

Summary

We propose to add the stablecoin TrueUSD (ticker TUSD) as collateral on the Aave v3 Polygon network. TrueUSD is already deployed as collateral on Aave v3 Ethereum Mainnet.

Motivation

The stablecoin has proven to be one of the safest in the industry. Market data shows that it is growing in use among the different chains. It is the only stablecoin that has real-time, 24/7 attestations from Armanino, a top US accounting firm, providing assurance that the token is fully collateralized by US Dollars.

Specification

TrueUSD is the first digital asset with live on-chain attestations by independent third-party institutions and is backed 1:1 with the U.S. dollar. So far, it has been listed on more than 100 trading platforms such as Binance, Kucoin, Huobi Global, [Crypto.com](#), OKX, Poloniex and Bittrex, and is live on ten mainstream public chains including Ethereum, TRON, Polygon, Avalanche, BSC, Fantom and Cronos, with its total supply surging past 1.4 billion. TrueUSD is audited real-time by Armanino, one of the largest U.S.-based accounting firms, to ensure the 1:1 ratio of its USD reserve to the circulating token supply and the 100% collateral rate. Users can access the publicly available audit results via the official website [trueusd.com](#) at any time.

During 2021, TUSD started working with over 40 DeFi projects that include lending protocols such as AAVE, Compound and Venus, and all of which TUSD has decently high utilization rates as a collateral asset. Amongst these collaborations, the [TUSD metastable pool](#) on the Balancer-Polygon network brought in the most user participation and as of today, remains the protocol in the network with the highest liquidity (currently standing at 72M).

TUSD is currently live on multiple leading CEXs with 24H volume of over 85M. TUSD is available on 10 public chains, which provides TUSD holders with diverse means to participate in DeFi across various chains. As of December 2021, TUSD active holder addresses have exceeded 400K.

TUSD is also one of the main USD pegged stable coins used in DeFi protocols, and is supported by major OTC desks. The TUSD overall market cap is 1,476,390,601\$, of which 1,137,574,665\$ on the Ethereum Mainnet.

The TUSD TVL on AAVE V2 (Ethereum mainnet) market is 106.37M\$ and the highest supply exceeded [155M\\$](#). TUSD Market Cap increased over 280M\$ during the last three months as the graph suggests:

TUSD aims to be one of the most used and transparent stablecoins as well as a high quality asset in the Polygon ecosystem.

Market Data for TUSD token

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Market Cap: \$1,478,451,851.40

24h Volume: \$126,735,297.91

TUSD (on Polygon): \$22,687,294.74

Exchanges: Uniswap, Curve, Convex, AAVE, Balancer, Compound, TrueFi, PancakeSwap, Ellipsis, Venus, Alpaca Finance, VVS, Scream, Spookyswap, [Sun.io](#), Beethoven, and more.

Maturity: Launched 1/3/18

Benefits to Aave Community

We expect TUSD to see substantial growth in the Polygon ecosystem. Aave would be the first platform on Polygon to support TUSD as a collateral asset, which as a fiat-backed and third-party attested token to support liquidity into DeFi.

TUSD can play a unique role in the Aave ecosystem in following ways:

- As a transparent stablecoin with each token backed 1-to-1 by US dollars in escrow, users can stake TUSD into lending protocols like AAVE and borrow assets to increase asset efficiency which will help grow the overall market securely and reliably. This can be evidenced in TUSD market data in the Aave V2 market, where TUSD has about 100M supply with over 60% utilisation rate.
- Looking into the future, the TUSD metapool would like to be integrated into the [Balancer <> Aave boosted pools](#) on the AAVE Polygon market. We believe that this will increase gas and yield efficiency of TUSD metapool LP, and let high quality LP assets be part of the Aave market and grow its ecosystem through a fiat-backed stablecoin.

About the Author and relationship with TUSD

My name is Andrea and my main position is Partnership Lead at BalancerDAO.

TUSD has been a long-term partner of Balancer with an active pool on our Polygon Dex with over 70M USD in value.

We believe that the addition of TUSD would be equally beneficial for AAVE, Balancer and its trading volume and TUSD which will increase market penetration in the Polygon ecosystem.

Resources

Website: <https://trueusd.com/>

Whitepaper: https://trueusd.com/pdf/TUSD_WhitePaper.pdf

TUSD on Ethereum: [TrueUSD: TUSD Token | Address 0x00000000000085d4780b73119b644ae5ecd22b376 | Etherscan](#)

TUSD on Polygon: [TrueUSD \(TUSD\) Token Tracker | PolygonScan](#)

[ChainLink Oracle](#)

Audits: [TrustExplorer by Armanino: Real-Time Attest for TrueCurrency](#)

Community

Twitter: https://twitter.com/tusd_official

Medium: <https://trueusd.medium.com/>

Telegram: [Telegram: Contact @TUSDofficial_EN](#)

Next steps

- Request to the Aave community to vote (YES/NO) for adding a TUSD market on the Aave Protocol on the Polygon network.
- After the Acceptance of the onboarding of TUSD to Aave by the community, we would like to propose the following risk parameters:
 - LTV: 75%
 - Liquidation Threshold: 80%
 - Liquidation Bonus: 5%
 - Reserve Factor: 10%
- LTV: 75%
- Liquidation Threshold: 80%
- Liquidation Bonus: 5%
- Reserve Factor: 10%
- V3 Efficiency mode USD stablecoins
- LTV: 97%
- Liquidation Threshold: 97.5%
- Liquidation Bonus: 2%
- LTV: 97%
- Liquidation Threshold: 97.5%
- Liquidation Bonus: 2%