

# Summary

A proposal to increase the weETH supply and borrow cap on Aave V3's Arbitrum deployment.

## Motivation

### weETH (Arbitrum)

weETH on Arbitrum has reached its supply cap with 96% borrow utilization.

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### Supply Distribution

Nearly all borrows against weETH are in E-mode, with the top suppliers are borrowing WETH against their collateral, putting these positions at little risk of liquidation.

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### Borrow Distribution

Borrows are limited, with the largest [user](#) holding a delta-neutral position, again at little risk of liquidation.

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### Recommendation

Based on on-chain liquidity and user distribution, we recommend doubling the supply and borrow caps.

## Specification

Chain

Asset

Current Supply Cap

Recommended Supply Cap

Current Borrow Cap

Recommended Borrow Cap

Arbitrum

weETH

4,000

8,000

400

800

## Next Steps

We will move forward and implement these updates via the Risk Steward process.

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