

Happy Monday morning, Bank Slaters!

Did you watch the big game last night? Curious what you thought about the outcome and, of course, the commercials.

Let's talk about Affirm's disclosure that it [reduced its reliance on Cross River Bank](#).

The Buy Now, Pay Later company said that, as of Jan. 31, Celtic Bank is now originating the majority of its loans as it identifies and looks to engage new originating partners. Affirm said the reason for the switch is "to diversify our sources of loan originations."

It is always fun to try and read the tea leaves, and there could be other reasons why the San Francisco BNPL company is moving away from Cross River, based on other disclosures.

Contract Renewal Looming: Affirm's agreement with Cross River, signed in November 2020, has an initial three-year term. It can be terminated earlier under certain scenarios. Perhaps Affirm is kicking the tires on replacements for Cross River should renewal talks break down.

Moving to the Mainstream: Affirm CEO Max Levchin has said the company will look to make more interest-bearing loans due, in part, to rising rates. The move could also allow Affirm to shift from BNPL to focus on more traditional products.

Regulatory Scrutiny: Several agencies, including the OCC and CFPB, are paying more attention to bank-fintech partnerships. The CFPC, in particular, is looking at the [terms and disclosures of BNPL products](#) (after obtaining data from Affirm and other BNPL companies). That might be enough motivation for Cross River to take a step back.

What do you think? Any big picture takeaways from this disclosure? Let me know at info@thebankslate.com.

Let's look at last week's newsmakers.

The Big Headline

President Biden used part of his State of the Union address to push Congress to pass the [Junk Fee Prevention Act](#). While Biden pointed to fees in the airline and ticket industries, the CFBP has proposed a rule to [cap credit card late fees at \\$8](#). Banks and credit unions [pushed back](#) against his remarks.

Another Big Headline

Talk about a disconnect. Banks are seeing loan demand wane across all key categories, and more lenders are [tightening credit standards](#), according to the Fed's quarterly survey of senior loan officers. But credit unions [expect steady loan growth](#) in 2023, based on a report from CUNA Mutual Group.

M&A

- TD Bank in Toronto and First Horizon in Tennessee [moved the deadline date](#) for their planned merger from Feb. 27 to May 27 as they finalize a community benefits plans and wait on regulatory approval.
- Fidelity Bank in Kansas [agreed to sell two branches](#) to WeStreet Federal Credit Union in Oklahoma.

Arrivals | Departures

- BayFirst Financial in Florida said Thomas Zernick will [become its CEO next year](#). Zernick, the company's president, will succeed Anthony Leo, who will retire at the end of 2023.
- SVB Financial Group in California named Ashraf Hebel to serve as [head of technology and healthcare banking](#). He succeeded Dave Sabow, who was named [CEO of Silicon Valley Bank UK](#) and head of EMEA, pending regulatory approval.
- Republic First Bancorp in Philadelphia [parted ways](#) with Andrew Logue, its bank president. Logue also stepped down as the company's COO.

(Fin)tech

- The FDIC [lowered the CRA rating](#) for Transportation Alliance Bank, citing an issue with one of the Utah bank's fintech partners.

Odds & Ends

- Ashton Ryan, former CEO of First NBC Bank, was [found guilty of fraud charges](#) that contributed to the New Orleans bank's failure in 2017.
- Northwest Bank in Ohio formed a [commercial finance group](#) that will focus on business aviation, long-haul trucking, inland and offshore marine financing and equipment loans to large and midsize companies.
- Adelphi Bank, a proposed black-owned de novo in Columbus, Ohio, is poised to become the first bank to open in 2023 after raising nearly \$18 million and [securing full FDIC approval](#).

- Northpointe Bank in Michigan will exit the [correspondent lending business](#). Fundings will stop on April 28.
- Country Agencies & Investments, a bank holding company in Missouri has [merged its three banks](#).
- CF Bankshares in Ohio plans to [add several new commercial products](#), including swap fee services, cash management products/services and a new business credit card.

Just like that, another week is in the books. Let's see what happens in the days ahead!

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