Right now Instadapp allows you to swap your existing debt from one collateral type to another within the protocol.

It can be used to refinance debt to achieve a better rate and also used to execute a short position.

The caveat using Intsdapp is that you can only do it if you move your positions to their platform/smart contract. If you wish to withdraw back to your wallet you're required to pay back all your loans :(

It would be nice if Aave implemented an easy way to swap debt (for example a USDT borrowed position into USDC) on its website for v2 and

v3 while keeping your assets in your wallet and not having to liquidate/pay back loans.