

Since Lido [integrated with Aave](#) (which made possible to use stETH as a collateral and borrow ETH) we need to adjust [terms & conditions](#) of Referral Program to properly manage lending/borrowing protocols interactions.

Motivation

Leverage lending is profitable, user could stake borrowed ETH and use received stETH for lending again multiple times to increase the APR. Anyway eventually loans have to be repaid.

To payback a loan users will convert all the secondary borrowed stETH back to ETH. Paying referral rewards for that would lead to ineffective spending referral rewards pool and Lido DAO treasury in general.

Proposal

Extend Referral Program [terms & conditions](#) with a rule:

"Staking of ETH borrowed on lending/borrowing protocols (like Aave and others) is not going to be rewarded. It also relates to ETH that was bought with any other borrowed cryptocurrency (like DAI)."

Referrals will get reward for the initially staked ETH but not for the secondary staked borrowed ETH.

The updated rules will take effect into the current referral period (18th).