# Summary

A proposal to:

- Increase USDC's supply cap on Aave's Scroll deployment.

# Motivation

## USDC (Scroll)

USDC has reached 95% supply cap utilization on Scroll, and its borrow cap is at 45% capacity.

### Supply Distribution

Many top USDC suppliers maintain deposit-only positions, with a few borrowing WETH or wstETH. The largest USDC supplier represents a significant proportion of the total market, contributing over 21% of total supply. The largest open positions have low-to-medium liquidation risk, as they are either supply-only or involve assets with moderate volatility.

Overall, WETH represents 81.14% of the value borrowed against USDC.

### Recommendation

Given on-chain liquidity, as well as user distribution and behavior, we recommend increasing USDC's supply cap by 50% and leaving its borrow cap unchanged.

# Specification

Chain

Asset

Current Supply Cap

Recommended Supply Cap

Current Borrow Cap

Recommended Borrow Cap

Scroll

USDC

50,000,000

75,000,000

45,000,000

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# Next Steps

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

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