

Greetings TWO, we have some updates:

- [Liquidations Testing](#) has proven that liquidators out there with 4 liquidations and 3 unique liquidators. Some was our own bot (getting front-run technically), but this proves the bot is working as a backstop none-the-less.
- GNO onboarding in isolation mode with a 5m debt ceiling is about to go to an executive vote. We expect Gnosis to move their treasury position over from Maker Core.
- We are seeing slow and steady growth with the number of unique wallets ticking upwards. DAI borrows have passed 1m (currently 1.21m) with 3.28m collateral backing these borrows (ETH + stETH).

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As integrations grow and with increasing Lindy, Phoenix Labs would like to propose the following changes in the next available spell in 4 separate polls:

Poll 1:

- Increase D3M debt ceiling, gap to 20m

Poll 2:

- New DAI Interest rate strategy deploy to exactly match DSR

Poll 3:

- Deploy Spark Proxy
- Add admin role, collateral onboarding access from Spark Protocol to the Spark Proxy

Poll 4:

- Onboard rETH to Spark Protocol with the following parameters:

Name: rETH Token Address: 0xae78736cd615f374d3085123a210448e74fc6393 Oracle: 0x05225Cd708bCa9253789C1374e4337a019e99D56 (Chainlink) Borrow Enabled: Yes Optimal Usage Ratio: 45% Base Borrow: 0% Slope 1: 7% Slope 2: 300% Collateral Enabled: Yes LTV: 68.50% Liquidation Threshold: 79.50% Liquidation Bonus: 7% Liquidation Protocol Fee: 10% Reserve Factor: 15% Supply Cap: 20,000 rETH Borrow Cap: 2,400 rETH Flashloanable: Yes E-Mode: ETH Category

Please note ETH Category E-Mode has the following configuration made at deploy:

LTV: 90% Liquidation Threshold: 93% Liquidation Bonus: 1%

Since the next spell is 2 weeks from now and the GNO vault will be moved the DAI DC will probably be close to maxed out by then which is why we are requesting an increase to 20m.

Beyond the DC raise, the idea is to start dog-fooding the Omnibus Spell Process to horizontally scale the spell system. By giving admin access of Spark to the SubDAO proxy, spells can be created async by PL and others to adjust risk parameters, onboard collateral, etc. This does NOT give access outside of the main spell, as the executive vote still needs to execute the code, but no longer is the spell code inside the spell. It just calls out to the SubDAO Proxy to do anything specific to Spark Lend with no access to Maker Core which limits the damage that can be done.

Once this process is in place PL will begin preparing collateral onboarding, risk parameters tweaks asynchronously from the spell process and notify gov alpha when things have been fully reviewed and are ready to be executed in the next available Maker Core spell.

The interest rate strategy change comes from the language update in the scopes framework. Block Analitica will be putting out new rates numbers soon which will raise the DSR to about ~3% based on scopes updates.