

# Summary

A proposal to increase the borrow cap for USDT and supply cap for MKR on Aave V3 Ethereum.

## Motivation

### USDT

The borrow cap for USDT on Ethereum is currently at a ~80% utilization.

We recommend increasing the cap from 185M to 250M.

### MKR

The current supply cap for MKR allows for an additional 2,300 MKR to be supplied to V3. To enable migration from V3, we recommend increasing the supply cap to 10,000 MKR. This would allow the largest MKR-supplied [account](#) on v2 to migrate (the potential intent of the user to migrate the position can be found [here](#)). As MKR is listed in isolation mode and with the current set debt ceiling, this supply cap increase does not introduce significant additional risk to the protocol.

### rETH

The borrow cap for rETH on Ethereum is currently at ~100% utilization.

We recommend increasing the cap from 2,400 to 4,800.

## Specification

### Chain

### Asset

### Current Supply Cap

### Recommended Supply Cap

### Current Borrow Cap

### Recommended Borrow Cap

### Ethereum

### USDT

300,000,000

No Change

185,000,000

250,000,000

### Ethereum

### MKR

6,000

10,000

1,500

No Change

### Ethereum

### rETH

60,000

No Change

2,400

4,800

## Next Steps

Once we receive feedback from [@Gauntlet](#) on the above recommendations, we will be able to move forward to implement these updates via the Risk Steward process.