

# Simple Summary

A proposal to adjust nine (9) total risk parameters across seven (7) Aave V2 assets including LTV, Liquidation Threshold, and Liquidation Bonus.

## Abstract

This proposal is a batch update of risk parameters to align with the the [Moderate risk level](#) chosen by the Aave community. These parameter updates are a continuation of Gauntlet's regular parameter recommendations.

## Motivation

This set of parameter updates seeks to maintain the overall risk tolerance of the protocol while making risk trade-offs between specific assets.

## Specification

This past week did not see outsized changes in market conditions nor within the Aave protocol. There were slight volatility drops and increases in trading volume and liquidity for most assets. Our platform recommends the following set of parameter changes that will decrease liquidation bonuses on several less-utilized assets.

Parameter

Current Value

Recommended Value

BAL Liquidation Bonus

8.0%

7.5%

CRV Loan To Value

45%

55%

DPI Loan To Value

65%

70%

DPI Liquidation Bonus

8.5%

7.5%

DPI Liquidation Threshold

70%

75%

ENJ Loan To Value

60%

70%

MANA Loan To Value

65%

70%

MKR Liquidation Bonus

8.0%

7.5%

UNI Liquidation Bonus

8.0%

7.5%

## Risk Dashboard

The community should use Gauntlet's [Risk Dashboard](#) to better understand the updated parameter suggestions and general market risk in Aave V2.

## Next Steps

- Initiate a Snapshot immediately since the community has already weighed in on changes of this nature recently
- Targeting an AIP on 2022-01-05