

Title: [TEMP CHECK] Aave v3 MVP deployment on Scroll mainnet

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Simple Summary:

Proposal to deploy an Aave v3 MVP to Scroll mainnet with limited assets onboarding and conservative risk parameters in order to allow Aave to establish a strategic position in the Scroll ecosystem while limiting risk exposure.

Background:

This TempCheck proposes the deployment of a Minimal Viable Product (MVP) version of Aave V3 on Scroll mainnet. Scroll mainnet will go live beginning of August this year and intends to onboard Aave V3 as one of the first DeFi dApps in the ecosystem. Scroll is an EVM-equivalent zk-rollup with the primary goal to provide scalability to Ethereum in the most robust and secure way. We guarantee this by being open source from day 1, a strong in-house security team paired with rigorous audits, third party provers upon our mainnet genesis block and a gradual decentralization of our sequencer network.

Motivation:

Aave will be given a prominent role in the early Scroll ecosystem and will be able to establish a strategic presence early on. Aave will be in good company of 150+ projects going live shortly after mainnet launch and will be able to harness a vibrant new ecosystem that expands across the globe.

Specification:

The proposal will detail the deployment of Aave V3 on Scroll mainnet with three collaterals (WETH, USDC, wstETH) and one borrowable asset (USDC). We consulted Gauntlet and Chaos Labs for preliminary risk parameters and if this proposal is to pass, we will get further input on risk parameters for the listed assets at the ARFC phase.

Risk Parameter

WETH

wstETH

USDC

Isolation Mode

NO

NO

NO

Enable Borrow

YES

NO

YES

Enable Collateral

YES

YES

YES

Emode Category

eth-correlated

eth-correlated

N/A

Loan To Value

80%

80%

82.5%

Liquidation Threshold

82.5%

82.5%

85%

Liquidation Bonus

5%

5%

5%

Reserve Factor

15%

15%

15%

Liquidation Protocol Fee

10%

10%

10%

Borrow Cap

11000

N/A

\$40m

Supply Cap

11000 (\$20m)

500 (\$10m)

40m (\$40m)

Debt Ceiling

N/A

N/A

N/A

uOptimal

80%

45%

90%

Base

0%

0%

0%

Slope1

4.8%

4.8%

4%

Slope2

80%

80%

60%

To limit risk exposure to the DAO, we commit 500,000 USD in \$AAVE staked to the Aave Safety Module to provide additional security guarantees.

Disclaimer

We consulted both [@Gauntlet](#) and [@ChaosLabs](#) for this MVP proposal. The information provided above about preliminary risk parameters is based on public sources and previous comparable parameter proposals. It cannot be guaranteed that it is or will stay accurate. Neither Gauntlet nor Chaos Labs have been compensated by Scroll.

This TempCheck has been prepared to gauge initial feedback from the community and promote further discussion. The presented risk parameters will be finalized in the ARFC phase pending a positive outcome of the Temperature Check Snapshot

Next Steps

1. Temperature Check:

Gather community feedback and assess sentiment towards the proposal of deploying Aave V3 on Scroll mainnet.

1. ARFC:

If the Temperature Check Snapshot indicates positive sentiment, proceed to the ARFC stage for further discussion, risk parameter evaluation network analysis and finalization of the proposal.

1. AIP:

If the ARFC stage Snapshot is successful, submit the proposal as an AIP for voting and on-chain governance approval.

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