

# [ARFC] Add sFRAX on Ethereum V3

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Date: 2024-01-18

## Summary

This publication presents the community an opportunity to add sFRAX to the Ethereum Aave V3 Liquidity Pool.

## Motivation

Staked FRAX (sFRAX) is an ERC-4626 staking vault that distributes a portion of the Frax Protocol yield. sFRAX APY attempts to roughly track the interest on reserve balances (IORB) rate of the United States Federal Reserve.

Integrating sFRAX as collateral asset in the Aave V3 Ethereum Pool has the potential to create new demand for borrowable assets on Aave V3, such as stablecoins and FXS.

## Specification

Ticker: sFRAX

Contract Address: 0xA663B02CF0a4b149d2aD41910CB81e23e1c41c32

Chainlink Oracle: 0xB9E1E3A9feFf48998E45Fa90847ed4D467E8BcfD

Parameter

Recommendation

Isolation Mode

NO

Borrowable in Isolation

NO

Stable Borrow

NO

Enable Borrow

NO

Enable Collateral

YES

Loan To Value

70.00%

Liquidation Threshold

75.00%

Liquidation Bonus

6.00%

Reserve Factor

20.00%

Liquidation Protocol Fee

20.00%

Supply Cap(sFRAX)

10.00M

Borrow Cap(sFRAX)

N/A

Uoptimal

N/A

Base

N/A

Slope1

N/A

Slope2

N/A

## Next Steps:

1. If consensus on ARFC stage is reached and risk service providers provide feedback on risk parameters, escalate to ARFC snapshot stage.
2. . If ARFC snapshot stage outcome is YAE, escalate to AIP stage

## Disclaimer

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