Morpho Optimizers

Note This portal aims to compile all the information necessary to understand the fundamentals of Morpho Optimizers. Morpho Optimizers is a peer-to-peer layer built on top of lending pools such as Compound and Aave.

Morpho works as alending pool optimizer ; it improves the capital efficiency of positions on lending pools by seamlessly matching lenders and borrowers peer-to-peer. As such, Morpho Optimizer improves your rates while preserving the same liquidity, liquidation guarantees, and risk parameters associated with the underlying protocol.

So, when a user interacts withMorpho AaveV3 Optimizer (ETH emode) (resp.Morpho AaveV2 Optimizer orMorpho CompoundV2 Optimizer) the same way one would use AaveV3 (resp. AaveV2, CompoundV2), the same billions of dollars are available to be borrowed/withdrawn, and there are the same collateral factors, oracles, close factors, etc. The only difference for users is that the protocol provides improved rates for both borrowers and lenders.

Users of Morpho Optimizers can receive two rates: in the worst-case scenario, they receive the APY of the underlying pool, and when matched, they receive an improved rate - this is called the P2P APY. In both cases, users always receive a rate equal to or better than the one of the underlying protocol.

In short, Morpho is theoptimized gateway to decentralized lending . Instead of borrowing or lending directly from your favorite lending pool, such as Compound or Aave, you would be better off usingMorpho AaveV3 Optimizer ,Morpho AaveV2 Optimizer andMorpho CompoundV2 Optimizer .

Feel free to join ourDiscord if you can't find the answers to your questions in this documentation.