

Hi Bank Slaters!

How is everyone doing?

We're seeing more regulatory scrutiny brewing over fintech relationships such as Banking-as-a-Service (BaaS), digital assets and Buy Now, Pay Later (BNPL).

I touched on this in a recent [Forbes article](#). Specifically, the FDIC wants banks to [police misleading claims](#) by their crypto partners, and the CFPB is taking [a close look](#) at lending relationships between banks and nonbanks.

What should banks do to mitigate risk? For now, follow the 'six pillars' guidance from regulators. While not included in examinations, I can assure you these topics will come up if your fintech relationship goes sideways.

The guidance encourages financial institutions to assess a fintech's:

1. Business experience and qualifications
2. Financial condition
3. Compliance with laws and regulations
4. Risk management and controls processes
5. Information security
6. Operational resilience

Document that you're following these steps While it may not avert a hiccup, it would show regulators you are trying to do the right thing.

How are you vetting and monitoring your fintech partnerships? Let me know at [info@thebankslate.com](mailto:info@thebankslate.com).

Let's look at our recent headlines.

### **M&A**

- The purchase of Liberty Bancshares in Ohio, will help Middlefield Banc in Ohio, [address a succession issue](#).

- MVB Financial in West Virginia [agreed to buy](#) the parent of West Town Bank & Trust in North Carolina for \$98 million in a deal expected to close in the first quarter.
- BTC Bank in Missouri [agreed to buy](#) Merchants and Farmers Bank of Salisbury in Missouri.
- Farmers Bank in Tennessee “[formed a new partnership](#)” with Victorian Finance, a mortgage lender based in Pittsburgh. The bank did not disclose any details about the investment.
- Seacoast Banking Corp. of Florida [agreed to buy](#) Professional Holding in Florida for \$488.6 million in a deal expected to close in the first quarter.

### **Arrivals/Departures**

- Harry Madonna is [back at the helm](#) of Republic First Bancorp in Philadelphia after the resignation of Vernon Hill II.
- Pacific West Bank in Oregon said Jason Wessling will [become its president](#), subject to regulatory approval. He will remain CFO and join the board.
- Comerica in Dallas tapped Mike Ritchie as [head of national and specialty businesses](#), a newly created position. He had been the company's Michigan market president since 2013.
- Horizon Bancorp in Indiana hired Thomas Prame [as its president](#), effective Aug. 15. He will be tasked with expanding Horizon's lending teams, technology, client relationships and Midwest deposit franchise.

### **(Fin)tech**

- FS Bancorp in Washington partnered with a fintech to [create a loan application portal](#) for home improvement projects.
- Thread Bank in Tennessee [formed a strategic partnership](#) with BaaS platform Unit.
- Cogent Bancorp in Florida [added teams](#) to focus on blockchain-enabled clients, cannabis banking, premium finance and public finance.

## **Odds & Ends**

- ConnectOne Bancorp in New Jersey [formed a division](#) to focus on health care prospects and clients.
- Meridian Corp. in Pennsylvania [opened a loan production office](#) in Bonita Springs, Fla., after hiring a former bank CEO.
- Farm Bureau Bank in Nevada agreed to [buy small-business loans](#) originated by Funding Circle.
- PNC in Pittsburgh is the latest bank to [eliminate nonsufficient fund \(NSF\) fees](#) for consumer clients.
- MainStreet Bancshares in Virginia formed [a community development unit](#) to focus on distressed, low-income communities around Washington.
- A pair with ties to Reliant Bancorp [raised capital](#) to make a national push with Sonata Bank in Tennessee.
- The Bank of London will open a global platform and services headquarters in Charlotte, N.C. The plan is to hire 350 people and [open the office by 2026](#).

That's it for last week. I don't know about you, but I'm psyched about the week ahead. Let's make it a great one!

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