

title: [ARFC] STG onboarding on AaveV3 Ethereum Market

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## Summary:

This ARFC is proposing to add the STG token from Stargate to the AaveV3 Ethereum market in isolation mode.

## Motivation:

Stargate is a composable, omnichain bridge built on top of the LayerZero protocol. Its goal is to bring enhanced utility to users and Dapps by allowing the transfer of assets across chains from unified liquidity with immediate and guaranteed finality.

Having reached \$15 Billion in cumulative volume and ranked first in bridged volume over the last month, Stargate is becoming the most used bridge. Its token, the STG is using a linear ve-locking to offer governance power and fee redistribution to its users. With a circulating supply of 200M over the 1000M expected it brings the capitalization to \$90M.

Integrating the STG token into the Ethereum Aave v3 will enhance asset diversification, offering borrowers and lenders expanded avenues to leverage the protocol. This integration will empower users to deposit STG as collateral and borrow STG, paving the way for new revenue streams for Aave.

This onboarding is considered in isolation mode with conservative LTV and debt ceiling parameters to limit protocol exposure.

## Specification:

We propose the following parameters according to [ChaosLabs's recommendations](#):

Parameter

Value

Isolation Mode

Yes

Borrowable

Yes

Collateral Enabled

Yes

Supply Cap (STG)

10,000,000

Borrow Cap (STG)

5,500,000

Debt Ceiling

3M\$

LTV

35.00%

LT

40.00%

Liquidation Bonus

10.00%

Liquidation Protocol Fee

10.00%

Variable Base

0.00%

Variable Slope1

7.00%

Variable Slope2

300.00%

Uoptimal

45.00%

Reserve Factor

20.00%

Stable Borrowing

Disabled

Stable Slope1

13.00%

Stable Slope2

300.00%

Base Stable Rate Offset

3.00%

Stable Rate Excess Offset

5.00%

Optimal Stable To Total Debt Ratio

20.00%

Flahloanable

Yes

Siloed Borrowing

No

Borrowed in Isolation

No

- Ticker

: STG

- Contract Address

: [0xaf5191b0de278c7286d6c7cc6ab6bb8a73ba2cd6](#)

- Chainlink Oracle STG/USD

: [0x7A9f34a0Aa917D438e9b6E630067062B7F8f6f3d](#)

## Disclaimer:

This proposal is powered by Skyward.

The author isn't compensated by Stargate Finance for this ARFC.

## Next step:

The following steps are as follow:

- gather community feedback and [@Gauntlet](#) recommendations on this ARFC.
- Publish a snapshot of the risk providers' recommendations.
- If said snapshot is successful, escalate to an AIP.

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