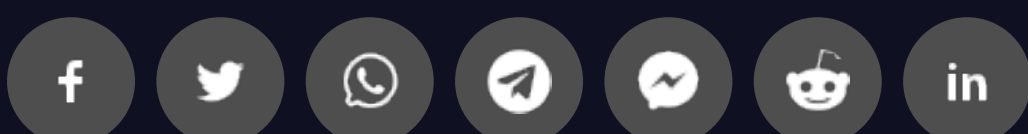
The future awaits!



Follow [Mars on Twitter](#) and subscribe to [Mars' email newsletter](#) for the latest updates from Mission Control.

## DISCLAIMER

This article does not constitute investment advice. Before interacting with Mars, review the project disclaimers [here](#).



Previous post

Apollo DAO breaks ground as first third-party protocol to apply for Mars credit line

Next post

New proposal would add fourth asset to Red Bank with support for stLUNA