Title: [TEMP CHECK] - Aave V1 Offboarding Plan

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Simple Summary

This Temperature Check proposes the offboarding of Aave V1 by implementing new rate strategies for all assets listed on the platform, encouraging users to migrate their assets to Aave V2 or Aave V3.

Background

Aave V1 has been frozen since December 2022, and users have been given ample time to migrate their assets to Aave V2 or Aave V3. As sufficient time has passed, it is now appropriate to move forward with the offboarding process for Aave V1.

Motivation

Aave V1 has served as a pioneering platform in the DeFi ecosystem. However, with the release of Aave V2 and Aave V3, it is essential to shift users and resources towards these more advanced and efficient platforms. By offboarding Aave V1 and encouraging migration to newer versions, we can ensure a more streamlined user experience and concentrate resources on continued development and improvements in the Aave ecosystem.

Specification

The offboarding plan will be executed by implementing new rate strategies for all assets listed on Aave V1. These rate strategies aim to incentivize users to migrate their assets to Aave V2 or Aave V3 by making borrowing and supplying less attractive on Aave V1. The new rate strategies will be applied to all assets listed on Aave V1.

New Rate Strategies

For each asset listed on Aave V1, new proposed values for the following parameters will be implemented:

1. uOptimal: 20%

2. reserveFactor: 99.9%

3. base rate: 3%

4. slope 1: 7%

5. slope 2: 200%

These changes will make borrowing and supplying assets on Aave V1 less attractive compared to Aave V2 or Aave V3, encouraging users to migrate their assets to the newer platforms.

Next Steps

1. Temperature Check: Gather community feedback and assess sentiment towards the proposal.

2. ARFC: If the Temperature Check Snapshot indicates positive sentiment, proceed to the ARFC stage for further discussion and finalization of the proposal.

3. AIP: If the ARFC stage Snapshot is successful, submit the proposal as an AIP for voting and on-chain governance approval.

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