Summary

This proposal presents Aave with the opportunity to onboard ENS to the Etheruem Aave V3 Market.

Motivation

As part of the community efforts on the V2 to V3 migration, Chaos Labs proposed a [multi-phased plan](#) to promote V3 adoption. As per this plan, Chaos Labs proposes to list ENS on Aave V3 on Ethereum. ENS is currently listed on V2 Ethereum with borrow disabled.

As the proposed assets in the migration plan are traded with relatively low market cap and trading volume, we have taken a prudent approach in setting borrow caps to account for no more than 1% of the average daily trading volume. The supply cap was derived using our supply cap methodology with the V2 data (simulation results can be seen in the image below). Additionally, we have adjusted the IR Slope1 to reflect the changes in interest rates over the past months and adjusted the liquidation bonus levels to the current liquidity levels in DEXs.

Specification

Ticker: ENS

Contract Address: 0xC18360217D8F7Ab5e7c516566761Ea12Ce7F9D72

Parameter

ENS

Isolation Mode

Yes

Borrowable

Yes

Collateral Enabled

Yes

Supply Cap

1M

Borrow Cap

40,000

Debt Ceiling

$3.9M

LTV

39.00%

LT

49.00%

Liquidation Bonus

8.00%

Liquidation Protocol Fee

10.00%

Variable Base

0%

Variable Slope1

9.00%

Variable Slope2

300.00%

Uoptimal

45.00%

Reserve Factor

20.00%

Stable Borrowing

Disabled

Stable Slope1

13.00%

Stable Slope2

300.00%

Base Stable Rate Offset

3.00%

Stable Rate Excess Offset

5.00%

Optimal Stable To Total Debt Ratio

20.00%

Flahloanable

Yes

Siloed Borrowing

No

Borrowed in Isolation

No

Next Steps

1. If consensus is reached and the proposal is refined, submit the ARFC for a snapshot vote for final approval.

2. If consensus is reached, submit an Aave Improvement Proposal (AIP) to onboard ENS on the Ethereum Aave V3 pool.

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