

# [ARFC] Onboard LBTC on Aave v3 Core Instance

**Author: ACI ( Aave Chan Initiative)**

**Date: 2024-12-10**

ARFC has been updated 2024-12-19 with latest Risk Parameters provided by Risk Service Providers.

## Summary

This proposal aims to Onboard LBTC the Main Instance and add a WBTC liquid E-Mode. By implementing this change, we seek to enhance capital efficiency for borrowers using LBTC/WBTC as collateral.

[TEMP CHECK](#) and [TEMP CHECK Snapshot](#) have passed recently.

## Motivation

The motivation behind this proposal stems from several key factors:

- High Utilization: LBTC/WBTC has demonstrated significant usage as collateral for borrowing stablecoins on other platforms.
- Capital Efficiency: Enabling liquid E-Mode for LBTC/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.

By implementing this proposal, we aim to optimize the use of LBTC/WBTC within the Aave ecosystem, attracting more liquidity for the protocol and increasing revenues.

## Specification

This proposal will add LBTC/WBTC liquid E-Mode. Risk Parameters have been provided by Risk Service Providers and ARFC has been updated accordingly.

Parameter

Value

Network

Ethereum

Isolation Mode

No

Borrowable

Yes

Collateral Enabled

Yes

Supply Cap

800

Borrow Cap

80

Debt Ceiling

-

LTV  
70.00%  
LT  
75.00%  
Liquidation Bonus  
8.50%  
Liquidation Protocol Fee  
10%  
Variable Base  
0.0%  
Variable Slope1  
4.0%  
Variable Slope2  
300%  
Uoptimal  
45%  
Reserve Factor  
50%  
Stable Borrowing  
Disabled  
Flashloanable  
Yes  
Siloed Borrowing  
No  
Borrowable in Isolation  
No  
E-mode  
Parameter  
Value  
Value  
Asset  
LBTC  
WBTC  
Collateral  
Yes  
No  
Borrowable

No

Yes

Max LTV

84%

-

Liquidation Threshold

86%

-

Liquidation Bonus

3.00%

-

[BTC/USD chainlink price feed](#)

## 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. Publication of ARFC and if positive feedback from Service Providers and Community then escalate Snapshot.
2. If the ARFC snapshot outcome is YAE, publish an AIP vote for final confirmation and enforcement of the proposal

## Copyright

Copyright and related rights waived via [CC0](#).