

It's Saturday Bank Slaters!

Congratulations for making through another week. The weather looks good in North Carolina, so I'm hoping to take in some outdoor music and maybe go to a pool and get some downtime. I hope you find a way to relax after what I'm sure was a busy week.

Let's talk about Buy Now Pay Later (BNPL), the subject of a [white paper](#) I recently co-authored. On a recent podcast, I was asked how financial institutions can offer BNPL while being mindful of credit risk. This is an excellent question; credit quality and regulatory concerns seem to be holding many banks back in this space.

I will highlight some practices other lenders are using to mitigate risk, keeping in mind that it is impossible to fully firewall exposure.

It helps to be mindful of the retail partners you work with on BNPL. Citizens Financial Group focuses on big-ticket items and avoids areas such as gas and groceries where smaller purchases get layered over each other.

Other solid practices are being embraced by Apple as part of its new [Apple Pay Later](#) product. The tech giant plans to run soft credit checks when someone applies for the services and there is talk of a \$1,000 lending cap with the services. Apple will stop extending credit to users who miss payments.

Those are just a few things I've noticed recently. What are your thoughts?

I'd like to give a shout out to [Doug Mims](#) at accounting firm [Carr, Riggs & Ingram](#). I recently found out that he's a monthly contributor to our blog/newsletter, and I sincerely appreciate his support for what we're doing here. Feel free to visit our [donation site](#) to help us provide a collection of news you won't find anywhere else.

Let's jump into some headlines.

### **M&A**

- American Bank Holding in Corpus Christi, Texas, [agreed to buy](#) TexStar National Bank in Universal City, Texas. The price was not disclosed.
- Green Dot will [pay \\$13 million](#) to Republic Bancorp in Kentucky to settle a lawsuit over a terminated deal. The payment is on top of the \$5 million

termination fee Green Dot paid after nixing an agreement to buy Republic's tax refund solutions business.

### **Arrivals/Departures**

- Jelena McWilliams, who stepped down as FDIC chairman in February year, has [joined Cravath, Swaine & Moore](#) as part of the law firm's plan to open an office in Washington.
- FB Financial in Tennessee said that Stuart McWhorter will [retire as its chairman](#) on July 31. McWhorter was appointed commissioner for the Tennessee Department of Economic and Community Development.
- CrossFirst Bankshares in Kansas tapped Randy Rapp to [become its bank president](#) on July 1. Rapp, the bank's chief risk officer and chief credit officer, will oversee a number of daily operational functions.
- Mission National Bank in San Francisco promoted Ray Skinner to [become its CEO](#), succeeding Robert Sweeney.
- John Marshall Bancorp in Virginia announced [several management changes](#) as part of its succession planning.
- Atlantic Union Bankshares in Virginia [agreed to sell](#) its stake in Dixon, Hubard, Feinour & Brown to Cary Street Partners Financial. Atlantic will receive a stake in Cary Street.

### **Fintech**

- Custodia Bank [filed a lawsuit](#) against the Federal Reserve and the Kansas City Fed in an effort to have its application for a [master account approved](#).
- Lucid Group in California has [reached a deal](#) with Bank of America where the Charlotte bank will provide financing options for the electric automaker's newly formed Lucid Financial Services unit.

### **Miscellaneous**

- The FDIC [approved deposit insurance](#) for Adelphi Bank, a de novo planned by Black business owners. Organizers, who [filed with the FDIC last fall](#), must raise about \$17.7 million before the bank can open.

- Several banks disclosed the receipt of Tier 1 capital from the Emergency Capital Investment Program, including [Ponce Financial](#), [Broadway Financial](#), [BancPlus](#) and [Security Federal](#).
- Wintrust Financial in Illinois [raised \\$248.4 million](#) through a common stock offering. Net proceeds could be used to support growth, acquisitions or reducing or refinancing debt, among other things.
- New Community Bancorp and Flagstar Bancorp in Michigan [will eliminate nonsufficient funds fees](#). The companies are still awaiting regulatory approval for their proposed \$2.6 billion merger.
- CB Financial Services in Pennsylvania will record a [\\$2.7 million chargeoff](#) tied to a commercial-and-industrial loan.

There you have it. If you have any questions or comments, or news to share, feel free to reach out to me at [paul.davis.mba@gmail.com](mailto:paul.davis.mba@gmail.com). Have a great rest of your weekend!