Hello Aavengers, Amplers, and Avax fam

After the rollout of AMPL to Aave V2 on Ethereum, I propose adding the matching AMPL market on Avalanche. This will bring a lower fee alternative for AMPL borrowing and depositing to users on the AVAX platform.

To maintain consistency and predictability for users, we should use the same configuration as the existing AMPL market on Ethereum:

Collateral Asset: No

Reserve Factor: 10%

Interest rate curve as defined by AIP-35

What is Ampleforth?

AMPL is a durable, fully-algorithmic unit of account.

The Ampleforth protocol transfers the volatility of demand from price per token to the number of tokens in user wallets by automatically adjusting supply in response to demand. Daily supply adjustments are automatic and non-dilutive.

For general information about the Ampleforth protocol, its motivation, use-cases, and behavior under live market conditions, see this Amplefort Network Durability report.

Ampleforth on Aave

The AMPL market was first proposed in October of 2020, deployed July 24th 2021, with an interest rate adjustment on Sept 18th, and a UI fix that finally surfaced the true rates to users on Oct 21st.

Since that time, we've seen the market size grow to over $14M, greater than 4% of the fully diluted AMPL market cap. In its short existence, strong engagement on both sides of the market has caused AMPL to be the largest revenue generator for the AAVE protocol.

Ampleforth on Avalanche

AMPL was launched onto Avalanche November 3rd with a Chainlink feed, and liquidity pools on Trader Joe and Pangolin. Further integration within the Avalanche ecosystem is being developed in collaboration with Benqi.

AMPL is bridged onto Avalanche by the Meter Passport platform, which is secured by relayers including Protofire, Harshquark, Wetez, InfinityStones, and Meter.

Governance Process

The official Avalanche<>Ethereum bridge does not support the generic transactions needed for bridged governance, so the governance actions on Avalanche are executed by the Aave community multisig as proxy. Ahead of any multisig action, we can still implement a snapshot vote of AAVE holders for the community to signal support. We will follow this process unless there are other objections!

Bringing AMPL lending to AAVE on AVAX would be an exciting step forward for all three ecosystems

Links to previous forum discussions:

Proposal: add support for AMPL

ARC: Update AMPL interest rate curve to account for over-approximation in compounded interest

ARC: Raise AMPL's max interest rate