

Good afternoon, Bank Slaters!

I hope you have a great Labor Day weekend! Since many of you will be off on Monday, I wanted to get this newsletter into your inboxes sooner rather than later.

Let's take a minute to discuss the news that Blue Ridge Bankshares has [entered into a written agreement](#) with the OCC that requires the bank to improve how it monitors fintech relationships. I believe the agreement is a blueprint that goes beyond the "[six pillars](#)" guidance bank regulators shared last year.

The agreement, a must-read for bankers who work with fintechs or plan to do so soon, requires Blue Ridge to:

- Create a compliance committee and adopt a written program to assess/manage risks posed by third-party fintech relationships
- Obtain OCC non-objection before onboarding or signing a contract with a third-party fintechs or offering new products/services through existing partners
- Adopt a written Bank Secrecy Act (BSA) risk assessment program and adopt a revised BSA audit program that includes an "expanded scope and risk-based review" of activities conducted through fintech partners
- Adopt revised and expanded risk-based policies, procedures and processes – including specific requirements for fintech businesses – to vet clients on an ongoing basis and monitor suspicious activity
- Develop an enhanced written risk-based program to emphasize the "timely identification, analysis, and suspicious activity monitoring and reporting" for all business lines
- Give the OCC an action plan and a written report of suspicious activity monitoring, including high-risk client activity involving third-party fintech partners

What does your fintech plan look like? Are you following these steps? Let me know at [info@thebankslate.com](mailto:info@thebankslate.com).

Let's check out the headlines.

## **M&A**

- GrandSouth Bancorp. in South Carolina [considered four bids](#) before negotiating with First Bancorp in North Carolina.
- First Commonwealth Financial in Pennsylvania [agreed to buy](#) Centric Financial in Pennsylvania for \$144 million in a deal expected to close in the first quarter.
- Thumb Bancorp in Michigan [agreed to buy](#) Exchange State Bank in Michigan for \$29.9 million in a deal expected to close late this year or in early 2023.
- BankFirst Capital in Mississippi [agreed to pay an undisclosed amount of cash](#) for Mechanics Banc Holding in Mississippi in a deal expected to close in the first quarter.
- Gulf Coast Bank & Trust in New Orleans [bought the assets](#) of equipment finance companies KLC Financial and KLC Capital Partners for an undisclosed price.
- High Plains Bank in Oklahoma [agreed to buy a branch](#) in Cordell, Okla., from Equity Bancshares in Kansas. The branch has \$20 million of deposits.
- Cornerstone Home Lending [received regulatory approval](#) to buy Roscoe State Bank in Texas. The mortgage lender expects to complete the acquisition around Oct. 1.
- Allegiance Bancshares and CBTX in Houston [pushed back the termination date](#) of their planned merger from Aug. 2 to Nov. 1 as they await Fed approval.

## **Arrivals/Departures**

- Horicon Bank in Wisconsin named Fred Schwertfeger to [succeed his father](#), Frederick Schwertfeger, as president. The elder Schwertfeger remains CEO.
- WSFS Financial in Delaware [formed a health care banking division](#) after hiring a Fulton Financial banker.
- Provident Financial Services in New Jersey hired Ravi Vakacherla as its [chief digital and innovation officer](#). He previously worked at People's United Financial.

- Bank of San Antonio in Texas named Brandi Vitier [as its president](#). She previously served as an executive vice president and market executive.

### **(Fin)tech**

- The BHB BaaS Association tapped Robert Keil, chief payments officer at Sutton Bank in Ohio, as its [first chairman](#).
- First National Bank of Omaha in Nebraska [formed a business](#) to offer credit card services to fintechs and other startups. Bend by FNBO is being marketed as a credit card-as-a-service (CaaS) platform.

### **Odds & Ends**

- The OCC is planning a [dramatic reduction in assessment fees](#), including a 40% cut for a bank's first \$200 million of assets.
- Primis Financial in Virginia, through its Panacea Financial division, [formed a partnership](#) to provide financial services to members of the American Academy of Periodontology.
- Associated Banc-Corp. Wisconsin [will close 13 branches](#) in Illinois and Wisconsin in November.
- Genesis Bank in California [created a division](#) to handle 1031 exchanges.
- A group in California received [conditional FDIC approval](#) to open Beach Cities Commercial Bank. Organizers must raise \$25 million before the bank can open.
- First Missouri Bank [rebranded as Verimore Bank](#) to deemphasize location and focus on products and services.
- Organizers of Nova Bank in Alabama have [resubmitted an application](#) with the FDIC after "strengthening" its proposed management team.

That's it for me. Hope you make the most of the last official weekend of summer!