

After their most recent proposal, which was co-authored by core ops team member [@tracheopteryx](#), I propose that we issue a blanket denial of any preferential treatment for Yearn.

Their Proposal wanted: 3% fixed interest rate per year, increase of liquidation level to 85% for YFI. In the instance that they get hacked again (as they were last month), AAVE users would have taken losses as this collateralization level far exceeds even the most basic risk parameters.

Furthermore, they have a history of finding technicalities to go against on chain votes within their governance structure (the vote to burn the minting keys was on chain) which suggests that the core ops team that stated development of the proposal has no interest in mutual benefit. They seek amoral increases to their protocol... which frankly is their right to do so. But I do not think AAVE should engage in discussions with those who would behave in such a manner.

They will claim "we are open to debate and want a fully inclusive defi system." Then why didnt they offer ANY benefit to AAVE at all in their proposal?

Either the the core ops team didn't know it was putting the AAVE protocol and users at risk or they didn't care. Either way, this is not a team we should engage in discussions for preferential treatment of their usage of our services.

Their "benefit" to AAVE: those putting in USD assets would have higher utilization rates so retail borrowers would have to pay higher APY to offset the 3%.

This type of proposal is unacceptable and I do not believe we should engage in any discussions with amoral actors that seek to maximize their exposure whilst pushing the risk of said exposure onto this protocol.

I think in the interest of mutual benefits to the DeFi ecosystem, they should use the platform exactly as it was intended and not through negotiation of the type of backhanded deals so commonplace in in the traditional banking system DeFi seeks to disrupt.

Link to discussion:

[ARC: Deepen cooperation with Yearn](#) [Governance

]/(c/governance/4)

Authors: Ali Atiia, [@lehnberg](#), Sam Bacha, @Wot\_Is\_Goin\_On Our first post here, a warm hello to the Aave community from Yearn!

In short Strengthen the symbiotic relationship between Aave and Yearn by taking the following actions:

Disable YFI as a borrowing asset in order to prevent governance and shorting attacks, which in turn enables aYFI to be accepted in Yearn Governance, thereby increasing the utilization of Aave within Yearn products.

Extend a special 3% fixed interest facilit...