Morning Interest
Your morning track through cards, credit and capital
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Card balances climb to $1.29 trillion as household debt tops $19 trillion

Mortgage balances jumped $257 billion, and the New York Fed said about half of that came from balances re-reported after a second-quarter reporting gap.

TOP 3

1. Credit card balances rose $22 billion in the third quarter to $1.29 trillion, the New York Fed said Tuesday, as the flow of card debt into serious delinquency eased slightly.[1]
2. The FTC asked a court to enforce its January demand for Block records on about 1,500 Square merchant complaints, and Block agreed to comply, with first responses due Friday.[2]
3. Goldman Sachs, Citigroup and other banks pledged roughly $270 million to a venture that aims to issue a dollar stablecoin in the first half of 2027, according to Bloomberg.[3]

BEFORE THE BELL Nasdaq 100 futures climbed 1.7% as of 5:36 a.m. ET after CoreWeave's results eased worries about AI spending, and S&P 500 futures gained 0.7%. With the bond market closed for Veterans Day, Treasury yields stand at Tuesday's close of 4.73% for the 2-year and 4.98% for the 10-year.

BY THE NUMBERS

$19.1T	+$52B	+$23B	1.60%
HOUSEHOLD DEBT	CARD BALANCES, 1 YEAR	HELOC BALANCES	MORTGAGE FLOW INTO 90+
▲ Q3; up $334B from Q2	▲ Q3 vs. Q3 2025	▲ Q3; most since 2005	▲ Q3; from 1.28% a year ago
Mortgages drove most of the gain	Q2 gain was $21B	$481B outstanding	Modest by historical standards

THE BIG STORY: HOUSEHOLD DEBT

The report

Total household debt rose $334 billion in the third quarter to $19.1 trillion, the New York Fed said Tuesday in its Household Debt and Credit Report. Mortgage balances accounted for $257 billion of the gain, including balances re-reported after a gap in second-quarter data. Home equity lines of credit climbed $23 billion, the largest increase since 2005.[1,4]

Cards

Credit card balances grew $22 billion in the third quarter to $1.29 trillion. That followed a $21 billion second-quarter gain and left balances $52 billion above a year earlier.[1,5]

All debt

Across all household debt, 5% of balances were in some stage of delinquency, up from 4.7% in the second quarter. The flow of mortgage balances into serious delinquency increased to 1.60% from 1.28% a year earlier, which the New York Fed called modest by historical standards. "Although delinquency transition rates for housing debts have crept up," said Donghoon Lee, an economic research advisor at the New York Fed, "the overall credit quality of these loans remains strong."[1,5]

THE BIG STORY: HOUSEHOLD DEBT continued

The Fed

The Fed raised rates a quarter point in September. It held its target range at 3.75% to 4% on Oct. 28 and next meets Dec. 8-9. Dallas Fed President Lorie Logan called Tuesday for "at least two more 25-basis-point rate increases," and Philadelphia Fed President Anna Paulson backed "further gradual tightening." Vice Chair for Supervision Michelle Bowman did not call for a hike, telling the Council on Foreign Relations the same day that inflation has been "more persistent" than she anticipated. "The benefit of additional policy tightening has to be carefully weighed against its costs for interest-rate-sensitive sectors," Bowman said.[6–11]

CARDS & PAYMENTS

Bilt for merchants

Bilt on Tuesday introduced Neighborhood OS, software it says will help local businesses reach new customers and build loyalty through the reservation, point-of-sale and payment systems they already use. Partners include Clover from Fiserv, Shift4, Adyen and OpenTable, and Bilt said its work with Mastercard may offer cardholder benefits. The company said integrations will roll out in phases beginning in 2027. Bilt says it has more than 8.2 million members, who generated more than $12 billion in rewarded commerce at local businesses over the past year.[12]

Bank BNPL

Banks' growing BNPL lending adds a new kind of cash-flow risk, payments advisers said. "It's a new layer of consumer cash flow management risk and there's not a lot of data out on it yet," said Stewart Watterson, a strategic adviser at Datos Insights. Debit customers who use BNPL turn a cash purchase into credit, he said. About 86% of bank executives whose institutions offer BNPL said it creates some credit risk, an American Banker survey found. Banks can see a customer's deposits and bills, an advantage in underwriting, payments consultant Phil Philliou said.[13]

Equipifi pricing

Equipifi recently added risk-based pricing to the white-label BNPL it runs for about 150 banks and credit unions. Lenders can set terms from cash balances, direct deposit and deposit, payment and overdraft history. A long-tenured customer with high balances gets easier approval, and a riskier one can still win approval at a higher rate. "The biggest improvement is making BNPL underwriting relational and real-time," co-founder and CEO Bryce Deeney said. Equipifi expects weekly holiday BNPL volume to double its 2025 average.[13]

BANKS & CHARTERS

AI agents

The Dallas Fed asked 70 bankers in its 11th District about customers' AI agents, and 11.4% said their institution or service provider had restricted the agents online. Another 22.9% plan restrictions within six months, and nearly four in 10 have none and plan none. The survey, taken Oct. 27 to Nov. 4, called its results a regional snapshot, not a measure of policies across the U.S. banking industry.[14]

Morgan Stanley-Vinyl

Morgan Stanley agreed to buy Vinyl Equity, a fintech that digitizes share transfers between companies and their shareholders, giving the bank its own transfer agent. Terms weren't disclosed, though a Morgan Stanley spokesperson said integrating Vinyl would cost $65 million over a couple of years. The deal is expected to close in the first quarter of 2027, and TD Cowen analyst Scott Siefers called it "a small transaction" but "strategically attractive."[15]

OCC staffing

The OCC has asked bank examiners to review charter and merger applications alongside its licensing specialists, according to Bloomberg. At least 50 firms applied for charters from the start of 2025 through October, compared with one in 2024. The agency has lost more than 1,000 employees since January 2025, leaving about 2,600 as of August, according to federal personnel data.[16]

POLICY & ENFORCEMENT

Block and the FTC

The Federal Trade Commission asked a federal court in San Francisco on Oct. 7 to enforce a civil investigative demand it sent Block on Jan. 22. Block said in a court filing Friday that it would comply. Block's first responses are due Nov. 13, with two more batches to follow by year-end. The demand stems from about 1,500 merchant complaints that Block froze or deactivated Square accounts without notice. The complaints allege Block wrongfully withheld at least $2.5 million of Square users' payment proceeds since 2022. Block "disputes and does not admit the allegations," according to a joint filing. The FTC said its demand is the third by a government agency against Block since 2021, after the CFPB and the Washington state attorney general.[2]

FTC nominee

The White House on Monday nominated Christopher Mufarrige, who runs the FTC's Bureau of Consumer Protection, to a third Republican seat on the five-member commission, pending Senate confirmation. The agency has had only two commissioners since President Donald Trump fired Democrats Rebecca Slaughter and Alvaro Bedoya in March 2025. It has still brought 10 significant enforcement actions in the past six weeks, American Banker counted.[17]

State swipe fees

The Electronic Transactions Association counted 32 interchange-related bills this year in 20 states, Washington, D.C., and Puerto Rico. Most would exempt sales tax and tips from the fees. Illinois legislators voted to delay the state's Interchange Fee Prohibition Act to July 1, 2027. The 7th U.S. Circuit Court of Appeals hears oral arguments on the Illinois law Jan. 27, after U.S. District Judge Virginia Kendall exempted national banks and federal savings associations from it. Scott Talbott, the association's executive vice president, said passing an interchange law before that appeal is settled creates an issue for legislators in other states. "Merchants are constantly talking to state legislators about affordability and efforts to reduce interchange will continue," said Doug Kantor, general counsel of the National Association of Convenience Stores. Bills sit in committee in Pennsylvania and New Jersey, and Massachusetts has a Senate bill.[18]

POLICY & ENFORCEMENT continued

Fake-CEO case

Federal prosecutors in Manhattan unsealed an indictment Nov. 5 accusing three people of using AI to imitate the voices or images of executives and lawyers to steal from companies. Prosecutors allege the group targeted thousands of companies and stole at least $129 million from July 2024 to February 2026. Impostors posing as a Rhode Island bank's CEO allegedly took about $2.7 million from the bank in November 2024. The indictment doesn't name the bank. Each defendant faces seven counts, including conspiracy to commit wire fraud, aggravated identity theft and money laundering.[19]

STABLECOINS & CRYPTO

Bank stablecoin

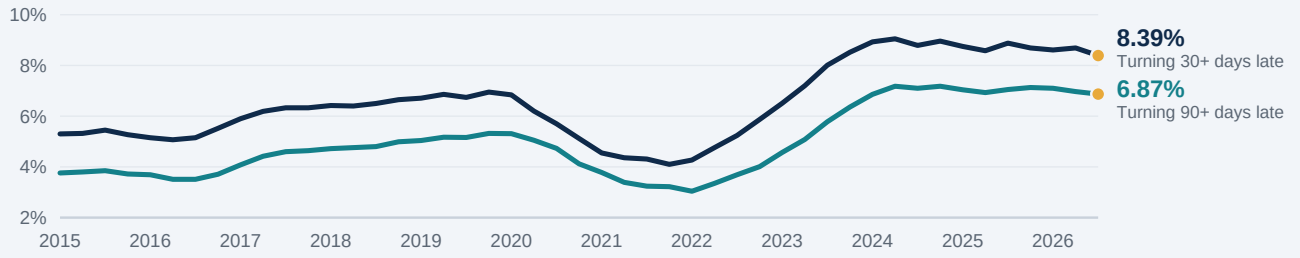
Goldman Sachs, Citigroup, Santander and Deutsche Bank are among banks that pledged roughly $270 million to a venture to issue a U.S. dollar stablecoin, according to Bloomberg. A group of 21 banks announced the consortium in September. Participants call the venture Project Faro, and the money would cover five years of operations at a company expected to be incorporated in the U.S. The venture aims to launch a stablecoin in the first half of 2027 and is still seeking a CEO. The banks declined to comment.[3]

CREDIT VITALS

Serious card delinquency eases, and limits grow faster than balances

Share of credit card balances becoming delinquent

% of balances, annualized (four-quarter sum)



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Source: New York Fed Consumer Credit Panel/Equifax, Household Debt and Credit Report, Q3 2026. Latest: third quarter of 2026.

Delinquency

An annualized 6.87% of card balances moved 90 or more days past due in the third quarter, down from 7.05% a year earlier, New York Fed data show. That was the lowest since the first quarter of 2024, and the share turning 30 or more days late also fell from a year earlier.[1,4]

Balances and limits

Card limits grew 6.5% from a year earlier, faster than the 4.2% rise in card balances, by our calculation from the report's data.[4]

CREDIT VITALS continued

The income gap	Card delinquency rose fastest from 2022 to 2024 in lower-income ZIP codes, New York Fed economists found. The median credit score at card issuance fell to 688 in 2020-22 from 699 in 2017-19, and those pandemic-era accounts now show higher levels of distress, they wrote. Median scores on more recently opened cards have climbed back above the pre-pandemic level, they added.[20]
Full Credit Vitals	Every chart and the data download are at **morninginterest.com/data/2026-11-11**. Past weeks are at **morninginterest.com/data**.

ON THE CALENDAR

WEDNESDAY, NOV. 11	
All day	Veterans Day: the stock market is open. No economic reports are scheduled, and Fed releases set for Wednesday move to Thursday.[21–23]
THURSDAY, NOV. 12	
8:30 a.m.	Weekly jobless claims.[22]
9 a.m.	Cleveland Fed President Beth Hammack speaks.[22]
10 a.m.	October existing home sales.[22]
10 a.m.	Fed Governor Michael Barr speaks on AI and inequality.[23]
11:30 a.m.	Chicago Fed President Austan Goolsbee speaks.[22]
12:25 p.m.	Atlanticus CEO Jeff Howard presents at the KBW Fintech Ecosystem Conference.[24]
1:10 p.m.	San Francisco Fed President Mary Daly speaks.[22]
6:30 p.m.	New York Fed President John Williams speaks.[22]

WORTH A READ

AI exam playbook	Jason Mikula breaks down the OCC's new supervisory framework for bank AI, which ties examiner scrutiny to a tool's consequences, autonomy and human oversight rather than its technical sophistication. His Fintech Business Weekly issue, out Sunday, walks through the framework pillar by pillar and flags the risk from customer and fintech AI agents a bank doesn't control.[25]
Private credit's plumbing	Fed economists map the balance sheets of U.S. private credit vehicles, which held about $1.9 trillion in assets at the end of 2025. Banks supply almost two-thirds of private debt funds' borrowing, they find. The FEDS Note, out Monday, is worth reading for its vehicle-by-vehicle breakdown of lenders and leverage, with business development companies the most levered.[26]

WORTH A READ continued

Skill or luck

Economists Regis Barnichon and Geert Mesters test whether U.S. monetary policy has gotten better or just faced easier conditions. They score how close the Fed came to the best response to the shocks it faced across 150 years. They find "meaningful improvements in monetary policy occurred only in the last thirty years," mostly in how it handled financial and supply shocks. The Liberty Street post, out Monday, stands out for its method, which separates policy skill from the conditions a central bank happens to face.[27]

SOURCES

1 New York Fed: Household debt increased moderately; delinquency transition rates remain flat, Q3 2026 Household Debt and Credit Report (Nov 10)
2 Payments Dive (Justin Bachman): Block to provide data to FTC (Nov 10)
3 PYMNTS: Goldman and Citi help fund $270 million stablecoin venture (Nov 10)
4 New York Fed, Quarterly Report on Household Debt and Credit, Q3 2026, report and underlying data
5 New York Fed: Household debt balances decreased slightly; credit card delinquency transition rates remained steady, Q2 2026 (Aug 11)
6 Federal Reserve: FOMC statement (Oct 28)
7 Federal Reserve: FOMC meeting calendars, 2026
8 Reuters via AOL (Ann Saphir): Fed's Logan calls for two more rate hikes, possibly rapidly (Nov 10)
9 Reuters via Yahoo Finance (Michael S. Derby): Fed's Paulson calls for gradual rate hikes amid ongoing high inflation (Nov 10)
10 American Banker (Kyle Campbell): Fed's Bowman says 'there is still work to do' on inflation (Nov 10)
11 Reuters via WBOW (Ann Saphir): Fed's Bowman says 'still work to do' on inflation (Nov 10)
12 Bilt: Bilt Introduces the Operating System for Neighborhoods, Bilt Neighborhood OS (Nov 10)
13 American Banker (John Adams): Equipifi offers risk-based pricing as bank BNPL grows (Nov 10)
14 PYMNTS: Banks draw lines around customers' AI agents (Nov 9)
15 Banking Dive (Dan Ennis): Morgan Stanley to bolster IPO wheelhouse with Vinyl acquisition (Nov 9)
16 PYMNTS: OCC staffing crunch tests bank charter push (Nov 10)
17 American Banker (Kate Berry): FTC emerges as main consumer-protection watchdog in D.C. (Nov 10)
18 Payments Dive (Peter Lucas): States keep targeting card fee relief (Nov 10)
19 American Banker (Carter Pape): How an alleged fake-CEO scheme took $2.7M from R.I. bank (Nov 9)
20 NY Fed Liberty Street Economics (Donghoon Lee, Daniel Mangrum, Joelle W. Scally, Tejas Sinha, Wilbert van der Klaauw): A look at the wider divide in credit card delinquency by income (Nov 10)
21 SIFMA: Veterans Day 2026 fixed-income close recommendation
22 TD Economics: Upcoming economic releases and events (Nov 6)
23 Federal Reserve: November 2026 calendar
24 Atlanticus via Finviz: Atlanticus to participate in KBW Fintech Ecosystem Conference (Nov 3)
25 Fintech Business Weekly (Jason Mikula): OCC issues "Super Intelligence" framework for bank examiners (Nov 8)
26 Federal Reserve FEDS Notes (Brinkman, Dobridge, Dore, Glossner, Holmquist, Nguyen, Perozek, Stefanescu): U.S. private credit vehicles: institutional structure and aggregate balance sheets (Nov 9)
27 NY Fed Liberty Street Economics (Regis Barnichon, Geert Mesters): Has U.S. monetary policy really improved? A 150-year perspective (Nov 9)
28 Investing.com: Nasdaq futures jump on CoreWeave earnings; hot CPI reinforces Fed hike bets (updated Nov 11, 6:32 a.m. ET)
29 Reuters via WBOW: S&P; 500, Nasdaq futures rise after CoreWeave soothes AI spending fears (Nov 11)
30 U.S. Treasury: Daily Treasury par yield curve rates, November 2026

Compiled from public sources. Check figures against the original filings before relying on them.