

# Summary

A proposal to increase:

## Ethereum

- RPL - Borrow Cap

## Metis

- METIS - borrow cap

# Motivation

The recommendations below were made utilizing Chaos' supply and borrow cap methodologies and after analyzing user positions for each asset.

## Ethereum

RPL

The borrow cap for RPL on Ethereum V3 is currently at 100% utilization.

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When examining borrower activity, we have observed that borrowers primarily borrow RPL tokens to engage in staking within the Rocket Pool ecosystem. It is essential to note that the liquidity levels on dexes are currently relatively limited. As a result, we recommend a 50% increase in the borrow cap, elevating it from 160,000 to 240,000 RPL tokens.

## Metis

METIS

The borrow cap for METIS on Metis V3 is currently at 100% utilization.

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Utilizing our borrow cap methodology, we do not observe any additional risk when increasing the borrow cap for METIS. We recommend doubling the borrow cap to 16K.

# Specification

Chain

Asset

Current Supply Cap

Recommended Supply Cap

Current Borrow Cap

Recommended Borrow Cap

Ethereum

RPL

840,000

No Change

160,000

240,000

Metis

METIS

360,000

No Change

8,000

16,000

## Next Steps

Once we receive feedback from [@Gauntlet](#) on the above recommendations, we will move forward to implement these updates via the Risk Steward process.