[ARFC] Onboard eBTC on Aave v3 Core Instance

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ARFC updated 2024-12-19 with latest Risk Parameters provided by Risk Service Providers.

Summary

This proposal aims to onboard eBTC for the Core Instance, and add a WBTC liquid E-Mode. By implementing this change, we seek to enhance capital efficiency for borrowers using eBTC/WBTC as collateral.

Both [TEMP CHECK](#) and [TEMP CHECK Snapshot](#) have passed recently.

Motivation

The motivation behind this proposal stems from several key factors:

- High Utilization: eBTC/WBTC has demonstrated significant usage as collateral for borrowing stablecoins on the platform.

- Capital Efficiency: Enabling liquid E-Mode for eBTC/WBTC will allow borrowers to substantially improve their capital efficiency when using this asset as collateral.

- Controlled Growth: Liquid E-Mode provides a mechanism for more precise control over the growth and borrow demand in relation to the overall stablecoin liquidity within Aave v3 on Core Instance.

- Enhanced Borrowing Capacity: This change will enable users to borrow larger amounts of other stablecoins against their eBTC/WBTC collateral, potentially increasing platform utilization and revenue.

By implementing this proposal, we aim to optimize the use of eBTC/WBTC within the Aave ecosystem, attracting more liquidity.

Specification

This proposal will add eBTC/WBTC liquid E-Mode. Risk Parameters have been provided by Risk Service Providers and ARFC has been updated accordingly.

Parameter

Value

Network

Ethereum

Isolation Mode

No

Borrowable

Yes

Collateral Enabled

Yes

Supply Cap

80

Borrow Cap

8

Debt Ceiling

-

LTV

67%

LT

72%

Liquidation Bonus

10%

Liquidation Protocol Fee

10%

Variable Base

0.0%

Variable Slope1

4.0%

Variable Slope2

300%

Uoptimal

45%

Reserve Factor

50%

Stable Borrowing

Disabled

Flashloanable

Yes

Siloed Borrowing

No

Borrowable in Isolation

No

E-mode

Parameter

Value

Value

Asset

eBTC

WBTC

Collateral

Yes

No

Borrowable

No

Yes

Max LTV

83%

-

Liquidation Threshold

85%

-

Liquidation Bonus

3.0%

-

Useful links

[BGD. Aave v3.2: Liquid Emodes

](https://governance.aave.com/t/bgd-aave-v3-2-liquid-emodes/19037)

[ARFC Snapshot

](https://snapshot.org/#/aave.eth/proposal/0x68ce69b5e71df1d77c2ad814a5d41162a40be54473576ff590d0b1bb5afde4a7)

[Github

](https://github.com/aave-dao/aave-v3-origin/tree/v3.2.0)

[AIP

](https://vote.onaave.com/proposal/?proposalId=178)

Disclaimer

This proposal is directly powered by ACI (Aave Chan Initiative). ACI did not received compensation for creation of this proposal.

Next Steps

1. Publication of ARFC and escalate this proposal to ARFC Snapshot if there's positive feedback.

2. If the ARFC snapshot outcome is YAE, publish an AIP vote for final confirmation and enforcement of the proposal.

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