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## Summary

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This ARFC proposes to increase the cbETH supply cap on the Aave V3 Ethereum market. cbETH is a centralized Liquid Staking Derivative minted by Coinbase and is created when users stake ETH. The proposal aims to raise the supply cap to 30k cbETH to meet market demand for depositing this asset.

## Abstract

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The ARFC proposes increasing the cbETH supply cap to 30k cbETH in order to accommodate market demand for depositing the asset. This will allow new Aave users to use Aave V3 and enable current users to increase their positions' sizes.

## Motivation

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With cbETH currently at ~98% of its supply cap on Aave V3, increasing the cap will allow more users to utilize the platform and meet market demand. The recent Euler exploit has created additional demand for deposits that cannot be accommodated due to the current cap. The proposed cap of 30k cbETH offers a balance between accommodating demand and maintaining a conservative approach. Furthermore, this 50% increase from the current cap adheres to the "direct-to-AIP" framework, enabling a rapid response to the high demand for cbETH on Aave.

## Specification

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- Ticker: cbETH (cbETH)
- Contract Address: 0xbe9895146f7af43049ca1c1ae358b0541ea49704
- Parameters:
- Current Supply Cap: 20,000
- Proposed Supply Cap: 30,000
- Current Supply Cap: 20,000
- Proposed Supply Cap: 30,000

## Disclaimer

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The Aave-Chan Initiative is not affiliated with or paid by Coinbase to publish this ARFC. At the time of writing, The author holds a position in cbETH of ~\$16.5k.

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