

THE DAILY PULSE

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PAYMENTS • BANKING • LENDING



📅 WEDNESDAY, SEPTEMBER 30, 2026

COVERAGE WINDOW: SEPTEMBER 23–30, 2026

THIS WEEK IN BRIEF



The Fed edged FedNow toward cross-border payments, a sixth U.S. bank failed in 2026, a regional bank bought a fintech to chase small-business deposits and a digital platform, even as an auto captive leaned further into nonprime credit.

📄 PAYMENTS & STABLECOINS

[FedNow tiptoes into cross-border](#)

Payments Dive · Sep 29

Payments Dive reports the Federal Reserve is 'on the verge' of unlocking cross-border capabilities for its FedNow instant-payments system, citing a Sept. 23 Fed blog post. The proposal would let participating U.S. banks use intermediaries, including non-U.S. financial institutions, to route international transfers, and a test group will soon begin trialing cross-border transactions. The Fed did not specify a timeline or when its board might vote on the initiative.

📍 WHY IT MATTERS

Cross-border remains the weak spot where instant-payment capabilities lag card networks and correspondent banking. Extending FedNow abroad would put the central bank in more direct competition with private networks and stablecoin settlement, offering banks a cheaper cross-border option while pressuring existing correspondent revenue.

📄 PAYMENTS & STABLECOINS

[Citi and Coinbase Pair Stablecoin Payments With Fiat Settlement](#)

PYMNTS · Sep 28

Coinbase and Citi announced a deepened partnership that lets businesses convert incoming fiat into stablecoins and accept stablecoin payments, PYMNTS reports. Coinbase will use Citi's Virtual Account Wallet to power Coinbase Virtual Accounts and adopt 'Spring by Citi,' the bank's merchant-acquiring platform, so Citi's institutional clients can accept stablecoin payments while Coinbase converts the currency to fiat for settlement. Coinbase's Alec Lovett called it 'a fast, compliant bridge between fiat and stablecoins,' with the rollout starting in the U.S.

📍 WHY IT MATTERS

Citi joins a number of banks recently announcing stablecoin initiatives, especially for cross border payments. All such announcements are banks partnering with fintechs enabling the stablecoin rails for them, It signals stablecoins moving into the plumbing of corporate payments, with a money-center bank positioning itself as the compliant on- and off-ramp.

BANKING & REGULATION

[Valley National Bank to acquire fintech Bluevine for \\$340M](#)

Banking Dive · Sep 28

Valley National Bancorp agreed to acquire Jersey City-based fintech Bluevine in a cash-and-stock deal valued at \$340 million, Banking Dive reports. Bluevine provides digital banking, payments, lending and financial-management tools to roughly 175,000 small-business customers and brings about \$2.1 billion in deposits, with closing expected in early 2027. CEO Ira Robbins said the deal makes Valley 'a much stronger and more relevant small business competitor.'

WHY IT MATTERS

Rather than build small-business digital capabilities in-house, a regional bank is buying a fintech's customer base and deposit franchise outright. Bluevine has done an incredible job in raising deposits, though likely what they have to pay borrowers market rates, which is higher than traditional bank deposit rates. The digital platform gives Valley head start in driving growth in the SMB segment, and add economic value, which will come from reduced funding costs of the Bank.

BANKING & REGULATION

[Fed's 'collective lack of action' let info security risks fester: OIG](#)

Banking Dive · Sep 29

The Federal Reserve's Office of Inspector General found that 'a collective lack of action across multiple divisions' let information-security risks fester, Banking Dive reports. A 2024 incident in which a retiring international-finance employee potentially removed classified FOMC information went unresolved for over a year; the employee had prior flags, including moving files to an unencrypted USB drive in 2021 and attempting to email classified data to a personal account in 2023. The OIG said conflicting understandings of escalation responsibilities undermined the effectiveness of the Fed's security program.

WHY IT MATTERS

The finding is a governance black eye for the institution that sets security expectations for the banks it supervises. Expect renewed internal-controls scrutiny and potentially sharper examiner focus on insider-threat and data-handling programs across the industry.

LENDING & CREDIT

[CarMax Auto Finance originations up 11.1% YoY](#)

Auto Finance News · Sep 29

CarMax Auto Finance grew originations 11.1% year over year in fiscal Q2 2027 as used-vehicle unit sales rose 13.8%, Auto Finance News reports. The captive lender continued expanding its full-spectrum financing, with particular growth in nonprime lending, and EVP Jon Daniels pointed to ongoing refinement of the company's financing strategy.

WHY IT MATTERS

A large captive leaning further into nonprime while volumes climb signals underwriting confidence even as consumer-credit stress lingers. The key watch item is whether loss provisions keep pace as the book moves down the credit spectrum.



WHAT TO WATCH

[Senate passes Common Cents bill](#)

Payments Dive · Sep 29

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