

THE DAILY PULSE

by Jagdeep Dayal

PAYMENTS • BANKING • LENDING



📅 MONDAY, OCTOBER 26, 2026

COVERAGE WINDOW: OCTOBER 19–26, 2026

THIS WEEK IN BRIEF



Bank Q3 earnings dominated the week: American Express announced a 5% workforce cut, Flagstar pushed its turnaround to 2028, and Enova topped \$1 billion in quarterly revenue, while the OCC finalized a stablecoin rule that leaves the contentious yield question to licensing. Treasury's Scott Bessent floated a 2027-2028 GSE exit.



BANKING & REGULATION

[Bessent puts GSE exit on 2027-2028 agenda, boosting shares](#)

American Banker · Oct 21

Treasury Secretary Scott Bessent said the administration could resume plans to remove Fannie Mae and Freddie Mac from conservatorship within about two years, telling the 2Way platform "I would imagine that the next year, the year after, we will be tackling the ownership structure," American Banker reported. The comments drove both GSEs' shares up 13% on the day. Bessent said no near-term moves are planned and that narrowing mortgage spreads remains the priority, which he called "our North Star."



WHY IT MATTERS

A concrete 2027-2028 timeline, even a soft one, revives the long-dormant question of GSE release and the value of Treasury's warrants, which are on track to expire in September 2028. For mortgage markets, the key tension is whether an exit can happen without widening spreads and raising borrowing costs. Midterm results could reshape the political will to execute.



BANKING & REGULATION

[Blaming rates, Flagstar says turnaround will take more time](#)

American Banker · Oct 23

Flagstar pushed its turnaround timeline to 2028 from 2027, citing higher interest rates and inflation, and cut 2026 net income guidance to \$85-\$95 million from \$225-\$300 million, American Banker reported. Q3 net income was \$12 million (EPS of one cent, missing a seven-cent consensus) versus a \$36 million loss a year earlier, and the bank halted share buybacks. CEO Joseph Otting said "this is a change in timing, not in our strategy nor expectations," while a Truist analyst called it "a tough quarter all around."



WHY IT MATTERS

The guidance cut shows how stubbornly higher-for-longer rates are weighing on banks with large commercial real estate and multifamily books; Flagstar reported \$31.4 billion in CRE loans. Deposit growth remains the hinge of the recovery, as management acknowledged. The pause on buybacks signals capital is being conserved for the grind ahead.

LENDING & CREDIT

[Affirm Inks Exclusive Deal With Sam's Club](#)

PYMNTS · Oct 22

Affirm signed a multiyear agreement to become the exclusive buy-now-pay-later provider for Sam's Club, launching on SamsClub.com in the coming weeks and expanding to physical clubs in 2027, PYMNTS reported. Chief Revenue Officer Wayne Pommen said "making every dollar count shouldn't stop at checkout." PYMNTS noted Affirm reaches 50% of U.S. BNPL users, ahead of Afterpay (48%), Klarna (47%) and PayPal Pay Later (41%), and that 74% of BNPL users used two or more providers in the three months through May.

WHY IT MATTERS

An exclusive tie-up with a major warehouse retailer deepens Affirm's push into everyday and membership-based spending, not just discretionary big-ticket items. Exclusivity matters in a market where most shoppers juggle several BNPL apps. The real test is credit performance as BNPL moves toward staples.

LENDING & CREDIT

[Enova Tops \\$1 Billion Quarterly Revenue as Online Lending Surges](#)

PYMNTS · Oct 22

Online lender Enova topped \$1 billion in quarterly revenue for the first time in Q3, with originations up 31% and combined loans and finance receivables up 30% year over year, PYMNTS reported from the Oct. 22 earnings call. The consolidated net charge-off ratio fell to 8.1% from 8.5%, which the company cited as continued credit strength, and the portfolio reached \$5.9 billion (68% small business, 32% consumer). CEO Steve Cunningham said the company "expects a strong fourth quarter," and noted Enova withdrew its applications for the \$369 million Grasshopper Bancorp acquisition on Sept. 14.

WHY IT MATTERS

Non-prime and small-business online lending is still expanding with no material change in charge-offs, a sign that demand and credit are holding up in Enova's segments even at high absolute loss rates. Loss rates could jump if the consumer softens, and the economy slows down.



WHAT TO WATCH

[How scrutiny of private-credit valuations will impact banks](#)

American Banker · Oct 23

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