

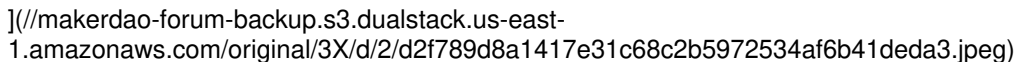
Hey all,

According to [MIP104 Stability Scope element 14.3.1.5](#), Auction Parameters can be altered with corresponding justification, and must go through an on-chain governance poll before being included in the executive vote.

We are recommending changes to certain vault type parameters to allow for a higher liquidation throughput. Namely, DAI debt backed by crypto collateral has increased by roughly 2x in the last 6 months and currently stands at 2.5bn.

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We believe certain vault types, such as WSTETH and WBTC, need to have their liquidation throughput limit (enabled by a parameter called ilk.hole

) adjusted. As seen in the table below, one auction cycle of approximately 14 min would currently be able to settle about 3.5% of WSTETH collateral type debt, which we believe should be increased by a factor of 2.

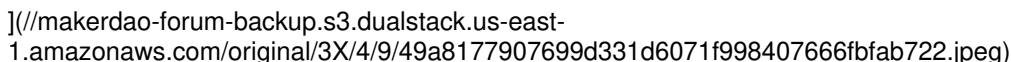
On the other hand, WBTC throughput limits might be set a bit too high now that debt exposure is much lower than months ago. Therefore we are proposing to decrease it by a factor of 2-3.

Finally, the aggregate limit for liquidations throughput is defined by hole

and is currently set to 100m. We believe this limit should also be increased, since the overall debt exposure backed crypto collateral has increased. We would like to recommend a bit more conservative increase of 150m since it affects aggregate debt size.

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Source: [Maker Risk | Block Analitica](#)

BA Labs recommends the Stability Facilitator to perform the following parameter changes to Auction Parameters:

Change WSTETH-A ilk.hole

from 15m to 30m

Change WSTETH-B ilk.hole

from 10m to 20m

Change WBTC-A ilk.hole

from 30m to 10m

Change WBTC-B ilk.hole

from 10m to 5m

Change WBTC-C ilk.hole

from 20m to 10m

Change hole

from 100m to 150m