

# Summary

A proposal to increase the borrow caps for WETH on V3 Arbitrum.

## Motivation

The borrow cap for WETH V3 Arbitrum is currently at 78% utilization.

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Over 86% of WETH borrowed is against wstETH collateral, as can be seen in the top borrower and distribution carts below.

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Utilizing our supply and borrow cap methodology and given the current usage, we recommend increasing the borrow cap to 60K WETH.

## Specification

Chain

Asset

Current Supply Cap

Recommended Supply Cap

Current Borrow Cap

Recommended Borrow Cap

Arbitrum

WETH

70,000

No Change

40,000

60,000

## Next Steps

Once we receive feedback from [@Gauntlet](#) on the above recommendations, we will move forward to implement these updates via the Risk Steward process.

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