

Simple Summary

For clarity, we are starting a separate forum thread to follow up on the conversation [here](#) two weeks ago.

Given the low usage of the V2 AMM market and its risk/reward profile, this is a temperature check for deprecating the Aave V2 AMM market. Forum discussion can be found [here](#).

Specifically, to

1. Set Liquidation Threshold to 0 for all LP Tokens
2. Freeze all other assets (DAI, USDC, Tether, WBTC, ETH)

Motivation

Given the low level of usage on the AMM V2 market, and the fact that the only unfrozen assets are now majors (DAI, USDC, USDT, WBTC, ETH) that are available on V2 ETH and V3 ETH, we recommend deprecating the AMM V2 market. This includes setting LTs to zero for all LP tokens, and freezing all other assets (DAI, USDC, Tether, WBTC, ETH).

Freezing assets does not liquidate positions. Setting LTs to zero can liquidate affected accounts (users who borrow against LP token collateral). There are currently ~\$150k deposits of LP tokens in the market.

Next Steps

- If the Snapshot vote passes, publish AIP with ample notice time for users to adjust their positions as needed.