FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 4.03.2009

The Wall Street Journal: "Fannie, Freddie Set to Pay $210 Million in Retention Bonuses ... In a compensation program that has drawn angry protests from politicians, Fannie Mae and Freddie Mac expect to pay about $210 million in retention bonuses to 7,600 employees over 18 months, according to a letter from the mortgage companies' regulator to Sen. Charles Grassley."

The Wall Street Journal: "FHA Losses Spur Talk of a Taxpayer Bailout ... Rising mortgage defaults could force the Federal Housing Administration to seek a taxpayer bailout for the first time in its 75-year history, housing officials and lawmakers said during a Senate hearing Thursday."

The Wall Street Journal: "Senate May Push for Shake-Up of Regional Fed Banks ... The Senate signaled that lawmakers could push for a shake-up of the 12 regional Federal Reserve banks that are central players in the Fed's decision-making process and market oversight."

The Wall Street Journal: "Hard Sell Drove Stanford's Rise and Fall ... Stanford Financial Group flew more than 200 overseas employees to Miami in January for a weekend meeting and yacht cruise. In a pep talk, the company's billionaire chairman, R. Allen Stanford, announced a quarterly sales contest called the Top Performers Club."

The Wall Street Journal, Editorial: "G-20 Reality Check ... The headline news out of the G-20 meeting concluded in London yesterday was that the leaders plan about $1 trillion in new spending through the International Monetary Fund. Beyond that big, easy-to-remember number, the loudest sound from the group's communique was that of 20 hands mutually patting each other's backs for a job well done."

Financial Times: "Non-US banks to miss out after accounts shift ... Banks following international accounting rules will not get the break awarded to their US rivals, the international standard setter announced Thursday."

Financial Times: "Bailed-out banks eye toxic asset buys ... US banks that have received government aid, including Citigroup, Goldman Sachs, Morgan Stanley and JPMorgan Chase, are considering buying toxic assets to be sold by rivals under the Treasury's $1,000bn (£680bn) plan to revive the financial system."

Financial Times, Editorial: "Buying bad assets ... Cue the outrage. US banks such as Goldman Sachs and even Citigroup are pondering whether they can share in the goodies of the Treasury's public-private investment programme by acting as buyers, not just sellers. This is unsurprising - there is cheap leverage on offer, after all. Combined with supposedly underpriced assets, that creates the most tempting of all banking mirages, the sure thing. The risk is a political backlash. That may be reason enough for some sensible types not to push their luck."

The Economist: "Congress versus the G20 ... LAST time the G20 met, it took only a few days after all the fine talk of free trade for a couple of countries to introduce protectionist measures. But the hypocrites were quicker off the mark this time, with the G20 accord undermined on the very same day of the announcement."

Investor's Business Daily, Editorial: "Making Market Sense ... With the stroke of a pen, the Financial Accounting Standards Board has eased one of the most onerous burdens on the U.S. banking system. In case you didn't notice, it sent stocks flying."

The Washington Post: "As Crisis Loomed, Geithner Pressed But Fell Short ... In September 2005, Timothy Geithner made one of his most visible moves as a supervisor of the U.S. banking system. He summoned the nation's top financial firms and their regulators to streamline an antiquated system that threatened Wall Street's boom."

The Washington Post, Op-Ed: "The Radicalization of Ben Bernanke ... Timothy Geithner and his predecessor Henry Paulson have been the public faces of the U.S. government's battle against the global economic crisis. But even as the secretaries of the Treasury have garnered the headlines -- as well as popular anger surrounding bank bailouts and corporate bonuses -- another official has quickly amassed great influence by committing trillions of dollars to keep markets afloat, radically redefining his institution and taking on serious risks as he seeks to rescue the American economy. Without a doubt, this crisis is now Ben Bernanke's war."

The Washington Post, Editorial: "'We Did Okay' ... THE MEETING in London of leaders of 20 top world economies produced a number of pledges of useful action to cope with the global recession. Increased economic coordination, a reaffirmed commitment to open trade and assistance to developing nations -- these are all hugely important, if leaders follow through. And the conversations among the 20 countries are useful in and of themselves -- the type of coordination that must accompany a tightly linked global economy. But the summit would have benefited from a greater focus on the U.S. priority of fixing the crisis we are in before moving on to protecting against the next one."

New York Times, Editorial: "The Economic Summit ... In normal times we don't expect a lot from summit meetings. But with the global economy imploding, leaders at Thursday's meeting of the world's top 20 economic powers had an urgent responsibility to come up with concrete policies to fix the global financial system and restore growth. They fell short."

Politico: "Congress backs off AIG crackdown ... Congress is still riding the AIG outrage express, but the drive to actually crack down on the beleaguered company is sputtering."

The Hill: "Members sought TARP cash for banks back home ... Several prominent lawmakers have pressed one of the nation's top bank regulators to rescue financial institutions in their home states with money Congress allocated for government bailouts."

The Hill: "Frank dismisses Towns's plan to slow down reform ... The chairmen of two key committees are at odds over the pace with which Congress should overhaul the nation's financial regulatory system."