

## Klaros Viewpoints | Volume 9 | September 12, 2024

We hope this message finds you well rested after the warm summer of 2024, which seems to have heated up the US Bank M&A market. Klaros continues to be approached for expert views on relevant topics impacting the banking sector. Below are some recent highlights:

Brian Graham was quoted in an American Banker [article](#) on **commercial real estate risk** and wrote an American Banker [article](#) on **proposed brokered deposit rules**.

*"CRE loans are coming to maturity in a different interest rate environment than when they were made—and at a time when underlying property values are unclear. As their loans reset to today's higher interest rates, cash-strapped borrowers will struggle, making it less likely that the banks will get repaid."*

*"Funding stability is a critically important supervisory issue, as recent bank failures demonstrate... Rather than just relitigating old battles, let's get the data the FDIC has so rightly requested. Based on that data on deposit performance, let's then adjust the regulatory regime appropriately to ensure banks have stable funding."*

Jonah Crane wrote an [article](#) for This Week in Fintech on **the FDIC's recent brokered deposit proposal** and was quoted in an American Banker [article](#) about **the effects of the Synapse collapse on fintech-bank partnerships**.

*"Money is increasingly moving to and through financial applications operated by nonbanks. In other words, a lot more money is now "intermediated" in some fashion and, under the proposed changes, would be deemed "brokered."*

*"In the wake of Synapse's bankruptcy, fintechs will have a harder time finding partner banks, since those banks with the best reputations will be in high demand."*

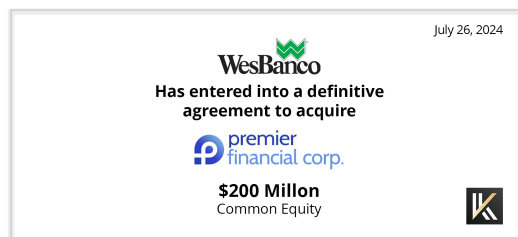
Konrad Alt was featured in this American Banker [article](#) on **partner banking supervision and enforcement**.  
*"The existing regulatory frameworks most often used to govern these partnerships— primarily third-party risk management and Bank Secrecy Act/anti-money laundering compliance— were not designed with fintechs in mind ... Regulators are working with the tools they have, but those tools are ... not perfect for these institutions."*

Michele Alt was quoted in this American Banker [article](#) about **the ramifications of Chevron deference**.  
*"Courts are more likely to second-guess the agencies' industrial policy-making, which in turn should create opportunities for companies that seek entry into the regulatory fold."*

Kevin Stein was featured in this S&P Global [article](#) about **banks' increasing use of capital raises in their M&A transactions**.

*"Banks are using capital raises to supplement their capital and common equity to offset capital dilution from the M&A transactions."*

We are pleased to announce that Klaros Capital participated in the following transaction:



For additional banking-related content please visit our partners' LinkedIn profiles by clicking on their names below.

## About Klaros Group

Klaros is an advisory and investment firm focused on the future of financial services. We leverage deep knowledge of innovation, financial services and regulation, broad networks of relationships, and direct experience to help our clients navigate the complexities of financial services regulation.

## About Klaros Capital

Klaros Capital provides private capital, backed by deep industry and regulatory expertise, to midsize US banks, enabling growth, M&A, and other value-creating actions.

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