

[TEMP CHECK] Onboard & Enable eBTC/WBTC liquid E-Mode on Aave v3 Core Instance

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Summary

This proposal aims to onboard and enable eBTC/WBTC (Etherfi) liquid E-Mode for the Core Instance. By implementing this change, we seek to enhance capital efficiency for borrowers using eBTC/WBTC as collateral.

Motivation

The motivation behind this proposal stems from several key factors:

- **High Utilization:** eBTC/WBTC has demonstrated significant usage as collateral for borrowing stablecoins on the platform.
- **Capital Efficiency:** Enabling liquid E-Mode for eBTC/WBTC will allow borrowers to substantially improve their capital efficiency when using this asset as collateral.
- **Controlled Growth:** Liquid E-Mode provides a mechanism for more precise control over the growth and borrow demand in relation to the overall stablecoin liquidity within Aave v3 on Core Instance.
- **Enhanced Borrowing Capacity:** This change will enable users to borrow larger amounts of other stablecoins against their eBTC/WBTC collateral, potentially increasing platform utilization and revenue.

By implementing this proposal, we aim to optimize the use of eBTC/WBTC within the Aave ecosystem, attracting more liquidity.

Specification

This proposal will add eBTC/WBTC liquid E-Mode. Risk Parameters will be provided by Risk Service Providers and ARFC will be updated accordingly when ARFC is posted.

Useful links

[BGD. Aave v3.2: Liquid Emodes

](<https://governance.aave.com/t/bgd-aave-v3-2-liquid-emodes/19037>)

[ARFC Snapshot

](<https://snapshot.org/#/aave.eth/proposal/0x68ce69b5e71df1d77c2ad814a5d41162a40be54473576ff590d0b1bb5afde4a7>)

[Github

](<https://github.com/aave-dao/aave-v3-origin/tree/v3.2.0>)

[AIP

](<https://vote.onaave.com/proposal/?proposalId=178>)

Disclaimer

This proposal is directly powered by ACI (Aave Chan Initiative). ACI did not received compensation for creation of this proposal.

Next Steps

1. If consensus is reached on this TEMP CHECK, escalate to Snapshot stage.

2. If TEMP CHECK passes, escalate this proposal ARFC and later to the Snapshot stage.
3. If the ARFC snapshot outcome is YAE, publish an AIP vote for final confirmation and enforcement of the proposal.

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