Title: [ARFC] Onboarding of weETH to Aave v3 on Ethereum

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Summary

The current ARFC seeks to add [Ether.fi](#) Liquid Restaking Token weETH to Aave V3 Ethereum, after the successful[TEMP CHECK](#) and [TEMP CHECK Snapshot](#).

The intention behind this initiative is to enhance the diversity of assets on Aave and bolster liquidity within the ecosystem.

Motivation

eETH is an LRT that allows users to stake their ETH, accrue staking rewards, and receive additional rewards through native restaking on EigenLayer. As of February 3rd, approximately 290,310 ETH ($670M) in TVL has been deposited into the [ether.fi 1](#) protocol, and XX has been natively restaked in EigenLayer.

[Ether.fi](#) stands as the pioneering decentralized and non-custodial delegated staking protocol featuring an LRT (eETH). A notable feature of [ether.fi](#) is the control it provides stakers over their keys. The team behind the protocol is guided by the following principles:

1. Decentralization is the foremost objective. [Ether.fi](#) is unwavering in its commitment to maintain the protocol's non-custodial and decentralized nature, ensuring that stakers always have control over their ETH.

2. [Ether.fi](#) operates as a legitimate business with a sustainable revenue model, with the team dedicated to its long-term success. There is no place for deceptive or unsustainable financial practices.

3. [Ether.fi](#) is committed to always acting in the best interest of the Ethereum community. In the event of any missteps, the team at [ether.fi](#) will take responsibility and swiftly rectify the situation.

Risks:

[ether.fi](#)'s LRT eETH is 100% redeemable. Users who deposit ETH into the protocol can withdraw their stake at any time. The holdings are publicly auditable on-chain and the protocol retains healthy reserves to offset any losses.

Proof of Liquidity and Deposit Commitments

Anyone who deposits weETH into Aave will accumulate[ether.fi](#) and EigenLayer points to be used for future incentives.

Users are given eETH on a 1:1 basis with a minimum deposit of 0.001 ETH.

[ether.fi](#) is also the first LSP to natively restake on EigenLayer — a move that helps improve network efficiency and provides stakers with additional rewards for their network contributions. [ether.fi](#) has also launched a series of partnerships with DeFi protocols to incentivize users and drive liquidity (weETH) to various platforms.

Specification

weETH: [0xCd5fE23C85820F7B72D0926FC9b05b43E359b7ee](#)

Oracle: weETH will use a exchange rate oracle developed by BGD.

Risk Parameters

Risk Parameter

weETH

Isolation Mode

NO

Enable Borrow

NO

Borrowable in Isolation

NO

Enable Collateral

YES

Emode Category

ETH-CORRELATED

Loan To Value

74.5%

Liquidation Threshold

77%

Liquidation Bonus

7.5%

Reserve Factor

20%

Liquidation Protocol Fee

10%

Supply Cap

2000

Borrow Cap

0

Debt Ceiling

0

Useful Links

[Ether.fi](#)

[TEMP CHECK](#)

[TEMP CHECK Snapshot](#)

Disclaimer

This proposal is powered by Skywards. The Aave Chan Initiative is not directly affiliated with[Ether.fi](#) and did not receive compensation for creation this proposal. The co-author is a team member [Ether.fi](#)

Next Steps

1. If consensus is reached on this [ARFC], escalate this proposal to the Snapshot stage.

2. If the ARFC snapshot outcome is YAE, publish an AIP vote for final confirmation and enforcement of the proposal

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