

Proposal updated to include Risk service provider feedback

title: [ARFC] Add native USDC to the Arbitrum V3 pool

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Abstract

This ARFC proposes to add the native version of USDC on Arbitrum to the Aave V3 pool on Arbitrum. The native USDC token will eventually become the “canon” version of the USDC stablecoin on the Arbitrum L2. The current USDC onboarded on Aave V3 Arbitrum pool should now be considered “USDC.e” as it’s a bridged asset with an underlying USDC on Ethereum.

Motivation

Circle is set to launch a native version of USDC on Arbitrum, which is anticipated to become the primary version of the USDC stablecoin on the Arbitrum L2. This will supersede the current “USDC.e” token, which is a bridged asset with an underlying USDC on Ethereum.

From our experience with the Avalanche Pool, we’ve learned that a prudent approach to integrating such a native token involves initially onboarding it with parameters similar to its bridged counterpart, but with more conservative caps. As the native USDC builds secondary liquidity and matures, we can gradually decrease the attractiveness of USDC.e and increase the caps for the native USDC.

This ARFC is focused solely on the onboarding of the native USDC and does not propose any action for USDC.e. As a result, if this proposal is accepted by the governance, both USDC.e and the native USDC will be onboarded simultaneously on the Arbitrum V3 pool. This strategy aims to ensure a smooth transition and maintain the stability of the Aave V3 pool on Arbitrum.

Specification

Token Information

- Token Symbol: USDC
- Token Address: [0xaf88d065e77c8cC2239327C5EDb3A432268e5831](#)

Parameters

Parameter

USDC.e

USDC (native)

LTV

81%

81%

LT

86%

86%

LB

5%

5%

Supply Cap

150M

41M
Borrow Cap
100M
41M
RF
10%
10%
emode
YES
YES
emode LTV
93%
93%
emode LT
95%
95%
emode LB
1%
1%
Base rate
0%
0%
slope1
3.5%
3.5%
Slope2
60%
60%
optimalUtilization
90%
90%
stable borrowing
YES
NO

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