## **Simple Summary**

Per our borrow and supply cap methodology, Gauntlet recommends to increase USDT borrow cap to 45M

### **Specification**

### Polygon Aave V3

**Current Value** 

Recommended Value

**USDT Borrow Cap** 

30,000,000

45,000,000

## **Supporting Data**

Borrow cap usage for USDT has seen a significant uptick over the last three months. Moreover, the liquidity available on Polygon supports an increase in the borrow cap.

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image

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](https://europe1.discourse-

cdn.com/business20/uploads/aave/original/2X/a/a58cccc17e670392cf354fb80cac4ef13f133149.png)

Link to chart

#### **USDT Borrows on all Aave Markets**

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](https://europe1.discourse-

cdn.com/business 20/uploads/aave/original/2X/4/48b8f08f40e229152 cacdc 2be 2305 cbf 4535626e.png) and the composition of the

USDT borrowing activity has been experiencing growth across all markets.

# **Next Steps**

Once we receive feedback from <u>@ChaosLabs</u> on the above recommendations, we will move forward with Risk Steward actions.

### **Disclaimer**

Gauntlet has not received any compensation from any third-party in exchange for recommending any of the actions contained in this proposal.

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