

## Sentence Rational

We are the UMA team and would like to propose AAVEngers to support the listing of UMA Token, as an asset for lenders and borrowers on AAVE v2.

## References

Link to:

- Project - <https://umaproject.org/>
- Whitepaper - [GitHub - UMAprotocol/whitepaper](#)
- Doc site - <https://docs.umaproject.org/>
- Github - [UMA - GitHub](#)
- Ethereum addresses contracts - [\\$21.02 | UMA Voting Token v1 \(UMA\) Token Tracker | Etherscan](#)
- ChainLink Oracle - UMA / ETH : [Ethereum Data Feeds | Chainlink Documentation](#)
- Audits both procedural and smart contract focused
- [UMA Audit - Phase 1 - OpenZeppelin blog](#)
- [UMA Audit – Phase 2 - OpenZeppelin blog](#)
- [UMA Audit - Phase 3 - OpenZeppelin blog](#)
- [UMA Audit - Phase 4 - OpenZeppelin blog](#)
- [UMA Audit - Phase 1 - OpenZeppelin blog](#)
- [UMA Audit – Phase 2 - OpenZeppelin blog](#)
- [UMA Audit - Phase 3 - OpenZeppelin blog](#)
- [UMA Audit - Phase 4 - OpenZeppelin blog](#)
- Communities
- <https://discourse.umaproject.org/>
- [UMA](#)
- <https://discourse.umaproject.org/>
- [UMA](#)

## Paragraph Summary

UMA has a strong and rapidly growing community focused on creating derivatives on ethereum for anyone to access anywhere. This proposal is to add UMA token as an asset on AAVE V2 for users to lend and borrow against.

## Motivation

By lending and borrowing UMA on AAVE, it enables UMA tokenholders to collateralize their UMA tokens to gain exposure to other assets or to obtain more UMA and use it to continue to govern UMA protocol and increase their ability to provide price data to UMA's optimistic oracle.

## Specifications

1. What is the link between the author of the AIP and the Asset?

I am an employee of Risk Labs which is an LLC setup on behalf of the UMA Foundation to grow UMA protocol.

1. Provide a brief high-level overview of the project and the token

UMA token is used to operate UMA's optimistic oracle. Owning UMA gives you the ability to contribute price information to UMA's Optimistic Oracle and govern UMA protocol (and receive rewards for doing so).

## About UMA Protocol

UMA is an open-source protocol that provides the infrastructure for developers to create and manage decentralized financial

products, like derivatives, on the Ethereum network that anyone can use, no matter where they live.

UMA enables developers to create synthetic assets via two core components:

- [Priceless financial contract templates](#)
- [Optimistic oracle service](#)

Together, these two components enable the creation of fast, efficient, and secure synthetic derivatives on the Ethereum blockchain.

UMA's goal is in its name; Universal Market Access. Unlike traditional derivatives, UMA's derivative contracts are self-governing and secured by UMA's optimistic oracle.

1. Explain positioning of token in the AAVE ecosystem. Why would it be a good borrow or collateral asset?

UMA's presence on AAVE would provide additional TVL to AAVE and an opportunity to earn additional fees as UMA holders would be able to come to AAVE to collateralize their assets.

UMA is a community-led protocol that enables anyone to easily create secure derivative products on Ethereum. UMA protocol has a current TVL of around \$109 million.

1. Provide a brief history of the project and how it overcame stressed conditions

UMA currently secures around \$109 million of money in contracts built on top of UMA. UMA has never been compromised and is designed in a way that is very secure by minimizing oracle usage and ensuring the cost to corrupt UMA is always greater than the amount of money that can be stolen from it. View below for more information on the economic guarantees UMA provides for contracts built on top of it.

[docs.umaproject.org](https://docs.umaproject.org)

## [How UMA solves the Oracle Problem | UMA Docs](#)

### Economic Guarantees

1. How is the asset currently used?

UMA token is used to operate UMA's optimistic oracle, known as the Data Verification Mechanism (DVM). Owning UMA gives you the ability to contribute price information to the DVM and govern UMA protocol.

The benefits of owning UMA include:

- Earning rewards for voting on price requests from financial contracts using the DVM
- Earning rewards for governing the UMA ecosystem by voting on parameter changes and approving system upgrades. System upgrades can include supporting new price identifiers or collateral types

Voters who participate and vote correctly earn an inflationary reward (currently 0.05% of total network token supply), distributed pro-rata by stake.

1. Emission schedule - [UMA Token Release & Treasury Update | by Hart Lambur | UMA Project | Medium](#)
2. Token permissions and upgradability - UMA is governed by UMA tokenholders. All upgrades / changes are voted on by UMA tokenholders. Votes are aggregated by UMA's Data Verification Mechanism (DVM) whereby it will then implement the proposed changes (if applicable).
3. Market data (Market Cap, 24h Volume, Volatility, Exchanges, Maturity)

UMA has a market cap of \$1,477,703,740 and is listed on major centralized exchanges (Coinbase, Binance, Gemini, OKEx, Huobi, etc.). The 24-hour volume on coinbase is over \$11 million. View more here: [UMA price today, chart, market cap & news | CoinGecko](#)

UMA is also included as an asset in the first Defi Index fund [Bitwise Launches World's First Decentralized Finance \("DeFi"\) Crypto Index Fund](#)

1. Social channels data (Size of communities, activity on Github)
2. Discord users - 6,100
3. Twitter followers - 25,000
4. Github - top 10 project by defi activity

5. <https://twitter.com/santimentfeed/status/1357529113158967298>

6. <https://twitter.com/santimentfeed/status/1357529113158967298>

7. Contracts date of deployments, number of transactions, number of holders for tokens

#### Technical Specifications

Add UMA token as a collateral currency on AAVE.

- Token address: 0x04Fa0d235C4abf4BcF4787aF4CF447DE572eF828
- [\\$21.02 | UMA Voting Token v1 \(UMA\) Token Tracker | Etherscan](#)

#### Security Considerations

I do not foresee any security issues or concerns for AAVE by listing UMA as an asset to lend and borrow.

If you support UMA on AAVE I'd love for supporters to delegate some proposal power with their Aave or even better stkAAVE to this address:

0x5b214Ea0dD51b08A5850ae82a87383D4C364892F

#### Poll

Add UMA as an asset to borrow/lend on AAVE

- Support
- Reject

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voters