

Company of the Year: Cross River Bank

A lean operation dependent on partnerships helped the New Jersey-based lender punch above its weight and process the third-highest number of PPP loans.

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companies including [Affirm](#), [Upgrade](#) and [Upstart](#).

And this year, in the aftermath of the coronavirus crisis, the bank parlayed its fintech-first approach by tapping more than 30 partners to become one of the top Paycheck Protection Program (PPP) lenders.

[Cross River lent](#) \$6.5 billion to 198,000 small businesses, placing third in the number of loans approved and 12th in dollar amount approved.

Bank	Loan count	Net dollars (\$B)	Avg. loan size
Bank of America	343,626	\$25,558	\$74,376
JPMorgan Chase	280,185	\$29,352	\$104,760
Cross River Bank	198,738	\$6,550	\$32,960
Wells Fargo	194,451	\$10,598	\$54,501
U.S. Bank	108,365	\$7,609	\$70,212
TD	85,970	\$8,557	\$99,535
Truist	82,047	\$12,632	\$153,956
PNC	73,925	\$13,004	\$175,906
Citizens	50,822	\$4,853	\$95,491
Zions	47,828	\$7,004	\$146,436
KeyBank	43,172	\$8,212	\$190,208
Fifth Third	40,071	\$5,423	\$135,334
Huntington	38,486	\$6,576	\$170,859
M&T	34,651	\$6,763	\$195,161
BMO Harris	21,993	\$4,836	\$219,888

Banking Dive / Data from SBA.gov

It also reached small businesses typically ignored by large banks

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Cross River was established in 2008 amid the Great Recession and a nascent financial technology industry. Phil Goldfeder, senior vice president of public affairs at Cross River, suggested the bank's secret sauce is its ability to operate like a technology company instead of a stymied bureaucratic apparatus many people associate with banks.

“Cross River is no stranger to technology and partnerships, and the idea of building an automated system in a quick time period was not something new to us,” he said. “Cross River merges the expertise of a bank with innovative offerings of a technology company every single day, and PPP was just an extension of that.”

Cross River's PPP strategy

In late March, once the CARES Act was passed, the Cross River team mobilized to figure out how to help small businesses, he said. The bank didn't hire any new employees — it repurposed its resources internally.

First, the bank sought to grow its balance sheet to reach more borrowers. Before the Paycheck Protection Program Liquidity Facility was established, Cross River partnered with fintech MANTL, which specializes in account opening tools for community banks and credit unions, and raised \$250 million in deposits through a certificate of deposit offering it rolled out in April.

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stand up a program quickly,” Goldfeder said. “We knew we could create a system that would enable us to be open on day one and accept applications from every small business that needed it. The small businesses, the sole proprietors, independent contractors that didn’t have natural relationships with big banks didn’t have anywhere else to go.”

Tapping in-house and partner resources

Cross River’s PPP efforts are as much a people story as a technology story, Goldfeder said. The bank marshaled tech resources internally and worked with partners to roll out a client portal within 10 days. Its ability to attract loan applicants was dependent on word-of-mouth referrals and relationships with more than 30 fintech partners whose PPP offerings Cross River supported.

To successfully work with fintech partners, the bank needed to employ a flexible approach, adapting to the technology needs of each company and allowing them to integrate as seamlessly as possible.

Asked if the bank employed a formula to determine whether to partner with a fintech, Cross River suggested each relationship was considered individually.

“It’s not like we looked at a list and picked them out,” Goldfeder

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product and communications so that small businesses could get the funding they needed to survive.”

BlueVine, working with Cross River and other bank partners, provided \$4.5 billion in funding to 155,000 businesses.

Cross River could lend to so many borrowers in a short time because of a nimble approach atypical of many large banks, analysts said.

“It’s not culturally in [large banks’] DNA. They’ve got too much bureaucracy to work through, and it’s too hard for them to reallocate the resources,” said David O’Connell, a senior analyst with Aite Group’s wholesale banking team.

Goldfeder noted Cross River’s 300-member staff is considerably smaller than that of many other top PPP lenders, which boast a workforce of tens of thousands — or hundreds of thousands.

Cross River plans to continue to evolve its offerings for small businesses, Goldfeder said.

“Before PPP, Cross River, outside of our SBA 7(a) program, was not doing small business lending,” he said. “We built relationships now with 200,000 small businesses across the country, and so, if I had to predict the future, I would say that we’re probably going to invest a significant amount of money in developing potentially a small-business lending program to capitalize on those