

Proposal updated to allow a Direct-to-AIP rate adjustment program

title: [ARFC] Further increase GHO Borrow Rate

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created: 2023-10-05

Summary

This ARFC proposes a further increase in the GHO borrow rate by 50 basis points (bps), raising it from 2.5% to 3%.

Motivation

The Aave community has previously recognized the importance of adjusting the GHO borrow rate to maintain the stability and health of the protocol. The motivations for this proposal are:

1. Strengthening the GHO Peg

: The prior adjustment to the GHO borrow rate resulted in a stronger GHO peg. An additional increase is anticipated to further bolster the peg and get closer to the target value.

1. Enhancing GHO Revenue

: By increasing the borrow rate, the protocol is expected to generate additional revenue from GHO borrowings.

1. Coordinated Effort

: This proposal aligns with other initiatives, including the GHO buy program set of AIPs, as part of a coordinated effort to support the GHO peg.

The discount for stkAave holders remains unchanged at 30%.

This proposal also greenlights the ACI for a direct-to-AIP

process for 50 bps increments every 30 days, as long as the GHO peg is outside 0,995<>1,005 monthly average price range, up to 5.5% borrow rate.

Specification

- Asset: GHO
- Contract Address: 0x40D16FC0246aD3160Ccc09B8D0D3A2cD28aE6C2f
- Current Borrow Rate: 2.5%
- Proposed Borrow Rate: 3%
- New discounted Borrow Rate: ~2.1%

Disclaimer

The Aave-Chan Initiative is not presenting this ARFC on behalf of any third party and is not compensated for creating this ARFC.

Next Steps

1. Gather community feedback on this ARFC.
2. If community consensus is reached, escalate this proposal to the Snapshot ARFC stage.
3. If the snapshot outcome is YAE, escalate the proposal to AIP stage.

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