Summary

A proposal to increase the supply cap for WETH and CRV on Aave V3 Polygon.

Motivation

Following the community approval of the AIP to update IR curve parameters on V2 Polygon, aimed at encouraging users to migrate positions to V3, we propose increasing the supply caps for WETH and CRV to allow enough room for the V2 positions.

For all other assets, the current caps are sufficient to accommodate the transfer of all V2 positions.

Asset	V2 Supply	V3 Available	V3 Current Supply	V3 Supply Cap	Recommended Supply Cap
wETH	38,090	22,160	27,840	50,000	75,000
CRV	140,860	0	1,130,000	1,130,000	1,400,000

The recommendations provided in this proposal were derived using Chaos Labs' Supply and Borrow Cap Methodology. Below are the data considerations and recommendations for all assets:

WETH

CRV

Given the current market conditions and LT configuration on V3 Polygon, we propose a modest increase in the supply cap to facilitate the migration of positions from V2. In the near future, we aim to further decrease the LTs for CRV, which would provide room for a more substantial increase in the supply cap.

Specification

Chain	Asset	Current Supply Cap	Recommended Supply Cap

		Current Borrow Cap	Recommended Borrow Cap		
Polygon	WETH	50,000	75,000	14,795	No Change
Polygon	CRV	1,130,000	1,400,000	900,190	No Change

Next Steps

Once we receive feedback from [@Gauntlet](#) on the above recommendations, we will be able to move forward to implement these updates via the Risk Steward process.

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