Aave V1 included the possibility to burn LEND tokens by collecting flashloan premiums and borrowing fees. Up until now, 2.3M LEND have been burned, which will not be converted to AAVE.

As a result of the migration, the LEND liquidity has shrunk considerably, which makes it very hard to buy LEND on dexes for the burning.

The LEND burner currently holds around 50K of funds, distributed across all the different Aave V1 reserves (mostly stablecoins). The burner contract is here https://etherscan.io/address/0xe3d9988f676457123c5fd01297605efdd0cba1ae

My proposal is the following:

1. Stop the LEND burning by deploying a new version of the migrator. The migrator would instead:

2. Convert all the non stablecoins to stablecoin (EG DAI)

3. Move the funds to the AAVE reserve contract (0x25f2226b597e8f9514b3f68f00f494cf4f286491), the AAVE contract that currently holds the AAVE incentives.

Optional:

Deposit the AAVE treasury in the protocol itself and hold the treasury in the form of aTokens. With that, the following is achieved:

1. More yield is generated from the interest paid by borrowers

2. The aTokens interest can be used for different pourposes through the interest redirection

3. With V2 and credit delegation, the governance will be able to borrow from the protol against the treasury, which brings some interesting use cases like

4. Providing grants to the community without depleting the governance treasury

5. Allowing borrowing to yield strategies that might use the borrowed assets to yield farm

6. Providing grants to the community without depleting the governance treasury

7. Allowing borrowing to yield strategies that might use the borrowed assets to yield farm