
WEEKLY FINANCIAL SERVICES REPUBLICAN ROUND-UP 4.17.2009

April 17, 2009

MESSAGING RESOURCES/POLLING UPDATE

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Fairness: Who Is The Democrats' Mortgage Bill Aiming to Help? We understand that many Americans are struggling to make ends meet during this financial crisis. Republicans support holding bad actors - whether predatory lenders, rogue mortgage brokers or borrowers who lied to qualify for their mortgages - fully responsible. Sound underwriting practices and sustainable mortgage terms are a worthy objective. However, the Democrats' mortgage bill has the potential to destabilize an already turbulent housing market, while also further restricting credit to working families and small businesses. And worse, their bill opens the litigation floodgates by directing almost \$150 million in taxpayer dollars to trial lawyers to fund "legal assistance for foreclosure-related issues."

- The Fed, Congress Have Implemented Sensible Reforms. We Should Let These Regulations Take Effect. We have to be careful that future action does not lead to higher fees on mortgages and limited access to credit. The Federal Reserve rules to protect consumers and strengthen underwriting standards will take effect on October 1, 2009. Last year, Congress approved legislation authored by Ranking Member Bachus to create a licensing and registration regime for mortgage originators that will bring needed oversight to the industry and help regulators weed out bad actors.

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We Need To Encourage Small Business Growth, Credit Access, Not Make It More Difficult. Small businesses are the engine of our economy and are the number one job creator. At a time when unemployment is on the rise, we should not be restricting options for success. Congress should not restrict credit availability during this crisis.

Rasmussen: "85% Worry About Inflation, 34% Expect Interest Rates To Rise ... Eighty-five percent (85%) of Americans say they are concerned about the possibility of inflation in the current economy, with 55% Very Concerned, according to a new Rasmussen Reports national telephone survey." (4/14/09)

WEEKEND MUST-READS

The Washington Post: "Banks Rush to Repay U.S. Funds, but Cling To Other Lifelines ... Six months after Washington rescued Wall Street, exasperated banks insist they want to leave the lifeboat."

The Wall Street Journal, Editorial: "Barney Frank's Double Indemnity ... Barney Frank's track record as a financial analyst is, shall we say, mixed. The House Financial Services Chairman said for years that a collapse of Fannie Mae and Freddie Mac would pose zero risk to taxpayers. For most people, a mistake of that magnitude would trigger introspection, if not humility. But not the sage of Massachusetts. He's cooking up another fantastic subsidy -- and like the last one, he

swears taxpayers won't feel a thing. In his words, "it would cost the federal government zero." Uh oh."

Investor's Business Daily, Editorial: "Probe Yourselves ... House Speaker Nancy Pelosi wants a broad "probe" of Wall Street, much like the 1932 Pecora Commission that led to sweeping bank reforms. Good idea. Let the probing begin - with Pelosi's Congress."

The Hill: "Dems, banks work to limit cramdown bill ... Senate Democrats are negotiating with a handful of the nation's largest banks and some credit unions to limit a controversial bill allowing judges to write down the value of home mortgages."

ON THE HORIZON

Wednesday, April 22: The Full Committee will mark up credit card legislation, H.R. 627, at 9:30am in 2128 Rayburn.

Thursday, April 23: The Full Committee will hold a hearing on H.R. 1728, mortgage reform legislation, at 1pm in 2128 Rayburn.

COMMITTEE REPUBLICANS IN THE NEWS

Rep. Scott Garrett was quoted in this Dow Jones article: TARP Help For Life Insurers Won't Crimp Treasury Flexibility and appeared on Fox News.

Rep. Thaddeus McCotter was interviewed on Yahoo's tech ticker.

Rep. Erik Paulsen appeared on CNBC.

Rep. Michele Bachmann penned this op-ed in the Investor's Business Daily: Prominence of Dollar Must Be Protected.

Rep. Mike Castle was quoted in this News Journal article: Some AIG bonus cash to be returned.

Rep. Ron Paul penned this column: Fewer Taxes for Real Economic Stimulus.

Rep. Spencer Bachus issued this statement: Bachus Statement On Goldman Sachs TARP Repayment.

CARTOON OF THE WEEK

(Washington Post's Lisa Benson, 4/8/09)