

Hi Aave community, Jeff from the Terra team here. We would like to submit a proposal to onboard UST.

References:

- [Terra](#)
- [Whitepaper](#)
- [Docs](#)
- [Terra github](#)
- [Etherscan](#)
- ChainLink Oracle: WIP
- Audits: [CertiK Security Leaderboard - Terra](#)
- communities: [Telegram](#) [Discord](#)

Summary

TerraUSD (UST) is an algorithmic, seigniorage-based stablecoin issued by Terraform Labs (TFL). Its market capitalization has grown to \$1.8B (<https://www.coingecko.com/en/coins/terra-usd>) since its inception on October 1. UST is designed such that each UST can be redeemed for \$1 of LUNA, and vice versa. This has kept the price close to the peg, which is essential for a stablecoin.

Motivation

The Terra community is quite active, and growing very quickly. Because our strategy is multi-chain, we are looking for borrowing/lending markets for UST on all the chains where UST is supported. Ethereum is naturally the top destination for assets coming from the Terra chain.

The asset is supported by major dApps including Curve, Uniswap, Sushi onsen, Harvest, etc. UST can also be deposited into Mirror Protocol mAsset pools on Uniswap, and is depositable into Anchor via EthAnchor ([EthAnchor - Anchor Protocol](#)). We believe there will be sufficient demand for borrowing/lending given the variety of existing use cases.

Specifications

1. What is the link between the author of the AIP and the Asset?

I am a member of the Terraform Labs team.

1. Provide a brief high-level overview of the project and the token

Terra is the team behind Anchor Protocol and Mirror Protocol. UST has been live since October 2020, and has held peg well. There are 6,270 unique holders of erc20-UST.

Curve volume:

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](<https://europe1.discourse-cdn.com/business20/uploads/aave/original/1X/5ff9e33d1fb16eda2bf0e4424828aa3f35fde6f2.png>)

1. Explain positioning of token in the AAVE ecosystem. Why would it be a good borrow or collateral asset?

As a stablecoin, it's maintained its peg, particularly over periods of market volatility. And as mentioned above, we believe there will be sufficient borrowing/lending demand for UST given there are a variety of existing use cases.

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](<https://europe1.discourse-cdn.com/business20/uploads/aave/original/1X/ab509352629459995e845382552911cd2a024065.png>)

1. Provide a brief history of the project and the different components: DAO (is it live?), products (are they live?). How did it overcome some of the challenges it faced?

Terra is the team behind Anchor Protocol and Mirror Protocol. Mirror has \$2B TVL, and does ~\$100M in daily volume. Anchor launched 5 weeks ago and has ~\$700M TVL. Our oldest stablecoin is KRT, which was launched in 2018, and has been able to maintain peg for the last 3 years.

1. How is the asset currently used?

UST can be used on most of the major dApps - including Curve, Uniswap, Harvest, Sushi, etc. as well as on Terra applications such as on Mirror mAsset pools and ethAnchor.

1. Emission schedule

There is no emission schedule. Whenever there is fluctuation in demand for UST that causes the price to go off peg, \$1 LUNA can be swapped for 1 UST, and vice versa.

1. Token (& Protocol) permissions (minting) and upgradability

As Stani pointed out in my last post, the minting function for UST is currently EOA. As I've mentioned to the team, we've been intending to migrate to a more decentralized proof of authority bridge created by the Wormhole team (<https://solana.com/wormhole>). But given the dependency on a 3rd party, it's hard to put an exact estimate on go-live.

Given the history and robustness of our stablecoins over the last 3 years, we believe that the centralized properties of UST would pose low risk to the Aave ecosystem.

1. Market data (Market Cap, 24h Volume, Volatility, Exchanges, Maturity)

Market cap: \$1.8B total, \$300M on Ethereum: <https://etherscan.io/token/0xa47c8bf37f92abed4a126bda807a7b7498661acd>

24 hour volume: \$160M

Volatility: peg has maintained stability

Exchanges: Curve, Sushiswap, Uniswap, Balancer, Kucoin, Bittrex

1. Social channels data (Size of communities, activity on Github)
2. communities: [Telegram](#) [Discord](#)
3. [Terra github](#)
4. Contracts date of deployments, number of transactions, number of holders for tokens

No. of transactions: 130,000

No. of holders: 6,270