THE DAILY PULSE

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PAYMENTS • BANKING • LENDING

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COVERAGE WINDOW: SEPTEMBER 21–28, 2026

THIS WEEK IN BRIEF

A constitutional challenge to the Visa–Mastercard interchange settlement, and a fresh FDIC charter-parity proposal headlined the week. Binance's $100 million Circle stake reshaped the USDC-versus-Tether race.

PAYMENTS & STABLECOINS

Merchants call card-fee pact unconstitutional

Payments Dive · Sep 22

Payments Dive reports that large retailers including Walmart and Circle K are challenging a proposed antitrust settlement with Visa and Mastercard over card interchange fees, arguing that being forced into the settlement class violates their constitutional due-process rights. The merchants contend that "due process requires that it be afforded the right to opt-out" before being bound to what they call a "vast reordering" of economic relationships. The dispute, before U.S. District Judge Brian Cogan in Brooklyn, stems from litigation dating to 2005.

> **WHY IT MATTERS**
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> A successful constitutional challenge could unravel the largest merchant-fee settlement in payments history and reopen the interchange fight the networks have spent two decades trying to close. While path forward is not clear, the largest retailer is not ready to throw in the towel.

PAYMENTS & STABLECOINS

How digital IDs may battle fraud

Payments Dive · Sep 23

According to Payments Dive, Representatives Bill Foster (D-IL) and Pete Sessions (R-TX) introduced the "Stop Identity Fraud and Identity Theft Act," which would fund state efforts to build digital driver's licenses and electronic IDs through the Treasury Department. The article notes that 21 states and Puerto Rico have implemented digital IDs, though adoption remains uneven, and quotes Foster calling identity fraud "a growing emergency for more than a decade." Backers argue stronger digital identity is needed as deepfake and synthetic-identity fraud escalate.

> **WHY IT MATTERS**
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> Reliable digital identity is the missing element beneath account opening, lending, and payments authentication, and federal funding would accelerate a standard, banks and processors could build on. That said, bipartisan introduction is a long way from enacted law. Further, adoption is likely to have a long tail.

PAYMENTS & STABLECOINS

[Binance's $100M Circle (CRCL) deal boosts USDC in stablecoin race with Tether, analysts say]

CoinDesk · Sep 26

CoinDesk reports that Binance invested $100 million in Circle and signed a five-year commercial agreement to promote and integrate USDC across its platform. Since the deal, USDC trading pairs on Binance expanded from 140 to 329 markets and monthly USDC volume roughly doubled to above $80 billion, per the article, which describes the arrangement as echoing "Circle–Coinbase's distributor-shareholder model." USDC's market cap sits near $74 billion versus Tether's roughly $140 billion.

> WHY IT MATTERS
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> Aligning the largest crypto exchange's incentives with USDC narrows Tether's distribution edge and signals that stablecoin competition is shifting from issuance to control of the rails. Distribution deals are going to be critical to driving adoption of a specific stablecoin.

BANKING & REGULATION

[CISA issues urgent alert about vulnerabilities in remote access technology used by businesses]

ABA Banking Journal · Sep 27

The ABA Banking Journal reports that CISA issued an urgent alert about actively exploited vulnerabilities in Citrix NetScaler ADC and NetScaler Gateway products, which can let attackers run malicious commands without valid credentials. The agency warned that "patching addresses the vulnerability but does not, by itself, remove an attacker who may already have established access," and urged institutions to identify affected systems, apply updates, and investigate for prior compromise. The article notes the flaws were discovered using AI methods.

LENDING & CREDIT

[September auto ABS market up on tight spreads, strong investor demand (Big Wheels)]

Auto Finance News · Sep 25

Auto Finance News reports that multiple lenders issued auto asset-backed securitizations in September on strong investor demand, with several captive issuers pricing prime-backed deals exceeding $1 billion and spreads reaching tight levels. MetLife Investment Management's Andrew Butville told the outlet, "It's a great time to be an issuer."

> WHY IT MATTERS
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> Tight ABS spreads lower funding costs for auto lenders and suggests investors remain comfortable with prime auto credit despite broader delinquency concerns. Cheaper funding can support loan growth and competitive pricing into year-end.

WHAT TO WATCH

[New-leasing volume expected to drop 7% YoY in 2026]

Auto Finance News · Sep 25

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