

Title: [ARFC] Update stETH and WETH Risk Params on Aave v3 Ethereum, Optimism and Arbitrum

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Summary

This ARFC proposes to update sETH and WETH risk parameters on the Aave V3 Ethereum Mainnet, OP Mainnet and Arbitrum.

Motivation

We propose updating the stETH and WETH risk parameters to be optimal and competitive in the current market landscape. This will maintain Aave's position as the prime liquidity protocol by increasing our protocol attractiveness for users looking to maximize their capital efficiency.

Specification

The proposed changes update some risk parameters on stETH and WETH.

stETH E-Mode Ethereum

Update ETH-correlated E-Mode parameters with the following values.

Risk Parameter

Current Value

Proposed Value

Loan To Value (LTV)

90%

93%

Liquidation Threshold

93%

95%

We propose no changes to the stETH non-E-Mode parameters.

wstETH E-Mode Arbitrum

Update ETH-correlated E-Mode parameters with the following values.

Risk Parameter

Current Value

Proposed Value

Loan To Value (LTV)

90%

93%

Liquidation Threshold

93%

95%

Liquidation Bonus

2%

1%

We propose no changes to the stETH non-E-Mode parameters.

wstETH E-Mode Optimism

Risk Parameter

Current Value

Proposed Value

Loan To Value (LTV)

90%

93%

Liquidation Threshold

93%

95%

We propose no changes to the stETH non-E-Mode parameters.

WETH Ethereum

Risk Parameter

Current Value

Proposed Value

Reserve Factor

15%

10%

Optimal Ratio

80%

90%

Other parameters will remain unchanged.

WETH Arbitrum

Risk Parameter

Current Value

Proposed Value

Reserve Factor

15%

10%

Optimal Ratio

80%

90%

Other parameters will remain unchanged.

WETH Optimism

Risk Parameter

Current Value

Proposed Value

Reserve Factor

15%

10%

Optimal Ratio

80%

90%

Other parameters will remain unchanged.

Disclaimer

The ACI is not presenting this ARFC on behalf of any third party and is not compensated for creating this ARFC.

Next Steps

1. If consensus is reached on this ARFC, escalate this proposal to the Snapshot stage.
2. If ARFC snapshot approved, then escalate to AIP Stage.

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