BANKING DIVE

Cross River exec named CEO of American Fintech Council

Phil Goldfeder will head the group at a pivotal time for fintech, as nonbank entities are coming under increased scrutiny from regulators and lawmakers.

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The American Fintech Council named Phil Goldfeder as its CEO, a role the Cross River executive will start in March, the trade group

Before joining the fintech-focused bank, Goldfeder spent time in the public sector, where he served in the New York State Assembly and as a senior adviser to Senate Majority Leader Chuck Schumer, D-NY, and former New York City Mayor Michael Bloomberg.

"Fintech is paving the road for the future of financial services and the American Fintech Council sets the standard to differentiate the responsible companies and industry experts who are focused on consumer protection, transparency, compliance, and regulatory modernization," Goldfeder said in a statement. "My entire career has been dedicated to public service and this new role will allow me to work alongside diverse and innovative companies that are empowering consumers by creating critical access to financial services."

Goldfeder will head the trade group during a pivotal time in the fintech space, as nonbank entities are coming under increased scrutiny from regulators and lawmakers, ranging from their involvement in COVID-19 relief programs to their partnerships with banks.

During Goldfeder's time at Cross River, the bank was heavily involved in the Paycheck Protection Program. The bank, which partnered with a series of fintech firms, including Bluevine, Divvy, Gusto, Intuit, Veem and Kabbage, was the sixth-largest PPP lender, having facilitated 288,932 loans worth nearly $6.6 billion, according to the Small Business Administration.

The bank's PPP activity, however, has come under some scrutiny in recent months.

Cross River was among several banks the SBA said in December it was investigating, following a scathing House report that claimed some fintechs involved in the PPP had lax anti-fraud standards.

Goldfeder, however, said the report "actually lauded the work of responsible banks like Cross River."

"Cross River answered the call of Congress to help the smallest businesses survive the pandemic, and now we count on the SBA to do the right thing and differentiate between those who truly helped during the pandemic and those who didn't do enough to deter and identify fraud," Goldfeder told American Banker in December.

Goldfeder is taking over the helm of the AFC as several other pivotal fintech developments will likely play out this year.

The Consumer Financial Protection Bureau is in the midst of crafting rules around consumers' rights to access and share their financial information with third-party fintechs.

Meanwhile, the SBA is evaluating whether it should open its flagship 7(a) small-business lending program to more nonbank lenders.