Siloed Borrowing

This feature allow assets with potentially manipulatable oracles (for example illiquid Uni V3 pairs) to be listed on Aave as single borrow asset. This means that if an asset is configured assiloed, it can't be borrowed in a position at the same time as with other assets. This helps mitigating the risk associated with such assets from impacting the overall solvency of the protocol. This condition can be found in the codebasehere.

Siloed borrowing can be thought of as the complementary feature of solation Mode on collaterals: where one indicates if an asset needs to be the only one borrowed in a position (siloed), another if a collateral can be the only one influenced in terms of the Health Factor in the position (isolated collateral).

Risk or Pool admin, selected by Aave Governance, can calbetSiloedBorrowing to set an asset inSiloed Borrowing mode.

Supply Siloed Assets

A user can supply a Siloed Asset just like any other asset using the upply() method inpool.sol, though, the asset will not be enabled to use as collateral i.e. supplied amount will not add to total collateral balance of the user.

Borrow Siloed Assets

A user borrowing asiloed asset can't borrow the siloed asset in a position at the same time as borrowing other assets. User can borrowSiloed Assets usingborrow() method inpool.sol, only if:

- · It is first borrow on Behalf of the address

OR

- Existing user debt is of the samesiloed asset.
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To check if user is in Siloed Borrowing state, you can see if underlying asset borrowed by user issiloed usinggetSiloedBorrowing() method on AaveProtocolDataProvider.sol.

Check if Reserved for Siloed Borrowing

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Copy import{AaveProtocolDataProvider}from'@aave/core-v3/contracts/misc/AaveProtocolDataProvider.sol'; AaveProtocolDataProvider poolDataProvider=AaveProtocolDataProvider(provider.getPoolDataProvider()); // address of the underlying asset addressasset="0x...";

protocolDataProvider.getSiloedBorrowing(asset);

FAQ

How can user enter siloed borrowing state?

User automatically enters siloed borrowing state on their first successful borrow of siloed asset.

How does user exit siloed borrowing state?

User must repay all their debt to exist siloed borrowing state.

Is any asset currently siloed in Aave V3 market?

Currently there is no asset marked siloed in any of the V3 markets. Risk or Pool admins can set already listed assets as siloed if needed as per market conditions. This feature can be used for new asset listing which may have higher risk.

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