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## FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 3.26.2009

Wall Street Journal: "Commercial Property Faces Crisis ... Commercial real-estate loans are going sour at an accelerating pace, threatening to cause tens of billions of dollars in losses to banks already hurt by the housing downturn."

Wall Street Journal: "Auto Task Force Set to Back More Loans -- With Strings ... President Barack Obama last month handed his auto-industry team a seemingly impossible task: to engineer the most complicated industrial restructuring ever attempted by the federal government, and to do it fast."

Wall Street Journal: "AIG Fights a Fire at Its Paris Unit ... Amid the flap over bonuses at American International Group Inc. two of the company's top managers in Paris have resigned. Their moves have left the giant insurer and officials scrambling to replace them to avoid an unlikely but expensive situation in which billions in AIG trading contracts could default."

Wall Street Journal: "Some at AIG Buck Efforts to Give Back Bonus Pay ... Some American International Group Inc. employees, vilified for receiving bonuses amid the \$173 billion bailout of their company, are fighting back. Wednesday, employees at the insurer gave a standing ovation for Jake DeSantis, an executive in AIG's financial-products division, who was the first to publicly refuse to return his retention bonus despite an outcry over the payments."

New York Times: "Paid Handsomely to Stay ... Despite the furor over the bonuses paid by A.I.G., executives at more than a dozen other firms that received government money stand to collect similar bonuses."

New York Times, Editorial: "The Fed Does Battle, Again ... The Federal Reserve's recent moves to revive the economy are aggressive and, given the deteriorating economy, warranted. But the risks involved must be acknowledged. And more must be done."

Washington Post: "Geithner to Propose Vast Expansion Of U.S. Oversight of Financial System ... Treasury Secretary Timothy F. Geithner plans to propose today a sweeping expansion of federal authority over the financial system, breaking from an era in which the government stood back from financial markets and allowed participants to decide how much risk to take in the pursuit of profit."

Washington Post, Levitt: "Weakening A Market Watchdog ... Confidence, trust, and numbers that investors can believe in are the stuff that make or break the capital markets. When investors question the validity of numbers, they sell and wait, rather than buy and invest."

Financial Times: "Geithner 'power grab' could worry creditors ... Tim Geithner's bid for new power to force a restructuring at failing financial institutions is securing broad approval in Congress, but may prove worrying to creditors."

Financial Times, Jeffery Sachs: "Obama's bank plan could rob the taxpayer ... The Geithner-Summers plan, officially called the public/private investment programme, is a thinly veiled attempt to transfer up to hundreds of billions of dollars of US taxpayer funds to the commercial banks, by buying toxic assets from the banks at far above their market value."

Chicago Tribune: "Rahm Emanuel's profitable stint at mortgage giant ... Before its portfolio of bad loans helped trigger the current housing crisis, mortgage giant Freddie Mac was the focus of a major accounting scandal that led to a

management shake-up, huge fines and scalding condemnation of passive directors by a top federal regulator. One of those allegedly asleep-at-the-switch board members was Chicago's Rahm Emanuel-now chief of staff to President Barack Obama-who made at least \$320,000 for a 14-month stint at Freddie Mac that required little effort."

The Economist: "Caught in the downward current ... When we last looked at global house prices, only six of the countries we surveyed had recorded year-on-year declines. Three months later that figure has risen to 16."

National Review, Editorial: "In the Market for a Better Banking Plan ... After spending more than a month paying attention to everything but the financial crisis, the Obama administration has moved with surprising speed since Monday to flesh out its plan for saving the banks. Maybe it was the weak Dow, or maybe it was the lynch mob on Capitol Hill that threatened to sweep away any hopes of working with Wall Street. Whatever the impetus, we're happy to see the administration finally attempting to deal with the country's most urgent crisis. As for its proposed solutions, we like some better than others."

Associated Press: "Lawmakers soften opposition to bonuses ... Lawmakers are softening their stance on denying bonuses to employees of bailed-out financial institutions after President Barack Obama warned them against alienating the industry."

The Hill: "Geithner to present plan that gives takeover authority to government ... Spurred on by the outcry surrounding the bailout of insurance firm AIG, the White House is moving quickly to outline new powers for the federal government to take over a broad range of financial institutions when they pose a threat to the economy."