Title:

[ARFC-Addendum]Update Boosters & diluters for Merit Round 2

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Simple Summary

This ARFC-Addendum proposes to make booster & diluters evolve inside Merit to adapt to the DeFi ecosystem landscape evolution, introducing new diluters & removing a booster action.

Motivation

Merit wETH has been a clear success with nearly 200k ETH, leaving other protocols to join Aave V3. 160k ETH specifically left Morpho V3 to join aave, forcing a re-balance, and has made Morpho the second largest borrower & fee payer (>11%) of wETH in Aave, forcing them to pay north of 1600 ETH to the aave DAO per year.

[Ethereum (ETH) Blockchain Explorer](#)

[Aave Ethereum Variable Debt WETH (variableDebtEthWETH) Token Tracker | Etherscan](#)

Aave Ethereum Variable Debt WETH (variableDebtEthWETH) Token Tracker on Etherscan shows the price of the Token $0.00, total supply 546,704.111076156763239077, number of holders 1,138 and updated information of the token. The token tracker page also...

Merit GHO has also been a success and reinforced our Safety module (17M$), secondary liquidity, and peg. It allows the DAO to restart GHO minting while keeping the peg in check.

GHO is expected to provide 10% of all DAO overall revenue by next week.

However, we have to witness less collaborative behavior from some ecosystem actors. In light of this, it seems suboptimal for the Aave DAO to reward uncollaborative protocols & behaviors.

This is why we suggest stopping any subsidies to the makerDAO ecosystem; the Aave DAO has already paid millions via the AAVE and third-party LM programs and has been repaid by creating competitive forks and activating D3M in a protocol that has stolen millions of revenue from this DAO with no safety track record using a market sensible collateral.

With this proposal, a single $ in Morpho Blue or Spark will nullify any Merit Airdrop for the user.

sDAI is considered a makerDAO product, not a Spark product; holding simply sDAI or having it in Aave will not dilute a user.

This proposal aims to be enabled for Merit Round 2 and all subsequent rounds.

Specification

Proposed Changes:

1. Remove "MakerDAO fren" Boosters. for the usage of sDAI as collateral

2. Include Morpho Blue & Spark users in the "User of Non-Aligned Protocol" diluter.

Next Steps

1. If this proposal reaches a consensus on Snapshot, update the Merit reward system accordingly

Disclaimer

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