
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 4.24.2009

Washington Post: "U.S. Forced Bank Board To Carry Out Merrill Deal ... Federal Reserve Chairman Ben S. Bernanke and former Treasury secretary Henry M. Paulson Jr. threatened to remove the management and board of Bank of America if it backed out of its deal to acquire ailing investment house Merrill Lynch late last year, according to documents released yesterday by New York Attorney General Andrew M. Cuomo."

Washington Post: "19 Major Banks Face Tougher Capital Rule ... Federal banking regulators plan to announce a new, tougher standard for the capital reserves held by 19 large banks that could force some of those firms to sell ownership stakes to the federal government, according to people familiar with the matter."

Washington Post: "Backlog of Foreclosed Homes Weighs on Prices ... The nation's logjam of foreclosed homes, which will likely grow significantly in the next few months, is dashing hopes that the housing market could rebound quickly this year and helped fuel a tumble in home prices last month, according to industry data released yesterday."

Washington Times: "Treasury favors unions in Chrysler talks ... The Obama administration, in negotiations over Chrysler's fate, is demanding deep concessions from major banks that loaned the struggling automaker \$6.9 billion, while making less strident demands of labor unions that helped get the president and other Democrats elected, said administration officials and industry observers."

Financial Times, Geithner: "We must keep at the process of repair and reform ... Finance ministers and central bank governors are gathering in Washington for their annual spring meetings. The outlook is challenging, but we have not been idle."

Wall Street Journal: "Fed's Stern: Fed Must Have A Role In Systemic Risk Regulation ... The outgoing president of the Federal Reserve Bank of Minnesota said Thursday he does not believe restructuring the financial regulatory system would have a major impact on reducing systemic risk, but any steps taken to mitigate it must include the Federal Reserve."

Wall Street Journal: "White House Seeks Relief for Consumers on Credit-Card Rules ... President Barack Obama stepped up pressure to overhaul credit-card regulations, targeting banks and card issuers that are boosting fees and tightening lending during the recession."

Wall Street Journal: "Regulators Fell One Bank, Spare a Rival ... When federal regulators forced National City Corp. to sell itself in October, the head of another struggling bank right across the street watched from his office window as television crews swarmed."

Wall Street Journal: "Regulators See Risk in U.S. Bank Stakes ... The U.S. government may end up acquiring a significant ownership stake in banks as it works to stabilize the financial system, according to a draft report from top regulators -- the starkest acknowledgment yet of the extent to which the government could become intertwined with the financial system."

New York Times: "U.S. to Tell Big Banks the Results of Stress Test ... Wall Street is stressed out about stress tests. After a two-month wait, the nation's 19 largest banks will start learning on Friday how they fared in important federal

examinations - and which among them will need another bailout from the government or private investors.

New York Times: "U.S. Said to Seek a Chrysler Plan for Bankruptcy ... The Treasury Department has reached an agreement in principle with the autoworkers union in the event that Chrysler, which is negotiating with Fiat, files for bankruptcy."

New York Times, Editorial: "Holding Up the Housing Recovery ... We welcomed President Obama's plan, unveiled in March, to head off foreclosures and keep more Americans in their homes, but we feared that it wouldn't be enough. We were particularly concerned that without a reform of the bankruptcy code, lenders wouldn't do enough to voluntarily modify troubled loans."

USA Today, Editorial: "Winds shift for credit issuers ... One of the big changes in business attitudes in the past couple of decades has been in how companies have come to view their lobbying offices in Washington less as necessary evils and more as profit centers."

Investor's Business Daily, Editorial: "Bubble Patrol ... The administration wants to smooth the path to prosperity by stopping speculative excess before it gets out of hand. Here's why the effort probably will not - and should not - succeed."

Bloomberg, Op-Ed: "Fannie Mae Creates Housing Mirage With Bum Loans ... Give money away. That was a solution to the housing crisis mortgage giant Fannie Mae hit on last year."

Associated Press: "Details of 'stress tests' of financial firms ... Some details of the government's stress tests of financial companies with at least \$100 billion in assets."

Politico: "Tough talk at WH for credit card execs ... Fourteen credit card industry executives entered the White House Thursday through the Southwest Gate - avoiding reporters - and filed into an uncomfortable meeting with President Barack Obama in the West Wing's windowless Roosevelt Room."

Politico: "Summers dozes off during speech ... As his boss spoke about creating a consumer-friendly credit card system Thursday morning, National Economic Council Chairman Lawrence Summers fell asleep."

The Hill: "'Cramdown' bill could hit Senate next week ... Senate Democrats, as early as next week, will take up a controversial bill that would empower bankruptcy judges to modify mortgages."

The Hill: "No end in sight for housing crisis ... New economic data suggest that the housing market at the root of the financial crisis remains a concern and that reaching the bottom of plunging home prices may be months off."

CQ: "Key Senators Urge Freeze on Some Credit Card Rates ... A pair of leading senators called on the Federal Reserve and other regulators Thursday to impose an "emergency freeze" on interest rates on existing credit card balances, keeping up the political pressure on the industry as its executives met at the White House with President Obama."