
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 4.23.2009

Wall Street Journal: "Lewis Testifies U.S. Urged Silence on Deal ... Federal Reserve Chairman Ben Bernanke and then-Treasury Department chief Henry Paulson pressured Bank of America Corp. to not discuss its increasingly troubled plan to buy Merrill Lynch & Co. -- a deal that later triggered a government bailout of BofA -- according to testimony by Kenneth Lewis, the bank's chief executive."

Wall Street Journal: "Rep. Frank Slows Market Regulation Bill ... Slowing a rapid-fire attempt to revamp regulation of financial markets, House Financial Services Committee Chairman Barney Frank (D., Mass.) said he no longer plans to expedite a bill that would allow the government to place large financial companies into receivership."

Wall Street Journal: "Homeowners Rush to Refinance at Boom-Era Levels ... With mortgage rates at historic lows, homeowners eager to lower their payments are rushing to refinance in numbers reminiscent of this decade's real-estate boom."

Wall Street Journal, Op-Ed: "Financial Reforms We Can All Agree On ... By now we all know how the subprime mortgage market, government policies that encouraged riskier mortgage lending, and overleveraging led to the current financial crisis. But what do we do now to lower the odds of a similar financial meltdown in the future?"

Wall Street Journal, Editorial: "Political Credit Cards ... If you use credit cards -- and actually read your mail -- you don't need anyone to tell you that card issuers have been raising fees and interest rates while often cutting credit limits too. The political class has also noticed. Yesterday the House Financial Services Committee passed a so-called cardholders bill of rights."

Financial Times, William Cohan: "Clever wheezes do not mend banks ... So, what do all the \$12.7bn, and counting, in first-quarter profits from what used to be known as Wall Street add up to? Have the past two years been one giant head fake, despite what we have been led to believe? Is the global meltdown we have been subsidising with trillions of taxpayer dollars over? Is the investment bank back? Not so fast."

Washington Post: "Federal Program to Boost Private Lending Struggles to Get Money to Consumers ... In its first two months, the government's signature initiative to support consumer lending has fallen well short of expectations, deploying only a fraction of the amount officials had hoped to extend to stimulate auto loans, student loans and credit card lending."

Washington Post: "A Life Lost in the Shadow Of Freddie Mac's Turmoil ... In the months before he died, David B. Kellermann would trek most evenings to Freddie Mac's executive suite to see his boss. Long after other employees had headed home from the McLean campus, Kellermann, the acting chief financial officer, would remain cloistered with chief executive David Moffett, wrestling for hours with the difficulties of a company that had been near collapse."

Washington Post: "World Bank to Launch Stimulus for Developing Nations ... Moving to combat the spiraling economic downturn in developing countries, the World Bank will unveil a major initiative today to almost double financing for road, bridge and other infrastructure projects from Latin America to Eastern Europe, allowing poorer nations to create jobs in a manner similar to the stimulus programs underway in the United States and other wealthy countries."

Washington Post: "GM Considers Shutting Factories for Nine Weeks ... General Motors might halt production at some of its U.S. factories for up to nine weeks this summer to combat slumping auto sales, according to people familiar with the plan."

Washington Post: "Accounting Change Boosts Wells Fargo ... Wells Fargo yesterday showed the potentially dramatic impact of the recent loosening of accounting rules as it reported a first-quarter profit of \$3.05 billion."

Washington Post: "Freddie Mac Faces Federal Investigation Into Disclosure of Risks to Investors ... Federal prosecutors in Alexandria are leading a criminal investigation into Freddie Mac, in part focusing on whether the company properly disclosed the risks associated with mortgage-related investments, law enforcement sources familiar with the investigation said yesterday."

New York Times: "As Housing Market Dips, More in U.S. Are Staying Put ... Fewer Americans moved in 2008 than in any year since 1962, the Census Bureau said, a lack of mobility that prompted concerns on the economy."

New York Times: "Reported Suicide of Executive Is Latest Shock at Freddie Mac ... The pressures were already immense when David B. Kellermann was promoted to the top financial position at the mortgage giant Freddie Mac last September. Then they got even worse."

Investor's Business Daily, Editorial: "Waste, Fraud, Abuse ... The government's \$750 billion bank bailout was passed six months ago amid great hype. So far, a new government report claims, the program is rife with inefficiency and fraud. Surprised? You shouldn't be."

Investor's Business Daily, Kudlow: "Can Top-Down Control Spur U.S. Growth? ... How far will the Obama administration move to assert regulatory control over key sectors of the economy? Are we moving away from democratic capitalism, and toward some sort of corporatist state-directed economy? That could be the biggest stock market and economic-growth issue facing us today."

Washington Examiner, Editorial: "Bailed-out banks should stop funding ACORN ... Top recipients of federal bailout money should get their own financial houses in order before they funnel any additional grants in the direction of self-described community activists such as the controversial group called ACORN."

Forbes, Nouriel Roubini : "The Global Economy In The Next Year ... The global economy is in the middle of a synchronized contraction that will push global growth into negative territory in 2009 for the first time in decades. This will be the worst financial crisis since the Great Depression and the worst global economic downturn in decades. Global trade volumes face their sharpest contractions of the postwar era--trade is expected to contract 12% in 2009 due to the severe and prolonged slump in global demand, excess capacity across supply chains and the continued crunch in trade finance."

Portales (NM) News-Tribune, Editorial: "Government bullied banks into TARP funds ... A few smaller banks have begun to repay money loaned to them under the Troubled Assets Relief Program begun with \$700 billion in October when the depth of the financial crisis became apparent, and the government decided some troubled financial institutions were 'too big to fail.'"

Reuters: "U.S. credit card firms seek to limit crackdown ... U.S. credit card companies are expected to use a White House meeting to put their best foot forward, despite an avalanche of negative publicity, aiming to blunt a congressional push for tougher regulations."

Politico: "Credit companies brace for W.H. visit ... Last fall, a group of credit card companies asked Lawrence Summers for a sit-down, with the goal of "educating" the incoming Obama administration about their much-maligned industry."

Politico: "Was Freddie pressured to toe Obama line? ... Both the Washington Post and Wall Street Journal are reporting that Freddie Mac's Chief Financial Officer, David Kellermann, who was found dead Wednesday in an apparent suicide, was involved in recent months in a heated dispute with Freddie's regulator over how to reflect costs of President Obama's anti-foreclosure program."

Roll Call: "Credit Unions at Odds Over Mortgage Cram-Down ... The National Association of Federal Credit Unions and the Credit Union National Association, the two largest trade groups representing credit unions, are split over a bill that would give bankruptcy judges the power to modify mortgages."

CongressDaily: "Feuds Threaten To Derail Cram-Down ... Consumer activists were hopeful this year they could pass legislation to give bankruptcy judges greater power to modify home mortgages, including reducing the principal, with an expanded Democratic majority and a supportive president."

CongressDaily: "Credit Card Bill of Rights Clears House Committee ... The House Financial Services Committee on Wednesday approved a "bill of rights" to protect consumers from what lawmakers called the abusive interest rate increases by credit card companies, sending the bill to the full House for a vote, possibly next week."

CongressDaily: "Probe Of Economic Crisis Added To Senate Fraud Bill ... The Senate added a provision to a pending anti-fraud bill Wednesday that would establish a select committee to investigate the causes of the financial collapse."