[ARFC] increase borrow cap for MAI Aave Polygon V3

title: [ARFC] increase caps for MAI Aave Polygon V3

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Summary

MAI is a decentralized overcollateralized stablecoin minted by the QiDAO protocol

MAI is minted by qiDAO protocol users by locking collateral in vaults.

For more information about MAI please refer to MAI V3 ARC

This ARFC presents the Aave governance with the opportunity to increase MAI borrow cap on the Aave V3 polygon market.

Abstract

This ARFC proposes to increase the MAI borrow cap to 1M MAI to reflect market demand for this asset.

Motivation

Due to market demand for MAI liquidity, MAI utilization is close to borrow cap, and the current borrow cap is set at a level that has a probable effect on both MAI supplied (total cap making it impossible to reach uOptimal at the current level of liquidity) and drives out potential demand.

Allowing an increase of this borrow cap will allow supply and demand to find another equilibrium for the benefit of liquidity providers, borrowers & protocol revenue with expected increased borrow demand.

The new proposed cap is set at a level that allows the market to find this new equilibrium while maintaining a conservative approach.

Specification

Ticker: MiMATIC (MAI)

Contract Address: 0xa3Fa99A148fA48D14Ed51d610c367C61876997F1

Risk Parameter

Value

Isolation Mode

YES

Enable Borrow

YES

Enable Collateral

YES

Loan To Value

75%

Liquidation Threshold

80%

Liquidation Bonus

5%

Reserve Factor

10%

Liquidation Protocol Fee

0.1

Borrow Cap

600k

Supply Cap

1,100k

Debt Ceiling

N/A

Base

0%

Slope1

4%

Uoptimal

90%

Slope2

64%

Disclaimer

The Aave-Chan Initiative is not linked nor paid by QiDAO to publish this AFRC

The ACI supports stablecoin diversity as part of its delegate platform.

Marc Zeller, the founder of ACI, owns some vQI, an LSD of QI, the native asset of QiDAO.

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