THE DAILY PULSE

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PAYMENTS • BANKING • LENDING

SATURDAY, AUGUST 23, 2026

COVERAGE WINDOW: AUGUST 16–23, 2026

THIS WEEK IN BRIEF

The card networks turned their stablecoin race into an infrastructure land-grab, bank regulators kept loosening the rulebook, and the private-credit engine behind consumer lending showed its first signs of strain. Coinbase surfaces across all three beats this week.

PAYMENTS & STABLECOINS

Visa hunts for a new stablecoin settlement partner after Mastercard locks up BVNK

PYMNTS · Aug 19

With Mastercard having closed its ~$1.8 billion acquisition of stablecoin-infrastructure firm BVNK in early August, Visa has issued a request for proposal seeking a replacement settlement partner licensed across the U.S., U.K., Canada, and Singapore to support its "Open USD" project. The move comes as the stablecoin market approaches roughly $300 billion in total value.

> **WHY IT MATTERS**
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> The card networks are now competing to own the settlement layer for stablecoins rather than merely defend against it. Mastercard buying BVNK and Visa launching a partner search within weeks tells you both treat dollar-stablecoin rails as strategic infrastructure they must control — stablecoin settlement is moving from pilot to core plumbing.

PAYMENTS & STABLECOINS

Coinbase turns on payments made by AI agents, settled in stablecoins

FinTech Global · Aug 12

Coinbase Business enabled merchants to accept payments initiated by AI agents, using the open "x402" machine-to-machine standard with settlement in USDC, and added USDT support across its payment links, checkout, and invoice products. Coinbase said those products have now processed more than 100,000 payments.

> **WHY IT MATTERS**
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> This is an early example of "agentic commerce" — software agents transacting with each other — using a stablecoin as the settlement currency. The same kind of automation you're building for research is, elsewhere, being wired to move money; for incumbents, a slice of future payment volume may originate from machines, not just people.

BANKING & REGULATION

[Fed and FDIC move to overhaul insider-lending rules (Regulation O) for the first time since 1979]

Sullivan & Cromwell · Comment period open

The Federal Reserve and FDIC have proposed the first major revision to Regulation O — which governs loans banks make to their own directors, officers, and principal shareholders — since 1979. The proposals roughly quadruple key dollar thresholds (the board-approval ceiling rises from $500,000 to $2 million; the credit-card exemption from $15,000 to $60,000) and add permanent relief for portfolio companies of qualifying investment-fund complexes. Comments are due October 5, 2026.

> **WHY IT MATTERS**
> While it was time to update Reg O, this is also a signal of the current deregulatory posture toward banks, and it loosens constraints on how institutions extend credit to insiders and fund-affiliated entities. If finalized, it widens the room for related-party lending — useful for banks with private-equity or fund relationships.

BANKING & REGULATION

[The Coinbase–Circle USDC revenue-sharing pact enters its first renewal term]

CoinDesk · Aug 18

The agreement between Coinbase and Circle that governs how USDC's economics are shared entered its first three-year renewal term around August 18. Detailed terms are not public, but the pact determines how the two largest USDC beneficiaries split the interest earned on the stablecoin's dollar reserves.

> **WHY IT MATTERS**
> USDC is a primary bridge between bank-held dollars and crypto rails, and this arrangement decides who profits from the "float" — the very interest income a bank would otherwise earn on deposits. As stablecoin balances grow, this is effectively a competing deposit-economics model, and who captures the yield is central to how banks should think about deposit competition.

LENDING & CREDIT

[Credit-card delinquencies edge up to 2.50% in July across seven major banks]

PYMNTS · Aug 18

The average credit-card delinquency rate reached 2.50% in July, up slightly from 2.48% in June, based on American Express, Bank of America, Bread Financial, Capital One, Citigroup, JPMorgan, and Synchrony. Notably, the reading still sits below the pre-pandemic average of 2.68%.

> **WHY IT MATTERS**
> The direction is up but the level remains contained and below pre-COVID norms — a "watch, don't panic" data point. It matters most as a leading indicator, as consumers face sustained inflation, and uneven prospects for job opportunities and wage growth, if delinquencies keep drifting higher this could turn into a real credit-quality story rather than noise.

LENDING & CREDIT

[Private credit pivots as direct-lending funds shrink]

Bloomberg · Aug 20

Bloomberg reports the private-credit industry is shifting strategy as traditional direct-lending funds contract, with capital rotating toward other structures — a move that comes alongside reports that jitters in private credit are rippling into funds holding consumer loans.

> **WHY IT MATTERS**
> Private credit has quietly become a major funding source for private companies. So a pivot in where that capital flows changes the cost and availability of credit downstream. For anyone building or funding a lending business, this is the supply side of the market repricing in real time.

LENDING & CREDIT

[BNPL is increasingly funded by private credit — and Moody's is watching for contagion]

PYMNTS · Developing

A growing share of buy-now-pay-later loans is being financed by private-credit vehicles, and rating agencies including Moody's are monitoring the linkage for contagion risk. Adoption has skewed toward higher-income households (~20% usage among $150k+ earners vs. ~10% for lower-income), while the White House has moved to restrict CFPB oversight of BNPL even as systemic-risk concerns rise.

> **WHY IT MATTERS**
> BNPL growth is now somewhat dependent on private-credit funding, so stress in one flows to the other. The simultaneous push to reduce CFPB oversight means the sector is expanding its financial-system linkages while regulatory visibility narrows — a combination worth tracking closely if you touch consumer credit.

LENDING & CREDIT

[Coinbase's Bitcoin-backed mortgages draw a Senate warning]

Forbes · Aug 3

Coinbase's mortgage product with Better — which lets buyers pledge Bitcoin or USDC as collateral for a private loan that is used as down payment for a home, is now backed by Fannie Mae — drew a letter from seven senators (including Elizabeth Warren) urging regulators to rescind approval, citing a 250% Bitcoin collateral requirement (for the private loan), and echoes of the 2008 crisis. Better's waitlist reportedly reflects roughly $250 million in potential volume, with 41% of applicants lacking the cash for a traditional down payment.

> **WHY IT MATTERS**
> Crypto-collateralized mortgages pull digital assets into the core of housing finance — squarely relevant to both a lending business and a real-estate one. Though the size of this market is at best unknown, the Senate pushback is a real signal of regulatory risk that could constrain the product before it scales, so any model of crypto-backed lending should explicitly price in policy uncertainty.

WHAT TO WATCH

[Regulators issue interagency guidance on lending to individuals not authorized to work in the U.S.]

OCC Bulletin 2026-31 · Jul 13

Stay ahead of what's moving markets, regulation, and the business of banking.