

## FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 4.06.2009

Wall Street Journal: "Officials Prepare to Analyze Stress Tests ... Top federal bank regulators plan to meet early this week to discuss how to analyze the results of stress tests being conducted on the country's 19 largest banks, people familiar with the matter said."

Wall Street Journal: "AIG Private Equity Faces Decline ... Add another name to the list of American International Group Inc.'s missteps: AIG Private Equity Ltd."

Wall Street Journal, Opinion: "From Bubble to Depression? ... Bubbles have been frequent in economic history, and they occur in the laboratories of experimental economics under conditions which -- when first studied in the 1980s -- were considered so transparent that bubbles would not be observed."

Financial Times: "US prepared to oust bank chiefs ... Tim Geithner warned on Sunday that the US government would consider ousting board members at American banks as a condition for giving the institutions "exceptional" assistance in the future."

Financial Times, Editorial: "The fiscal hole that must be filled ... While Barack Obama was in Europe last week, Congress was voting on his budget. Because of the administration's surpassing ambitions, and because of the colossal demands its budget will place on domestic and international capital markets, the outcome of this debate will matter more in the end for the US economy, and even for the world economy, than all of London's pleasant if ineffectual global summitry."

USA Today: "Consumers fall behind on loans at record rate ... A record number of consumers are falling delinquent or into default on their loans, a problem that some economists say will only get worse this year."

Los Angeles Times, Peter Wallsten: "For Obama, politics may be hard to avoid in auto bailout ... Given Obama's ties to the United Auto Workers and his reliance on Ohio, Michigan and Indiana to win the election, he has 'to be very careful' about alienating a key political ally in the Rust Belt."

New York Times: "Some Revile Plan to Limit Short-Selling ... Responding to the depressed financial markets, regulators for the second time in less than a week are preparing to take steps that could have the effect of temporarily shoring up stock prices. But in the process, some critics say, the measures could undermine the integrity of the markets."

New York Times, Tyler Cowen: "Why Creditors Should Suffer, Too ... THE Obama administration's proposals to reform financial regulation sound ambitious enough as they aim to bring companies like A.I.G. under a broader umbrella of government rule-making and scrutiny. But there is a big hole in these proposals, as there has already been in the government's approach to bailing out failing financial companies. Even as they focus on firms deemed too big to fail, the new proposals immunize the creditors and counterparties of such firms by protecting them from their own lending and trading mistakes."

New York Times, Op-Ed: "How to clean a dirty bank ... COMMERCIAL banks in the United States are not subject to the bankruptcy statute - when they become insolvent they are simply acquired by the government. This is what banks sign on for in return for a charter, deposit insurance and direct access to the Federal Reserve lending window, which generally allow banks to prosper as long as they control risk."

Bloomberg: "Treasury Chief Says He's Open to Ousting Heads of Frail Banks ... Treasury Secretary Timothy F. Geithner says he is prepared to oust the senior management and directors at banks that require extensive aid from the federal government."

Washington Post: "Government to Offer Plan to Fight Home Loan Scams ... The Obama administration will announce Monday a multi-agency effort to combat loan modification scams."

Washington Post, Robert Samuelson: "China's Dollar Deception ... We are in a race between economic recovery and economic nationalism. At last week's Group of 20 summit, leading nations agreed to roughly \$1 trillion of additional lending, mostly through the International Monetary Fund, to help end the worldwide slump. But beneath the veil of consensus, countries are maneuvering to protect their economies and blame someone else for the crisis."

Reason: "Obama's Double-Talk ... While the president talks sobriety, his policies take America on an economic bender."

Politico: "Geithner appears open to GM bankruptcy ... Treasury Secretary Timothy Geithner on CBS's "Face the Nation" seems open to the prospect of managed bankruptcy for GM, saying 'There's a range of options that could work.' Pushed, he stresses that even if the company does file, it will not disappear: 'We want them to be part of our future.'"

Politico: "W.H. team discloses TARP firm ties ... Lawrence Summers, a top economic adviser to President Barack Obama, pulled in more than \$2.7 million in speaking fees paid by firms at the heart of the financial crisis, including Citigroup, Goldman Sachs, JPMorgan, Merrill Lynch, Bank of America Corp. and the now-defunct Lehman Brothers."

Roll Call: "Geithner Won't Rule Out Another Stimulus ... Treasury Secretary Timothy Geithner on Sunday declined to rule out seeking another stimulus from Congress, but he made no specific suggestion that a request is coming and said the administration's focus is on ensuring the effectiveness of the existing economic rescue plan."

CNBC: "Fannie, Freddie Bonuses 'Insult': GOP's Grassley ... Continuing bonuses paid to employees at Fannie Mae and Freddie Mac are offensive since taxpayers are helping keep the mortgage-finance companies afloat, a leading Senate Republican said Friday."

CBS: "Summers Banked Fees From TARP Recipients ... The Washington Post has reported on the healthy 2008 earnings of some of President Obama's top advisors, including Lawrence Summers, chairman of the National Economic Council."