

Goldman's GreenSky deal will help Marcus bulk up in consumer lending

Article

The news: Goldman Sachs is [acquiring](#) fintech **GreenSky**, which acts as a platform for [home-improvement](#) and [healthcare](#) loans to consumers, in a deal **worth about \$2.24 billion**. The banking giant expects its deal to wrap up in Q4 2021 or Q1 2022, bringing GreenSky's merchant network of **over 10,000** into the fold.

Goldman plans to pair up the fintech with its **Marcus** direct bank division—**Chairman and CEO David Solomon** said that the bank will use GreenSky's platform to promote Marcus to consumers and merchants.

More on this: GreenSky makes loans available at the point of sale and lets consumers take out loans that have deferred interest for a promotional window—it's usually **six to 18 months**—which is waived if they repay their entire principal balances within the period.

Trendspotting: Goldman is the latest big US incumbent to plan on—or at least consider—broadening its consumer-lending scope. Recent examples over the past week include:

- **Capital One:** CEO Richard Fairbank revealed that the bank will run a point-of-sale buy now, pay later (BNPL) test with a group of merchants it has existing relationships with.
- **JPMorgan Chase:** Marianne Lake, who is co-CEO of the bank's **consumer- and community-banking unit**, said that Chase is thinking about jumping into the BNPL space and that it has a good shot due to its lending experience. Chase already offers a credit-card product that's similar to BNPL.

The big takeaway: Goldman can use the fintech to strengthen Marcus' product lineup by building out lending to complement its savings and investing offerings—something the bank is already touting in its announcement of the deal.

The bank's lending buildout, plus a planned move into checking, mark the latest signs of its consumer-banking push. GreenSky's focus on home-improvement and healthcare loans, plus Goldman's forthcoming BNPL product in partnership with **Apple**, will give the banking giant roles in consumer lending for both small- and big-ticket purchases.

Goldman can also use both lending businesses to gain experience for supporting its **MarcusPay** personal-lending product or to delve into further partnerships.