Isolation Mode

Isolation mode allows to list new assets asIsolated which has a specific debt ceiling and can be only used to borrow stablecoins that have been configured by Aave Governance to be borrowable in isolation mode. Debt Ceiling for an Isolated represented is the maximum amount in USD that can be borrowed against the collateral.

Viewdebt ceiling andborrowable in isolation mode parameters onlive dashboard .

Supply Isolated Asset

A user can supply anIsolated Asset just like any other asset usingsupply() method in pool.sol, though, the default behaviour while supplying anIsolated Asset may vary based on below conditions

Use as Collateral Condition Enabled - if Isolated Asset is the first asset supplied by the user OR - no other supplied asset is enabled as collateral by the user Disabled if any other asset is currently enabled as collateral In case the user has other assets enabled as collateral, they can still supplyIsolated Asset to capture the yield but won't be able to use it as collateral

Borrow in Isolated Mode

Borrowers using anIsolated Asset as collateral can only use that particular asset as collateral and can only borrow assets that areborrowable in isolation mode, i.e. haveBORROWABLE_IN_ISOLATION_MASK bit set in reserve configuration.

Borrower in Isolation Mode cannot enable any other assets including the other isolated assets as collateral.

Exit Isolation Mode

Users can turn off isolation mode by disabling the isolated asset as collateral. This can be done only if the user has no outstanding debt. A user must userepay() method in Pool.sol to pay off all of their debt before exiting Isolation Mode

Was this helpful?