

Continuing the onboarding process that was begun here:

[Proposal: Add support for TerraUSD \(UST\)](#) [New Asset

]/(c/governance/new-asset/9)

Hi Aave community, Jeff from the Terra team here. We would like to submit a proposal to onboard UST. References:

[Terra Whitepaper Docs](#) [Terra github](#) [Etherscan](#) ChainLink Oracle: WIP Audits: [CertiK Security Leaderboard - Terra](#)

communities: [Telegram](#) [Discord](#)

Summary TerraUSD (UST) is an algorithmic, seigniorage-based stablecoin issued by Terraform Labs (TFL). Its market capitalization has grown to \$1.8B (<https://www.coingecko.com/en/coins/terra-usd>) since its inception on October 1. UST is d...

[Add support for Terra USD \(UST\)](#) [Governance

]/(c/governance/4)

Hi Aave community, this is a proposal to onboard UST and serves as a follow up to the original proposal submitted on April 20th, 2021 by the Terra team [here](#). I'm resurfacing this proposal now because the Terra team has begun its migration away from its centrally held Shuttle Bridge to Wormhole's more decentralized solution (more references on Wormhole below). Wormhole operates as the decentralized, intermediary oracle network that observes and verifies messages on one chain and relays them to t...

I would like to propose adding UST as a borrowable asset only pending a more thorough investigation of risks to potentially allow it as collateral. Adding UST as a borrowable asset only reduces the risk to Aave to near zero, and there is likely a sizeable market of folks that want to take leverage with UST.

Risk Analysis

Below is the risk analysis for the Wrapped UST token on Ethereum. I've opted to look at this as the underlying UST is unavailable to Aave.

Smart Contract Risk

Contract: [Terra: USTC Token | Address 0xa47c8bf37f92abed4a126bda807a7b7498661acd | Etherscan](#)

Maturity: 404 days

Transactions: 166k

Counterparty Risk

Holders: 25,596

Permission: Multi-sig Minting, permissionless

Market Risk

Market Cap: 10.4B

I'll leave the rest out as this is not relevant for a borrow-only asset as liquidations are turned off.

Parameter Suggestion

Currency: yes

Collateral: no

eMode Group: stablecoins

Interest Rate Curve: Uopt = 90%, base = 0%, slope1 = 4%, slope2 = 60%

Should UST be added to Aave as a borrowable asset with the above parameters?

- Yes
- No

- Abstain

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voters

If sentiment is positive, I will add a snapshot poll followed by submitting the code changes in the AIP. Please let me know if I've missed anything in this proposal.