

During the most recent macro uptrend, the unified perspective of people in governance was to increase the level of disdain for users of the platform and try to suck them dry of as much interest as possible. This occurred in various ways, and was implemented in a way that assumed a permanent bull run and a user base that would be happy to pay exorbitant fees in perpetuity. I propose specifically revisiting the increase of stable borrow rates for V2, and developing a solid structure for those to occur across Polygon as well that does not actively decentivize potential users of the protocol.

Now that the delusion of the most recent run up has come crashing down, I think it is time to fix some of the mistakes that were implemented previously. I don't have the risk assessment background to determine a proper structure for this, but I would call on someone within AAVE who does to evaluate alternative approaches.

There is nothing to do relating to V1 at this point, but it is useful in demonstrating the pattern of disdain for borrowers on this protocol - Forcing taxable transactions by removing stable borrow from V1 to "incentivize" migration and making the stable borrow rate level on V2 uncompetitive and exorbitant is not the path to long term success and creating loyal users.

Increasing baseline stable borrow rates for users of V2:

[Base stable rate oracle update and improvements in Aave V2](#)[Risk

]/(c/risk/7)

The Aave V2 protocol implements a more aggressive IR for stable and variable rates compared to V1. Specifically, the risk parameters have been set as follows: USDC — USDT [\[imagine\]](#) DAI — TUSD [\[imagine\]](#) Borrowers are taking this opportunity to borrow at a lower risk leading to a high share of stable borrows in V2. This is problematic as the stable rate only rebalances under stressed conditions, losing some of the risk management benefits of the variable rate. The share of stable rates i...

Removing stable borrow rates from users of the V1 protocol:

<https://app.aave.com/governance/7-QmXwFPhN3ABDzBuEhPTzeXzuQdGkHfWtEZn348LQWxuFFZ>