FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 3.2.2010

Wall Street Journal: "Deal Near on Banking Rules ... Key senators were close to a deal on legislation to overhaul financial regulations, people familiar with the matter said, bringing the U.S. a step closer to sweeping changes to the way banks interact with consumers and the markets alike."

Wall Street Journal: "Regulators' 'Reforms' Fall Flat ... The financial system is still broken. Too bad Washington is fixing the wrong things."

Wall Street Journal: "For AIG Deal, It Paid to Wait ... American International Group Inc.'s sale of its Asian life-insurance business to Prudential PLC was well over a year in the making. For the government-controlled insurer, it was worth the wait."

Wall Street Journal: "Swapping Blame Over Athens ... At this point, "news" about Greece's manipulation of its budget and deficit figures is about as shocking as the fact that there was gambling in Rick's cafe. But that hasn't prevented a full-blown Claude Rains in "Casablanca" moment over Greece's use of currency swaps to help meet the budgetary requirements for euro-zone entry back in 2001."

Washington Post: "Dodd wants Democratic support for consumer-protection regulator at Fed ... The chairman of the Senate banking committee is seeking Democratic support for a Republican proposal to house a new consumer-protection regulator inside the Federal Reserve, a compromise that could clear the way for bipartisan legislation on financial reform, according to sources familiar with the negotiations."

Washington Post: "Board openings give Obama a rare chance to remake the Federal Reserve ... The No. 2 official on the Federal Reserve Board said Monday that he will retire, opening a third seat on what may be the world's most powerful economic body and giving President Obama a historic opportunity to reshape the central bank."

Washington Post: "AIG sells Asian life insurance unit to repay bailout debt ... American International Group agreed on Monday to offload its prized Asian life insurance business for $35.5 billion, the troubled firm's largest asset sale since it was bailed out by the federal government during the height of the financial crisis."

NY Times: "Dodd Proposes Giving Fed the Task of Consumer Protection ... In an effort to secure Republican support for an overhaul of financial regulations, the chairman of the Senate Banking Committee on Monday proposed giving the Federal Reserve responsibility for protecting consumers from abusive and deceptive financial products."

USA Today: "How you can lose money in a money fund: Fees ... If you invest in a money fund, you probably think you won't lose money."

USA Today: "U.S. extends refinancing for under water homeowners ... The government is giving homeowners another year to refinance their loans under a little-used program designed to help borrowers whose homes have plummeted in value."

Washington Times: "FDIC chief pitches for consumer agency ... The head of the Federal Deposit Insurance Corp. pitched again Monday for a new agency for consumer financial protection, now a key sticking point in Senate talks in legislation to overhaul the finance system."

Bloomberg: "Geithner, Summers Leading Search for Successor to Fed's Kohn ... The search to fill vacancies at the Federal Reserve is being led by President Barack Obama's Treasury secretary and chief economic adviser, indicating Chairman Ben S. Bernanke will get support for his policies as he tries to sustain growth while withdrawing monetary stimulus."

Bloomberg: "Lacker Criticizes Proposals to Weaken Fed Supervision (Update2) ... Federal Reserve Bank of Richmond President Jeffrey Lacker said legislative proposals to strip the Fed of bank supervision powers are "misguided" and threaten to weaken its ability to lend to financial institutions."

Politico: "Dodd, Corker near key reform deal ... Senate negotiators are nearing a deal to create a consumer watchdog within the Federal Reserve, a proposal that falls short of the stand-alone agency President Barack Obama pitched as a central piece of his financial reform plan, according to three sources briefed on the proposal."