

Proposal edited to reflect risk service provider recommendation

Title:

[ARFC] Update GNO Risk Parameters on Aave V3 Gnosis Pool

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Date:

2023-11-20

## Summary

This ARFC proposes to update GNO risk parameters on the Aave V3 Gnosis Pool to enable borrowing, fostering Gnosischain decentralization and use-cases for passive income and staking.

## Motivation

The goal is to enhance GNO utility by allowing it to be a borrowable asset, thereby supporting Gnosischain's decentralization. This adjustment also prepares for future GNO LSTs and a possible GNO-correlated e-mode, expanding utility and passive income opportunities for GNO holders.

## Specification

The proposed changes aim to make GNO a borrowable asset outside of isolation mode with adjusted risk parameters to accommodate this new functionality

Risk Parameter

Current Value

Proposed Value

Isolation Mode

Yes

YES

Borrowable in Isolation

No

No

Stable Borrow

No

No

Enable Borrow

No

Yes

Enable Collateral

Yes

Yes

Loan To Value (LTV)

31%

31%

Liquidation Threshold

36%

36%

Liquidation Bonus

10%

10%

Reserve Factor

N/A

20%

Liquidation Protocol Fee

10%

10%

Supply Cap

30000 GNO

30000 GNO

Borrow Cap

N/A

1100 GNO

Debt Ceiling

1M\$

1M\$

uOptimal

N/A

80%

Base

N/A

0%

Slope1

N/A

15%

Slope2

N/A

80%

## Next Steps

1. Collect feedback from the Aave community & Aave Risk service provider on the proposed changes.
2. If the community feedback is positive, advance the proposal to the ARFC Snapshot phase.
3. Upon successful Snapshot, implement the updated risk parameters via an AIP vote.

## **Disclaimer**

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