

Summary

Proposal to increase pyUSD Supply Cap to 40M and Borrow Cap to 18M on Aave V3 Ethereum.

Motivation

pyUSD Supply Cap has been reached, and the borrow cap is at 84%, indicating heightened demand on all fronts. Given its \$300M market cap and particularly considering that supplied pyUSD cannot be utilized as collateral, we recommend increasing the supply cap. The fact that there is ample [on-chain liquidity](#) available relative to the current supply and borrow caps further supports this recommendation.

Specification

Next Steps

We will move forward and implement these updates via the Risk Steward process.

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