

title: [ARFC] Polygon v3 BAL Supply & Borrow Cap Increase

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Summary

This publication seeks to increase the BAL Supply and Borrow Caps on Polygon v3 Liquidity Pool.

Abstract

The BAL Reserve Supply Cap is 85.00% and 96.24% utilised on Polygon v3. Both have been trending higher over time.

This publication presents a modest increase to the SupplyCap from 361,000 units to 400,000 units, representing an overall increase of 10.8%.

The utilisation of the BAL reserve is 96.24%. This publication seeks to increase the Borrow Cap from 256.14k units to 300k units, representing a 17.1% increase. The proposed BorrowCap is 75% of the proposed SupplyCap and is fractionally higher than [290k](#) suggest by Gauntlet.

Motivation

The BAL reserve Supply Cap is currently at 84.91% utilisation.

The BAL reserve Borrow Cap is currently at 96.24% utilisation.

Both Supply Cap and Borrow Cap utilisation has been edging higher in recent weeks.

The previous proposal to adjust BAL Supply Cap did not implement any change to the Borrow Cap.

This proposal intends to increase the SupplyCap modestly by an additional 10.7%, or 39k units, from 361k units to a nice round 400k units. There is currently 24.55k units deposited into Aave v2 and sufficient capacity in Aave v3 to enable migration of user funds.

Given the strategic nature of BAL within the Aave ecosystem, this publication seeks to facilitate discussion around extending Aave's exposure to BAL on Polygon.

Specification

The below shows the proposed changes to the BAL Supply Cap on Aave Polygon v3 Liquidity Pool.

Ticker: BAL

Token Contract: [\[0x9a71012B13CA4d3D0Cdc72A177DF3ef03b0E76A3\]](#)

[\]\(https://polygonscan.com/address/0x9a71012b13ca4d3d0cdc72a177df3ef03b0e76a3\)](https://polygonscan.com/address/0x9a71012b13ca4d3d0cdc72a177df3ef03b0e76a3)

Parameter

Current (%)

Proposed (%)

Supply Cap

361,000

400,000

Borrow Cap

256,140

300,000

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