

Hi! I just want to ask a few clarifying questions so I better understand the risks I'm taking.

Let's say I have a portfolio with 5 ETH and 5000 USDC as collateral. Let's say ETH is \$5000 at T1 (Time 1) for the sake of these questions. I am able to borrow up to 80% of the value of my collateral before liquidation, so \$28000. I borrow \$20000.

It is now T2 and ETH has dropped to \$4500. Now my collateral is worth \$27500.

What gets liquidated at T2? \$500 of my USDC, or \$500 of my ETH? Or does more of my collateral than that get liquidated?