[ARC] Add support for the FRAX stablecoin on Aave V3 Markets (On Polygon, Fantom, and Avalanche).

Summary

FRAX is the inventor and first fractional stablecoin that uses a hybrid of algorithmic and collateralized mechanisms to stay on price target. FRAX is currently the [#7 largest stablecoin by market cap](#) (2.7B) according to Coingecko. FRAX has also never lost peg a single time in its 15 months of existence (defined as more than 1 cent price deviation on each side).

FRAX currently has the largest Curve pool on Ethereum mainnet with almost $3B in liquidity and is a Uniswap top 10 token. Additionally, FRAX has already been successfully lent out on Aave v2 on ETH mainnet for many months and is a popular borrowable stablecoin with no issues of unpegging or economic problems.

FRAX is also already deployed natively on Polygon, Fantom, and Avalanche where Aave V3 resides (as well as 11 other chains making FRAX the most cross chain native stablecoin on the market).

Risk Parameters

Network : Polygon, Avalanche & Fantom Aave V3

- V3 Efficiency mode stablecoins: 97% LTV, 98% Liquidation threshold, 5% reserve factor
- V3 Isolation mode: 75% LTV, 80% liquidation threshold, 5% reserve factor, $50M initial debt ceiling

Specifications

1. What is the link between the author of the AIP and the Asset?

Sam Kazemian is the Founder of Frax Finance

1. Provide a brief high-level overview of the project and the token

See summary

1. Explain positioning of the token in the AAVE ecosystem. Why would it be a good borrow or collateral asset?

Frax being a decentralized stablecoin is a good fit to be used as borrow assets as an alternative to currently existing stablecoins supported by the Aave Protocol.

With V3 emode, FRAX is great fit to join a stablecoin emode that will both have potential to increase Aave & FRAX volume while contributing to the stability of the FRAX asset. Additionally, [FRAX can use its Lending AMO](#) (similar to Maker's DAI Direct Deposit Module) to mint protocol controlled FRAX to be lent out on Aave markets. FRAX already does this with an Aave Lending AMO on ETH mainnet to great success. We can commit to deploying similar Aave Lending AMOs to Aave v3 after FRAX is listed.

1. How is the asset currently used?
2. FRAX is a decentralized stablecoin minted in a permisionless way by users of the frax.finance protocol, FRAX is currently being LP'd in deep liquidity pools on stableswap+AMM protocols such as Uniswap V3, Solidly, Curve (4Pool) and others.
3. Emission schedule
4. FRAX is a stablecoin and mintable/redeemable so it does not have a governance token emission schedule.
5. Token (& Protocol) permissions (minting) and upgradability. Is there a multisig?

There is a multisig which can operate certain AMO contracts but cannot in any way change users' FRAX balances, cannot freeze or pause any user's funds, and cannot in any way alter the behavior of the protocol or sweep/rug collateral or value. There are no FRAX whitelists/blacklists in any capacity as it is entirely a bearer asset/decentralized exactly like DAI.

1. Market data (Market Cap, 24h Volume, Volatility, Exchanges, Maturity)
2. Market Cap: ~$2.7B
3. 24h Volume: ~$50M
4. Volatility: stablecoin (extremely low)
5. Exchanges: Curve, SushiSwap, Uniswap v3, Fraxswap, QuickSwap, Saddle, SpookySwap, SpiritSwap, Saber,

Beethoven, Solidly, Solarbeam, TraderJoe, and Rose

6. Maturity: Launched 12/20/20

FRAX token (global view)

- Date of deployment: Dec 20th, 2020

- Number of crosschain token holders: 25,000+

Security Considerations

Frax has undergone 2 thorough audits, the most recent of which being an entire audit by Trail of Bits published here: publications/FraxFinance.pdf at master · trailofbits/publications · GitHub

The protocol currently holds over $3.5 billion in TVL across all chains