

# Banking regulators could take a closer look at credit union–bank mergers

Article

**The news:** Georgia-based **Atlanta Postal Credit Union (APCU)** mutually ended its acquisition deal with **Affinity Bancshares** following discussions with the Georgia Department of Banking

and Finance, per American Banker. This was after Affinity's shareholders overwhelmingly approved the deal.

**What happened:** In May, APCU announced it would purchase Affinity in an all-cash deal, per MarketWatch. But after APCU met with Georgia's banking regulator, the two financial institutions (FIs) both agreed to walk away.

Neither FI commented on what led to the decision, and the National Credit Union Administration directed questions to Georgia's banking regulator, which has yet to comment, per American Banker. But it's possible the regulator indicated it wouldn't approve the merger as proposed.

**Industry implications:** We've covered [shareholders' decisions to reject FIs' M&A plans](#), but it's rare for such a deal to end during this stage. And given [banks' ongoing lobbying efforts to curb these purchases](#), it's possible that regulatory pressure and industry advocacy are contributing to a more cautious approach to merger and acquisition (M&A) approvals.

**What's next:** M&A activity will likely continue to tick up this year following the [Federal Reserve's recent decision to cut rates again](#)—making financing cheaper. However, this deal's collapse could embolden banks to push harder for regulatory changes that make such acquisitions more difficult to complete in the future.

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