

AAVE holders can stake their AAVE in the Safety Module (SM) to earn Safety Incentives (for now these are 400 AAVE/day split between all stakers). This “Safety Mining” rewards stakers for taking a risk to secure the Aave Protocol. If a shortfall event occurs, up to 30% of your stake can be slashed to cover the deficit.

To unstake your AAVE, you have to activate a 10 day “cooldown period” first before you can take it out of the Safety Module, so it’s important to plan ahead a bit here. After the cooldown period is complete, you have 2 days where you can withdraw your AAVE. Once that time is up, if you haven’t withdrawn your AAVE, you will have to activate the cooldown period all over again.