THE DAILY PULSE

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PAYMENTS • BANKING • LENDING

MONDAY, NOVEMBER 16, 2026

COVERAGE WINDOW: NOVEMBER 9–16, 2026

THIS WEEK IN BRIEF

The Federal Reserve raised check fees, Western Union moved to terminate its $500 million Intermex acquisition, and McKinsey warned AI-agent costs could reach a fifth of bank labor budgets. Falling mortgage rates lifted loan applications even as small-business lending data and a more cautious 2027 bank outlook flashed caution.

PAYMENTS & STABLECOINS

Fed Raises Check Fees as Businesses Keep Writing Them

PYMNTS · Nov 13

The Federal Reserve said on Nov. 12 that it will raise the prices it charges banks for check-processing services, projecting a 5.4% average increase in check-service prices starting Jan. 1, 2027, according to PYMNTS. The per-item receipt charge rises from $0.0005 to $0.0015 and repairs of rejected items climb from 30 cents to 36 cents. PYMNTS reports that commercial checks sent to Reserve Banks for collection fell 8.7% through August from a year earlier, spreading fixed costs across fewer items.

WHY IT MATTERS

Higher per-item economics give banks one more reason to steer corporate clients toward ACH and real-time rails, accelerating the long decline of paper checks in B2B payments. For institutions still earning fee income on check processing, the math is turning against the product.

PAYMENTS & STABLECOINS

Western Union, Intermex clash

Payments Dive · Nov 11

Western Union on Nov. 10 terminated its roughly $500 million agreement to acquire International Money Express (Intermex), citing conditions imposed by California's Department of Financial Protection and Innovation that it deemed unacceptable, Payments Dive reported. The conditions included barring a reduction in California agent locations, with the regulator warning of enforcement if they were breached. Intermex rejected the termination through counsel and demanded Western Union complete the merger, while Western Union said it “stands by its decision to terminate the merger agreement.”

WHY IT MATTERS

A contested termination over state licensing conditions shows how aggressively state regulators can shape remittance M&A, and raises the prospect of litigation between two of the largest cross-border cash players. The outcome could set a marker for how consumer-protection conditions are weighed against deal certainty.

PAYMENTS & STABLECOINS

Global Payments faces industry pricing pressure

Payments Dive · Nov 9

Less than a year after closing its $24.25 billion purchase of Worldpay, Global Payments is contending with industry pricing pressure and plans a new $699 annual merchant fee that will first appear on statements in December, Payments Dive reported. Its Genius point-of-sale brand is now in 65% more merchant locations than a year earlier, with bookings more than doubling. The company is trying to sell itself to its largest shareholder, a private equity firm. William Blair analysts flagged roughly $22 billion of debt as an obstacle to a reported take-private talks, though acknowledged that it could still happen.

WHY IT MATTERS

Pricing actions like a flat annual fee suggest merchant acquirers are defending margins as competition and debt service bite. However, Fintechs are getting competitive with seemingly better technology, that will put downward pressure on pricing in the market. Going private helps the company from not showing performance every quarter, but rather focus on longer term economics and market power. Whether a leveraged buyer ultimately steps in will signal how private markets value scaled payments assets right now.

BANKING & REGULATION

Why analysts have a less rosy outlook for banks in 2027

American Banker · Nov 16

Analysts expect a tougher 2027 for banks, citing the rapid expansion of AI and Democrats' strong midterm showing as sources of pressure, American Banker reported on Nov. 16. The balance of power shift could have repercussions, though the article notes that M&A activity will likely pick up in anticipation of a Democratic control of White House in 2029. The piece highlights the Office of the Comptroller of the Currency's semiannual risk report, released the prior Friday, which flagged data-center financing structures that it said have “limited performance under stressed conditions.”

WHY IT MATTERS

A regulator putting AI-infrastructure lending on its risk radar, paired with a less bank-friendly Congress, points to a 2027 of slightly tighter scrutiny and fewer policy tailwinds. There could be pressure on certain segments of banking. For example, the cap on interest rates on credit cards could make a comeback as a beltway discussion. However, overall the strong balance sheet of banks, strong capital ratios, and an economy that continues to hum along may not be all that bad for banks.

BANKING & REGULATION

AI Agent Costs Could Reach 20% Of Banks’ Labor Spending, McKinsey Warns

Allwork.Space · Nov 10

Token spending on AI agents could reach 20% of banks' total labor costs, according to McKinsey's Global Banking Annual Review as cited by Allwork.Space. McKinsey, which surveyed 46,000 retail banking customers worldwide, found that 72% of AI users would let a banking agent complete a financial task but would cap autonomous approvals at $500, and it expects AI agents to reach broad adoption within three years. Most banks currently block external AI agents from authorizing transactions in their systems.

WHY IT MATTERS

If agent “token” costs scale as McKinsey projects, they become a material new operating-expense line that could offset the efficiency gains banks expect from automation. The $500 trust ceiling also signals how cautiously customers will delegate money movement to agents. It is clearly early in the evolution of personal

agents, and expect more technological innovations, that we have not read about yet, that could tip the cost balance in favor of bank P&L's.

LENDING & CREDIT

Small-Business Lending Shifts to Fewer, Bigger Loans

PYMNTS · Nov 12

New federal Community Reinvestment Act data released by the FDIC, Federal Reserve and OCC showed institutions reported about 9 million small-business loans totaling over $291 billion, with originations down 2% in 2025 even as the dollars originated rose 4.7%, PYMNTS reported. Loans under $100,000 made up 94.6% of originations but only 43.2% of the dollars, and 153 lenders with $10 billion or more in assets accounted for about 87.5% of originations by count. PYMNTS noted that "smaller loans account for nearly all reported origination activity."

WHY IT MATTERS

Concentration of small-business credit among the largest lenders, paired with fewer but bigger loans, suggests thinner access for the smallest borrowers just as the economy slows. This is not a new theme: banks tend to stay away from young businesses, and this data may even suggest that they are moving more towards older established businesses. It strengthens the case for fintech and community lenders trying to serve the sub-$100,000 demand big banks increasingly treat as marginal. Technology, open banking, alternate data sources, and embedded finance are all converging, allowing Fintechs to get more aggressive in lending to younger and smaller business segments. The cost to originate and monitor credits will continue to shrink in the small business segment that the Fintechs are more likely to exploit initially.

WHAT TO WATCH

Dive Deposits: Guess who's playing bipartisan ball

Banking Dive · Nov 13

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