

Title: [ARFC] Disable Stable Rate Borrowing for Aave V2 Ethereum Pool

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Date 2023-09-01

Summary

Proposal to disable stable rate borrowing for the Aave V2 Ethereum pool to streamline the offboarding process from the legacy version of Aave.

Motivation

As Aave is gradually phasing out the legacy version, stable rates introduce friction to the offboarding process. Borrowers with stable rates are less influenced by interest rate strategy adjustments designed to encourage migration. To minimize these frictions in the future, the ACI proposes to prevent any new stable rate borrowing for the Aave V2 protocol.

Specification

The following assets currently support stable borrowing in the Aave V2 Ethereum pool:

Asset

Protocol Version

Total Liquidity

USDT

v2

319.43m

WBTC

v2

20.43k

WETH

v2

409.12k

ZRX

v2

48.10m

BAT

v2

895.19k

ENJ

v2

3.53m

KNC

v2

50.65k

LINK

v2

10.09m

MANA

v2

2.32m

MKR

v2

5.01k

REN

v2

3.66m

USDC

v2

399.36m

LUSD

v2

562.56k

The proposed change is to disable the stable rate borrowing feature for all assets in the Aave V2 Ethereum pool. Existing stable rate borrows will remain unaffected, but no new stable rate borrows will be allowed.

Disclaimer

The ACI is presenting this ARFC independently and is not compensated for creating this ARFC. There are no conflicts of interest.

Next Steps

1. Collect consensus from the community and risk teams.
2. Escalate to the ARFC snapshot stage.
3. If the snapshot outcome is YAE, escalate to the AIP stage.

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