

## Summary

This discussion aims to gauge the community preferences regarding freezing low-med market cap assets on Aave V2 Ethereum (SNX, ENS, MKR, UNI, 1inch, LINK). With the successful launch of Ethereum V3, users can seamlessly migrate the vast majority of positions. V3 boasts superior risk levers, allowing the community to configure more granular risk settings and more effectively safeguard user funds.

## Motivation

Our strategy underscores a data-centric approach focused on derisking Aave while ensuring the protocol's long-term robustness and safeguarding user funds.

Following the successful deployment of Aave V3 on the Ethereum network, we propose a reassessment of smaller-to-medium capitalization tokens. Unlike CRV (we will soon contribute further insights on this topic, as the complexity of the CRV market, primarily due to its substantial scale, warrants a more nuanced examination), these markets exhibit a more modest size and generally can be conveniently migrated. This diverges from preceding deliberations on market freezes prior to the V3 launch. With V3 live, invoking a freeze on V2 markets does not preclude users from capitalizing on these markets. Instead, it enhances the community's capacity to safeguard user funds more effectively, as V3's advanced risk management mechanisms provide a more secure environment. This proactive strategy aims to enforce a freeze on low-to-medium capital assets on V2, thereby averting a scenario resembling Aave V2's current overexposure to CRV while permitting users to engage with Aave via V3 markets.

This discussion seeks to ascertain the community's position on the concept of freezing. This is the optimal course of action from a risk management and security standpoint. It enables users to immediately leverage alternatives for almost all markets or in the near future, as several are currently in the advanced phases of governance and are poised for imminent launch.

Note: Some of the markets cannot be migrated completely with the current caps. In these cases, we will increase caps where liquidity permits.

Asset

V2 Supply

V3 Supply Cap

Current V3 Supply

V2 Borrow

V3 Borrow Cap

current V3 Borrow

1INCH (pending AIP)

10.77M

22M

N/A

593K

720K

N/A

ENS (pending AIP)

1.1M

1M

N/A

9.3K

40K

N/A

LINK  
12.47M  
24M  
552K  
1.79M  
13M  
26K  
MKR  
17K  
6K  
472  
238  
1.5k  
84  
SNX  
3.69M  
2M  
64K  
1.57M  
1.1M  
11.7K  
UNI  
2.22M  
2M  
61.5K  
14.1K  
500K  
5.7K

## Next Steps

We welcome community feedback before escalating the discussion to AIP.