Proposal to add support for MAI (aka miMatic) on Aave V3 (On Polygon, Fantom, and Avalanche)

Summary

MAI is the first and largest stablecoin project on Polygon and Fantom. It is an overcollateralized stablecoin that is non-custodial. All MAI is backed by collateral locked in user-managed vaults. MAI minting is available on 8 chains, and bridging to 18 chains.

All accepted collaterals are priced using Chainlink price feeds. MAI has stayed within its peg through several market downturns.

There's around 250M MAI minted, with liquidity on all top DEXs in which MAI is present. A significant portion of liquidity for MAI is on Curve. MAI hosts the largest pool on Curve Polygon and the pool with most volume on Curve Fantom.

Risk Parameters

- V3 Efficiency mode stablecoins: 97% LTV, 98% Liquidation threshold, 10% reserve factor

- V3 Isolation mode: 75% LTV, 80% liquidation threshold, 10% reserve factor, $50M initial debt ceiling

Specifications

1. What is the link between the author of the AIP and the Asset?

Core team at QiDao Protocol.

1. Provide a brief high-level overview of the project and the token

MAI is the first and largest stablecoin protocol on Polygon. It allows users to lock their tokens and use them as collateral to mint MAI at 0% interest.

MAI is an overcollateralized CDP stablecoin on Polygon, Avalanche, Fantom, Arbitrum, Harmony, Moonriver, and Gnosis Chain. MAI is one of the most crosschain assets in DeFi, currently on 18 chains through Multichain. Accepted collateral includes interest-bearing assets like Aave Market Tokens. Users are not charged interest for borrowing MAI - instead, they are charged a 0.5% fee upon repayment.

Despite market downturns during its existence, MAI has maintained its peg.

MAI currently has a TVL of around $310M, and has around 250M MAI outstanding.

1. Explain positioning of the token in the AAVE ecosystem. Why would it be a good borrow or collateral asset?

Being the largest native stablecoin on Polygon and Fantom, MAI has a wide reach within the native projects on those chains. Listing MAI would connect Aave to most communities in these chains through the integrations already made by MAI.

MAI is one of the most crosschain assets, available on 18 chains through canonical bridging. As a result, users will be drawn to borrow MAI to bridge value to other chains and take advantage of the many yield opportunities that MAI has.

MAI's risk profile is low. It is used by large institutions like Celsius and Polygon. MAI has also received grants from several blockchains, including Polygon, Fantom, Harmony, Aurora, and IoTeX.

1. Provide a brief history of the project and the different components: DAO (is it live?), products (are the live?). How did it overcome some of the challenges it faced?

2. MAI is governed by the QiDao Protocol, a community-run DAO around the QI token.

3. Several other projects have participated in our DAO through proposals and bribing, including Frax Finance, Stake DAO, Celsius, PolygonDAO, SpiritSwap, SpookySwap, Gotchi Vault, and Beefy Finance

4. The Polygon Alliance was recently set up to participate in QiDao.

5. How is the asset currently used?

6. Lending (Market.xyz, Impermax, Tarot)

7. Listed on several DEXs on 18 chains. Main DEXs are Curve, Balancer, QuickSwap, SpookySwap, SpiritSwap, Solidly, Saber, and TombSwap

8. Largest volume on Curve Fantom

9. Largest pool on Curve Polygon

10. MAI is used by Celsius to borrow against their AUM

11. MAI has been used by Polygon to award bounties

12. MAI offers low-cost leverage to strategies on Stake DAO, Yearn, Beefy, and Aave

13. Emission schedule

14. Users can mint MAI by locking up their assets and borrowing against that value at 0% interest. Temporary debt ceilings serve as the a supply mitigation.

15. Token (& Protocol) permissions (minting) and upgradability. Is there a multisig? What can it do? Who are the signers?

16. All funds stored as collateral are fully controlled by users

17. There is a 3/5 multisig, comprised by the QiDao team. Team members are doxxed and regularly appear on podcasts, live streams, and crypto conferences

18. The multisig executes the results of Snapshot votes: liquidation ratios for new collaterals, partnerships, and debt ceilings. There have been over 70 votes since the start of the DAO: see votes here.

19. Since the protocol uses canonical bridging, QiDao retains the power to mint MAI on chains it is bridged to.

20. Market data (Market Cap, 24h Volume, Volatility, Exchanges, Maturity)

21. Market Cap: ~$250M

22. 24h Volume: >$40M

23. Volatility: Low

24. Exchanges: Curve, Balancer, QuickSwap, SpookySwap, SpiritSwap, Saber, Beethoven, Solidly, TombSwap, Solarbeam, Trader Joe, Crodex, ZoomSwap, PaintSwap, Elk Finance, and Rose

25. Maturity: Launched 5/4/21

26. Social channels data (Size of communities, activity on Github)

Posted separately due to restrictions on amount of links in a post.

1. Contracts date of deployments, number of transactions, number of holders for tokens

MAI token

- Date of deployment: May 4, 2021

- Number of transactions: +3M

- Number of crosschain token holders: 16k+

Security Considerations

MAI has undergone 2 thorough audits (linked below). Constant internal reviews are performed to ensure MAI's economic and technical safety.

The protocol currently has around $300M TVL.

First audit: Bramah Systems

Second audit: Cloakwire