

title: [ARFC] Add LUSD to Optimism V3 Market

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Summary

This proposal presents Aave with the opportunity to onboard LUSD to the Ethereum v3 Optimism Liquidity Pool.

Abstract

LUSD is a decentralized stablecoin minted by the Liquity protocol. For more details about LUSD please refers to [Aave V3 ARC by ACI](#).

Motivation

Supporting stablecoin diversity is part of the Aave-Chan Initiative (ACI) delegate platform. The risk parameters provided are the same as those adopted on the ETH V3 pool.

The newly proposed risk parameters replicating the LUSD parameters on L1 are merely suggestions to start the conversation. The ACI is inviting Risk Service Providers to provide feedback on them.

LUSD is a growing stablecoin within the Optimism ecosystem, with liquidity mainly located in Velodrome Stableswap pools.

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image

1465×869 135 KB

](https://europe1.discourse-cdn.com/business20/uploads/aave/original/2X/5/50a4508588de806731c4fc8d132bd5b5eb6e7cf3.png)

Specification

Ticker: LUSD

Contract Address: 0xc40F949F8a4e094D1b49a23ea9241D289B7b2819

Risk Parameter

Value

Isolation Mode

NO

Enable Borrow

YES

Enable Collateral

NO

Loan To Value

N/A

Liquidation Threshold

N/A

Liquidation Bonus

N/A

Reserve Factor

10%

Liquidation Protocol Fee

N/A

Borrow Cap

1,210k

Supply Cap

3,000k

Debt Ceiling

N/A

Base

0%

Slope1

4%

Uoptimal

80%

Slope2

87%

Disclaimer

The ACI is not affiliated with Liquidity or any other entity and has not received payment to present this ARFC.

At the time of writing, Marc Zeller, the founder of ACI, does not possess any LQTY, the native asset of the Liquity protocol, and holds only a small amount of LUSD.

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