

Greetings Bank Slaters!

Hope the weekend gave each of you a chance to decompress. I'm looking forward to a very productive stretch as we near the end of August.

Let's look at the latest application that has highlighted the divisiveness of the industrial loan charter. Ford Motor in late July [applied to create a bank](#) by obtaining a ILC in Utah. The Independent Community Bankers of America quickly [objected](#).

The ICBA has made it clear in the past that it wants to eliminate the ILC as part of a broader effort to block nonbanks from obtaining bank charters. In its [letter to the FDIC](#), the association argued that giving Ford an ILC would "create outsized risks" to the Deposit Insurance Fund (DIF). The ICBA also questioned Ford's CRA plan.

There are other clear reasons why the banking industry would object to Ford forming a bank. As I told [American Banker](#), an ILC would give Ford access to low-cost deposits, allowing it to be more competitive than ever with auto loans. It would create fierce competition on both sides of the balance sheet.

Bottom line: The ICBA is trying to create a barrier of entry to a formidable competitor. The question is whether an argument based on too-big-to-fail (TBTF) risk and CRA compliance concerns will resonate with the FDIC. Ford was the only one of the Big Three U.S. automakers to not get TARP funds in 2008, though it did receive billions of dollars of federal loans around that time.

What do you think? Will Ford get an ILC? Should it? Email me at info@thebankslate.com.

Now it's time for our headlines.

M&A

- TowneBank in Virginia [agreed to buy](#) Farmers Bankshares in Virginia for \$56 million in a deal expected to close in the first quarter.
- GreenState Credit Union in Iowa, decided to [give up on trying to buy Premier Bank](#) in Nebraska after a judge backed a state regulator's decision to reject the proposed acquisition.
- First Horizon in Tennessee [sold Lenders Title Group](#), a title insurance subsidiary, to Knox-Precision Holdings. The price wasn't disclosed.

- Harvesters Credit Union in Florida [agreed to buy](#) First National Bank Northwest Florida.

Arrivals/Departures

- Ronald Paul, former chairman and CEO of Eagle Bancorp in Maryland, was [barred from banking](#). The Fed and SEC hit Eagle with about \$23 million in fines tied to claims the company and Paul made negligently false and misleading statements about related-party loans tied to the former CEO's business interests.
- Simmons First National hired Maurice Butler to serve as [director of community development](#). He will oversee the delivery of the Arkansas company's Community Reinvestment Act plan.
- United Community Banks in South Carolina [added George Bell](#), former software engineering group head at Truist Financial, to its board.
- Organizers of the proposed Nave Bank in Puerto Rico disclosed that Carlos Garcia, a director at Professional Holding in Florida, would [serve as its chairman and CEO](#).
- Northwest Bancshares in Ohio tapped Louis Torchio, formerly its senior executive vice president of retail lending and business banking, to [serve as president and CEO](#).
- BOK Financial in Oklahoma said Mark Wade [will become CEO of Bank of Texas](#) after Norm Bagwell retires at the end of this year.
- M&T Bank in New York hired Ishet Dhar, a former executive at Bank of America, to become its [chief digital officer](#).
- MidWestOne Financial Group in Iowa, said CEO Charles Funk has [stepped down temporarily](#) to recover from a serious bicycle accident. Len Devaisher was named interim CEO.

(Fin)tech

- Central Bank of Kansas City [spun off Central Payments](#), its payments and card-issuing platform. Central Payments raised \$30 million from investors that include Castle Creek Capital and Launchpad Capital.

- BankTech Ventures in Utah [closed on its first fund](#) after bringing in more than \$115 million in capital commitments.
- Live Oak Bancshares in North Carolina expects to [record a \\$29 million pretax gain](#) from its investment stake in Payrailz, which is being sold to Jack Henry & Associates.

Odds & Ends

- Ponce Financial Group in New York has formed an [environmental, social and governance](#) (ESG) committee.
- Bank of America in North Carolina said its overdraft-service fees [fell by 90%](#) in June and July from a year earlier, reflecting policies designed to back off of such charges.
- Republic First Bancorp in Philadelphia said an outside firm has [completed its review of related-party transactions](#). The results are being reviewed by the company's management and audit committee.
- Sterling Bancorp in Michigan said it is [making progress](#) tied to various investigations into its defunct Advantage Loan Program.
- First Seacoast Bancorp in New Hampshire [plans to convert](#) to a fully stock-owned company.

That's a wrap for the past week. Let's aim for an exceptional week ahead!