I noticed recently that MakerDAO offboards collateral that doesn't meet a net surplus requirement:

Decentralized Collateral Scope Parameter Changes #1 - April 2023 [Governance

](/c/legacy/governance/5)

Hello all, As facilitator of the Decentralized Collateral Scope Framework, we are proposing the following changes to the parameters of decentralized collateral asset types as directed by the language in the Scope. The proposal includes changes which are clearly defined in the Scope to go directly to the executive vote, while we are also proposing two separated on-chain governance polls. Executive vote As per article 3.1.1 set Stability Fee of the following vault types to match Yield Collatera…

I'm under the working assumption that the net surplus requirement is an absolute value of at least 100,000 DAI per year, net expenses, that a specific collateral needs to generate to remain onboard [1]. That suggests vaults need to lend out more than a certain amount, to generate enough net surplus from their stability fee to meet the requirement.

If my assumptions about what the net surplus requirement is are correct, then what is the rationale behind offboarding collateral that, due to generating a small volume of loans, generates a small net surplus?

Is it that each collateral has governance overhead, that its net surplus needs to justify its governing apparatus incurring?

Or something else?

I'm just trying to understand how MakerDAO benefits from accepting less collateral.

[1]

MIPs Portal

MIPs Portal

Maker Improvement Proposals are the preferred mechanism for improving both Maker Governance and the Maker Protocol.

3.2: Minimum net surplus requirements for Ordinary Core Vaults

Core Vault Types which do not contain Strategic Collateral Asset Types as defined in Article 4, or Transitory Collateral Asset Types as defined in Article 5, must generate an amount of net surplus after direct related expenses (maintenance, oracle and other) combined across all Vault Types including same Collateral Type, that is equivalent to at least 10% of the average net surplus of the 4 largest Core Vault Types containing Strategic Collateral Assets measured by debt exposure. The absolute minimum net surplus generation permitted for a specific Ordinary Core Vault Type is 100,000 Dai per year.