

Press Coverage | January 22, 2024

BaaS to Require Strong Commitment, Investment in 2024, Experts Say

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James Stevens, a co-leader of Troutman Pepper's Financial Services Industry Group, was quoted in the January 22, 2024 *Banking Dive* article, "[BaaS to Require Strong Commitment, Investment in 2024, Experts Say](#)."

The recent enforcement actions, however, are not expected to stifle BaaS growth in 2024, but rather send a signal that banks need to boost their compliance programs, said James Stevens, a partner in Troutman Pepper's financial services practice.

"Banking-as-a-service has been increasing rapidly year over year for several years, and I do not see an end in sight," Stevens said. "Smart BaaS participants are assimilating the guidance and learning from the enforcement activity. These participants are making their programs safer and stronger and that trend will continue. We do not see the enforcement activity chilling the space except with respect to riskier programs like high interest rate loan programs and with fintech operators that do not have strong compliance management systems in place."

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