

This is the first in a series of monthly posts from Gauntlet with the goal of keeping the community informed of market risk pertaining to Aave V2.

Old Liq.Bonus/LTV/Liq\_Threshold

New Liquidation Bonus

New Moderate LTV

New Moderate Liq\_Threshold

USDC (5%, 80%, 85%)

-

82.5

-

WETH (5%, 80%, 82.5%)

-

-

85

REN (10%, 55%, 60%)

9

-

-

BAT (10%, 70%, 75%)

9

-

-

YFI (15%, 40%, 55%)

12.5

45

60

BAL (10%, 55%, 60%)

-

65

70

MKR (10%, 60%, 65%)

-

65

70

ZRX (10%, 60%, 65%)

8

-

70

UNI (10%, 60%, 65%)

-

-

70

KNC (10%, 60%, 65%)

-

-

70

CRV (15%, 40%, 55%)

12.5

-

-

XSUSHI (15%, 25%, 45%)

12.5

35

60

ENJ (10%, 55%, 60%)

-

50

-

AAVE (10%,50%, 65%)

8

60

70

MANA (10%,60%,65%)

8

-

• -

SNX (10%,15%, 40%)

9

20

45

## ARC

[Liquidation Bonus Updates

](<https://governance.aave.com/t/arc-liquidation-bonus-updates/5300>)

[LTV and Liquidation Threshold Levels 2021-08-26

](<https://governance.aave.com/t/arc-ltv-and-liquidation-threshold-levels-2021-08-26/5467>)

# Snapshot

## [Should liquidation bonuses be reduced for ten \(10\) Aave V2 assets?](#)

- Passed with 10.66k AAVE votes YAE and 23 votes NAY

## [What should be the LTV/Liquidation Threshold level for Aave V2?](#)

- Gauntlet provided three risk levels. Moderate and Aggressive levels received the majority of votes, with the former taking ~54% of the votes.

## AIP

### [AIP-34: Liquidation Bonus Updates](#)

- Passed with 493k votes Yae and 0 votes Nay

[AIP-36: LTV and Liquidation Threshold Updates to Moderate Levels

](<https://app.aave.com/governance/33-QmVkeNwzQzshdJAhZHMqXU5Pbe87TrR1mwnyArzNYiPqaX>)

- Passed with 509k votes Yae and 0.09 votes Nay

In the month since executing Gauntlet's Dynamic Risk Parameter AIP, we have learned a lot about the preferences of the Aave community. This includes how market risk is perceived, incentive alignment for companies like ourselves, and the vision of the protocol's future. With that new information, we have updated our priors on how we can best serve DAO.

With new assets like FRAX, [potentially FEI](#), and others being added to V2, Gauntlet would like to propose supporting [borrow caps](#) when the protocol is upgraded. The Aave community has shown it is keen to expand the set of assets supported, and borrow caps have proven to be a key lever for Gauntlet in [managing risk](#) without adding friction to the user experience.

Gauntlet has also been researching further the Economic Optimization Function we formulated in our [Aave Market Risk Assessment](#) (see Appendix C.6). To sustain the DAO and expand Gauntlet's impact on protocol growth, we would also like to propose supporting asset reserve factors. Our target timeline is November to publish an ARC for the community.

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The [Aave Risk Dashboard](#) is on track with live market data and simulation statistics currently in testing.