

Hello again, Bank Slaters!

Wow, it's November. It is hard to believe we are quickly heading into the holidays and 2023!

I've been busy, appearing at four conferences in the last two months, recording a podcast with NAFCU and providing a fair amount of industry commentary. I just weighed in on crypto as part of a [Forbes roundup on fintech trends](#).

I'm continuing to fine-tune www.TheBankSlate.com, adding a section called "[Beyond Banking](#)" to feature perspectives on careers, self-care, etc. I also created a tab for [donations](#) to The Bank Slate, which will help me improve and expand coverage and provide information faster and more efficiently. Stay tuned!

For now, let's talk about fintech layoffs.

Upstart Holdings in California [laid off](#) 140 people who processed loans. Digital bank Chime said it would cut [12% of its workforce](#), and Stripe will [eliminate 14% of its staff](#), or roughly 1,000 positions.

Each fintech cited a swing in market conditions. Many also grew too fast, hired too many people and have to contend with lofty investor expectations.

Upstart mentioned a "challenging economy" and reduced loan volume on its platform. Chime pointed to "certain market dynamics." Stripe discussed "leaner times" looming.

I have two takeaways. We'll undoubtedly see more fintech cuts. While we've already seen banks lay off people in the mortgage area, we should brace for cuts in other consumer businesses.

Cutbacks could also present hiring opportunities for some banks. I think there will be some that can scale up as others pull back. Those that do so could be well-positioned when conditions improve.

What do you think? Would you be interested in hiring people being let go at fintechs? Reach out to me at info@thebankslate.com.

Let's check out our headlines.

The Big Headline

The Fed has set the prices banks will pay when FedNow debuts next summer.

While regional Fed banks will waive the monthly participation fee next year, banks using the service in 2024 will pay \$25 a month per routing transit number. The reserve banks will waive the cost of up to 2,500 monthly FedNow credit transfers in 2023 and charge 4.5 cents per item

the next year. The reserve banks will also introduce a 1 cent per item request-for-payment fee and a \$1 per transfer liquidity management fee.

M&A

- Two credit unions [bid on](#) Citizens Bancshares' bank, but tax considerations and potential challenges securing regulatory approval led the Missouri company to negotiate with Southern Missouri Bancorp.
- Integrated Financial Holdings in North Carolina is close to resolving litigation it must address before selling to MVB Financial in West Virginia, according to [a regulatory filing](#). IFG agreed in September to pay \$10 million to settle a 2019 lawsuit tied to alleged RESPA violations; a final fairness hearing is set for Jan. 18.
- Retirement giant TIAA is [exiting the banking business](#) by selling TIAA Bank to funds managed by Stone Point Capital, Warburg Pincus, Reverence Capital Partners, Sixth Street and Bayview Asset Management. The price wasn't disclosed.
- Home Bancorp Wisconsin, which sold its bank to a credit union last summer, will [pay a distribution](#) of \$28.15 a share to investors around Nov. 21 as part of its plan to dissolve.
- Wings Financial Credit Union in Minnesota [agreed to buy](#) Settlers Bank in Wisconsin in a deal expected to close by the middle of 2023. The price wasn't disclosed.
- The Cornerstone League in Texas and the Heartland Credit Union Association in Kansas [will merge](#) on Dec. 31 after members approved the combination.

Arrivals/Departures

- Signature Bank of Georgia [hired Charlie Brown as its CEO](#). Brown, who previously served as president and CEO of Loyal Trust Bank, succeeded founding CEO Freddy Deutsch, who is now vice chairman.

(Fin)tech

- Financial institutions processed nearly \$1.2 billion of [suspected ransomware payments](#) in 2021. FinCEN said there were 1,489 ransomware attacks in 2021, based on data from BSA filings. Financial institutions reported \$416 million of damages a year earlier.
- New York Community Bancorp will likely need to [exit the USDF Consortium](#) to buy Flagstar Bancorp in Michigan. The OCC, in its [conditional approval](#) for the \$2.6 billion deal, instructed New York Community to divest its interest in the group within two years of completing the acquisition.
- Customers Bancorp in Pennsylvania said its bank will [pay \\$58 million](#) to Kabbage, which has been going through the bankruptcy process, to resolve a dispute tied to the Paycheck Protection Program. Kabbage had claimed it was owed \$65.5 million in PPP-related fees.
- Truist Financial in North Carolina [formed an innovation team](#) built around Long Game, a gamification company it [bought for an undisclosed amount in May](#).

Odds & Ends

- U.S. Bancorp in Minneapolis is the latest bank to [face a CFPB investigation](#) into its administration of unemployment insurance payments on prepaid debit cards. Separately, the company disclosed [a data breach](#) involving about 11,000 credit card customers.
- Wells Fargo in San Francisco is [holding discussions with the CFPB](#) to address multiple investigations. The talks involve "a number of ... investigations, inquiries and other matters, including automobile lending matters, consumer deposit account-related matters and mortgage lending matters," Wells said.
- Three Minnesota credit unions have [filed a lawsuit](#) against the state's banking regulator in an attempt to override the agency's refusal to approve credit union-bank deals.
- Fifth Third Bancorp in Cincinnati formed an [independent registered investment adviser](#). Fifth Third Wealth Advisors is led by Eric Housman, who was managing director of Fifth Third Private Bank's MidAtlantic region.
- Republic First Bancorp in Philadelphia will [hold its 2022 annual meeting on Jan. 26](#). The meeting has been delayed while independent legal counsel investigated certain related-party transactions. The probe is done, and the findings are being reviewed by the company's audit committee, management and an independent registered public accounting firm.

Another week in the books. Thank you all for your attention and support. We're in the homestretch of 2022!