[ARFC] Deploy Aave v3 on Sonic

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Risk Parameters have been provided by Service Providers and this section has been updated 2025-01-30

Simple Summary:

This ARFC seeks the community's input on the deployment of Aave V3 on Sonic Mainnet.

Background:

Sonic is a new Layer 1 EVM blockchain offering 10,000 TPS and fee monetization for app builders. It is the newest blockchain from the creators of Fantom which reached a peak TVL of circa $14.5 billion in 2021.

Motivation

Aave has deployed on multiple promising new L1 and L2 EVM networks and is often one of the largest protocols on these networks. Given the impressive history of the team building Sonic, and the innovations it promises, it represents a strong candidate for deployment of Aave V3. In addition, the fee monetization for apps has potential to be an additional income source for Aave.

Proof of Liquidity (POL) and Deposit Commitments:

The Sonic Foundation will provide the following, upon its deployment is confirmed:

- 15M USD Funding from Sonic
- 800k USD stablecoins from Aave
- Up to 50M $S tokens Supply
- 20M of USDC Supply

Specification:

Risk Parameters have been provided by Service Providers and this section has been updated 2025-01-30

Parameter

Asset

WETH

wS

USDC.e

Isolation Mode

No

No

No

Enable Borrow

Yes

Yes

Yes

Enable Collateral

Yes

Yes

Yes

Loan To Value

80%

35%

75%

Liquidation Threshold

83%

40%

78%

Liquidation Bonus

6%

10%

5%

Reserve Factor

15%

20%

10%

Liquidation Protocol Fee

10%

10%

10%

Supply Cap

400

3,000,000

2,000,000

Borrow Cap

370

1,500,000

1,900,000

Debt Ceiling

-

-

-

UOptimal

90%

45%

90%

Base

0%

0%

0%

Slope1

2.7%

7%

12.5%

Slope2

80%

300%

40%

Stable Borrowing

No

No

No

Flashloanable

Yes

Yes

Yes

Siloed Borrowing

No

No

No

Borrowable in Isolation

No

No

Yes

E-Mode Category

N/A

N/A

N/A

Disclaimer:

Useful Links

[TEMP CHECK] Deploy Aave v3 on Sonic

TEMP CHECK Snapshot

Next Steps

1. Publication of a standard ARFC, collect community & service providers feedback before escalating proposal to ARFC snapshot stage.

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

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