

title: [ARFC] GHST Polygon V3 “Soft Freeze”

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## Summary

GHST is the native asset of the Aavegotchi ecosystem. This ARFC proposes new risk parameters for GHST following the deprecation of the “Bonding Curve,” which has created a new risk profile for the asset.

## Abstract

This ARFC presents the Aave governance with an opportunity to change GHST risk parameters for Aave Polygon V3 Liquidity pool.

## Motivation

GHST is the native asset of the Aavegotchi ecosystem. This ARFC proposes new risk parameters for GHST following the deprecation of the “Bonding Curve,” which created a new risk profile for the asset and is expected to increase its volatility.

Previously, GHST was minted and burned on an ETH L1 bonding curve contract, which lowered its volatility. However, with the deprecation of the curve, a “Soft Freeze” of the GHST asset on Aave V3 Polygon is proposed to allow for a conservative reaction to this new risk profile.

Once the bonding curve is deprecated and more market data is available on the risk profile of GHST, Aave governance will have in a few weeks/months a stronger basis to assess and provide updated risk parameters for the GHST asset.

This ARFC is compliant with the “Direct-to-AIP” governance framework and if a risk service provide team provide positive feedback on it, will be directly escalated to AIP stage tomorrow.

## Specification

Ticker: GHST (GHST)

Contract Address: 0x385Eeac5cB85A38A9a07A70c73e0a3271CfB54A7

Risk Parameter

Current Value

Proposed Value

Isolation Mode

NO

NO

Enable Borrow

YES

NO

Enable Collateral

YES

YES

Loan To Value

25%

0%

Liquidation Threshold

45%

45%

Liquidation Bonus

15%

15%

Reserve Factor

20%

20%

Liquidation Protocol Fee

10%

10%

Borrow Cap

3.23M

220k

Supply Cap

5.88M

4.65M

Debt Ceiling

N/A

N/A

## Disclaimer

The Aave-Chan Initiative (ACI) has no association or compensation from PixelCraft Studio to publish this AFRC.

As of writing, ACI founder Marc Zeller holds significant holdings in GHST, the native asset of the Aavegotchi protocol, and significant amounts of game assets in the Gotchiverse.

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