

Context

Hours ago, [Midas, a liquidity protocol on Polygon has been exploited](#), causing the partial uncollateralization of jEUR (for approximately 368'000 jEUR) on the Jarvis Protocol.

As jEUR is not listed as collateral, this doesn't have a high impact on Aave

, but we think it is reasonable to freeze jEUR via the EMERGENCY_ADMIN

role of the Aave Guardian.

What has been done?

We have notified the Aave Guardian about the situation, to freeze jEUR on Aave v3 Polygon, a non-invasive action only disabling borrowing and supplying more liquidity, but keeping active all other mechanisms (repayment, withdrawal, liquidation).

In parallel, we have contacted Jarvis network, to confirm they have a contingency plan for the recovery of the full collateralization. They are fairly confident about a recovery, given that the impact is quite limited.

Next steps

We will keep evaluating the situation, in order to propose (if required) any extra actions for the community to decide on.