

Simple Summary

A proposal for a series of Reserve Factor (RF) increases across all V2 Ethereum assets.

Motivation

In line with our [V2 to V3 migration plan](#), we propose a series of RF increases on Aave V2 Ethereum.

By progressively increasing the reserve factors, the interest rate for supplying these assets on V2 will be increasingly less attractive, thus encouraging suppliers to transition positions to V3.

This proposal intends to incrementally increase the reserve factors by 5% at each step. After implementing each increment, we'll assess user elasticity and the impact of the updates before moving forward with additional increases. We will ensure a minimum gap of 2 weeks between each subsequent update.

Please note that a separate proposal will be made for frozen assets on V2.

Specification

Asset

Current RF

Recommended RF

DAI

10%

15%

FRAX

20%

25%

GUSD

10%

15%

LUSD

10%

15%

sUSD

20%

25%

TUSD

5%

25%

USDC

10%

15%

USDP

10%

15%
USDT
10%
15%
1INCH
20%
25%
CRV
20%
25%
ENS
20%
25%
LINK
20%
25%
MKR
20%
25%
SNX
35%
40%
UNI
20%
25%
WBTC
20%
25%
ETH
15%
20%

Next Steps

1. Following community feedback, submit the ARFC for a snapshot vote for final approval.
2. If consensus is reached, submit the first Aave Improvement Proposal (AIP) to implement the proposed updates.
3. Subsequent increments will be done directly through an AIP to reduce the governance overhead.

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