

Policy Summit

November 18, 2025

The Westin Washington, D.C. City Center

2025

The Future of Fintech Relationships with Sponsor Banks: Decoupling or Doubling Down?
Facilitated by: Marc P. Franson, Tobias Moon, & Matthew Stone, Partners, Chapman and Cutler

CHAPMAN
Focused on Finance

Discussion Summary

Roundtable participants began the conversation with a discussion around the feasibility and risks of chartering. While the concept of an industrial loan company (ILC) or special-purpose charter has periodically resurfaced, participants agreed that any entity applying first would likely face immediate litigation and intense regulatory scrutiny. A charter brings meaningful obligations: capital requirements, CRA coverage, deposit insurance, and a lengthy de novo approval process. Interest in trust charters continues to grow, including among foreign acquirers, though participants noted that trust charters come with limitations and may not provide a complete solution for companies seeking broad payments or lending authorities.

The group also discussed the unsettled landscape around federal preemption, DIDMCA, and state-level anti-evasion statutes such as “true lender” and “predominant economic interest” (PEI) tests. Participants noted that while some state laws remain largely unchallenged, few in the industry are eager to litigate given the uncertainty and the potential for uneven court outcomes. Despite these headwinds, the group observed a growing sophistication among fintech companies as they evaluate the tradeoffs between remaining with a state-chartered bank, moving toward a national bank relationship, or pursuing a charter themselves.

The second half of the discussion focused on what it means to double down on existing partnerships. Many initial agreements between banks and fintech companies are now reaching renewal points, prompting questions about whether the fintech will stay with their current partners or look elsewhere. Participants agreed that clear communication, well-defined risk expectations, and strengthened compliance processes are essential to maintaining durable relationships. With economics shifting and political uncertainty rising, both banks and fintech alike face heightened diligence expectations and a higher compliance bar than in earlier years of the partnership ecosystem.

Key Takeaways

- Chartering remains an option but comes with significant regulatory, capital, and litigation risk, making it an uncertain pathway for most fintech companies.
- State-level anti-evasion and PEI laws, combined with DIDMCA uncertainty, continue to shape partnership structures and reinforce the need for regulatory clarity.
- Strong communication, clear risk frameworks, and robust compliance practices are critical for sustaining existing bank–fintech partnerships amid evolving political and economic pressures.