

THE DAILY PULSE

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PAYMENTS • BANKING • LENDING



📅 TUESDAY, OCTOBER 20, 2026

COVERAGE WINDOW: OCTOBER 13–20, 2026

THIS WEEK IN BRIEF



Q3 earnings and regulators drove the week: Citigroup posted its best third-quarter revenue in a decade, the Kansas City Fed warned that tokenized deposits could make bank funding less stable, and at Money20/20 officials pressed for public-private coordination on agentic-commerce and fraud risk. In lending and payments, FHFA's Bill Pulte signaled a year-end review of mortgage pricing and credit-report requirements, Truist accelerated its retreat from subprime auto, and banks from U.S. Bank to Huntington rolled out new tools for consumers and small businesses.

📄 PAYMENTS & STABLECOINS

[Square Shifts Business Credit Cards to Marqeta Platform to Speed Credit Innovation](#)

PYMNTS · Oct 19

Block's Square has moved its Square Credit Card — a business credit card for sellers that runs on the American Express network — onto Marqeta's card-issuing platform, which already runs Square's debit and prepaid programs, PYMNTS reported Oct. 19. The companies said the migration, announced in a Monday press release, is meant to let Square launch new credit features faster, with Marqeta handling issuance, processing, underwriting, rewards, risk controls and disputes. Square Banking's Andrea Raj said “migrating our existing cardholders without any disruption to their experience was critical, and Marqeta delivered.”



WHY IT MATTERS

Consolidating credit, debit and prepaid onto a single issuer-processor cuts vendor sprawl and shortens the path from idea to launch for new card features — a useful lever as Block pushes deeper into SMB lending and banking. It is a big win for Marqeta's commercial-credit footprint at a moment when the card-issuing market is consolidating around a few scaled platforms.

📄 PAYMENTS & STABLECOINS

[U.S. Bank Debuts Tool to Streamline Consumers' Recurring Bills](#)

PYMNTS · Oct 19

U.S. Bank on Oct. 19 launched Payment Switch, a tool that lets customers move recurring charges such as utility bills and streaming subscriptions onto a U.S. Bank debit or credit card from the bank's mobile app, without contacting each merchant, PYMNTS reported. Built with fintech provider Atomic, the feature sits within a bills-and-subscriptions dashboard that flags when a recurring payment changes month to month and is the third component of the bank's Easy Switch onboarding tool. PYMNTS Intelligence research cited in the piece found that 55% of consumers would prefer to pay recurring bills by credit card but only 18% commonly do.

WHY IT MATTERS

Winning the card-on-file slot for recurring bills is one of the stickiest prizes in consumer payments, and automating the switch attacks the inertia that keeps those payments on competitors' rails. For U.S. Bank it is both a deposit- and card-growth play and a customer-acquisition hook, pressuring rivals to match the capability.

PAYMENTS & STABLECOINS

[Relay and Nium Handle \\$500 Million in Cross-Border Payments in Partnership's First Year](#)

PYMNTS · Oct 19

Relay and Nium said customers of Relay's small-business banking platform have sent more than \$500 million in cross-border payments through Nium's global money-movement platform in the partnership's first year, reaching 153 countries, PYMNTS reported Oct. 19. More than 500 Relay customers now send payments powered by Nium's infrastructure, letting them "collect, convert, send, and spend" across borders with visibility from onboarding until funds reach a recipient's bank account or wallet. Nium's Anupam Pahuja said the tie-up gives Relay's customers "that certainty across 153 countries."

WHY IT MATTERS

Cross-border flows remain a structural pain point for U.S. small businesses, and bank-fintech tie-ups like this are how neobanks add global reach without building the rails themselves. The \$500 million figure is modest in absolute terms but points to steady demand for embedded cross-border capability in the SMB segment.

BANKING & REGULATION

[Huntington launches small-biz operating platform](#)

Banking Dive · Oct 19

Huntington Bank on Oct. 19 launched 1866 Studio, an AI platform for entrepreneurs — open to non-customers — that runs on Google Gemini and aims to combine a business's financial, operational and management tasks in one place, Banking Dive reported. The platform launches with about six AI agents handling tasks from business registration and licensing to marketing copy and flagging potential financing obstacles, with a base tier free to all small-business owners. Huntington, which cites about 500,000 small-business customers, framed it as a customer-acquisition tool; executive Steve Standridge said the bank wants "the most compelling value proposition for small businesses in the country."

WHY IT MATTERS

Banks are racing to embed AI-driven small-business services as a moat around their most profitable relationships, and opening the tool to non-customers turns a product into an acquisition funnel. The bet is that owning the operating layer for SMBs feeds deposits, lending and payments share — but only if the agents prove genuinely useful rather than a branded wrapper.

BANKING & REGULATION

[Kansas City Fed Flags Funding Challenges From Tokenized Deposits](#)

PYMNTS · Oct 19

A Federal Reserve Bank of Kansas City research briefing published Oct. 16 warned that tokenized deposits — commercial bank deposits in digital form that can move on distributed ledgers outside normal banking hours — could make bank funding less stable, PYMNTS reported Oct. 19. The briefing said most demand appears to come from multinational corporate treasurers seeking always-on liquidity, and that banks must prepare for “faster, round-the-clock, and less consistent deposit outflows” that could blur the line between operational and non-operational balances. It noted projects underway including The Clearing House's tokenized-deposit network targeted for the first half of 2027.

WHY IT MATTERS

Tokenized deposits are usually framed as a modernization win, but the KC Fed is flagging the flip side: 24/7 transferability can accelerate outflows and complicate liquidity management — the same dynamic that amplified the 2023 regional-bank runs. Treasurers and bank asset-liability teams should treat deposit stickiness as a variable, not a constant, as these networks go live.

LENDING & CREDIT

[Pulte signals review of LLPAs, credit reports](#)

HousingWire · Oct 19

FHFA Director Bill Pulte said on Oct. 19 that the agency is reviewing whether to change loan-level price adjustments (LLPAs) and whether to let lenders underwrite with fewer than the standard three credit reports, HousingWire reported. Pulte wrote that FHFA is “studying the usage of just one or two credit reports” to lower costs for consumers and expects to decide “whether there will be any changes to LLPAs before year end”; the review follows a recent FHFA move consolidating FICO Classic and VantageScore 4.0 loans into a single LLPA grid. He canceled a planned appearance at the Mortgage Bankers Association's annual convention, where attendees had expected affordability news.

WHY IT MATTERS

LLPAs and tri-merge credit-report costs are two of the biggest controllable levers on the price of a conforming mortgage, so a year-end decision could directly move pricing and competitive dynamics for originators and the credit bureaus. A shift to bi-merge or single-report underwriting would reshuffle fee economics across FICO, VantageScore and the bureaus — reviving a debate the prior administration could not resolve.

LENDING & CREDIT

[Truist indirect auto charge-offs climb to 6.2% following RAC sale](#)

Auto Finance News · Oct 16

Truist's indirect-auto net charge-off rate climbed to 6.23% in the third quarter — up 424 basis points year over year — as the bank completed the end-September sale of its Regional Acceptance subprime portfolio, Auto Finance News reported Oct. 16. Indirect-auto outstandings fell 33% year over year to \$17.1 billion, and CFO Mike Maguire said Regional Acceptance was “roughly break-even” and that its sale reduces net interest income but lowers credit costs. Truist also agreed on Oct. 14 to sell its LightStream unsecured-consumer portfolio to Carlyle Group, with closing expected in the fourth quarter.



WHY IT MATTERS

The charge-off spike is largely a mechanical artifact of shedding subprime exposure rather than fresh deterioration — Truist is deliberately retreating from lower-return consumer credit to refocus the balance sheet. The twin portfolio sales mark a clear pivot that trades near-term revenue for cleaner credit and higher returns.



WHAT TO WATCH

[Visa to Announce Fiscal Fourth Quarter and Full-Year 2026 Financial Results on October 27, 2026](#)

Visa · Oct 8

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