
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 4.30.2009

Washington Post: "Faltering Talks Tip Chrysler Toward Bankruptcy ... The Obama administration last night planned to send Chrysler into bankruptcy, replace chief executive Robert L. Nardelli and pump billions of dollars more into the effort, all in hopes the company can emerge from court proceedings as a reenergized competitor in the global economy."

Washington Post: "Lewis Loses Chairman Role at Bank of America ... Bank of America replaced Kenneth D. Lewis as its chairman yesterday after a stormy annual meeting at which shareholders blamed him for the company's descent from massive profitability to dependence on federal aid."

Washington Post: "Obama Outlines Credit Card Reforms ... The Obama administration yesterday called for an end to unfair credit card industry practices such as retroactive interest rate increases for any reason, late-fee traps that penalize borrowers with weekend or middle-of-the-day deadlines and teaser rates that last less than six months."

Washington Post: "Senators Decry Flipping Of Life Insurance Policies ... A full-page ad in the Chicago Tribune invited people age 50 to 85 to come hear football great Mike Ditka and learn "WHY WALL STREET WANTS TO BUY YOUR LIFE INSURANCE POLICY."

Washington Post, Meyerson: "The Cutter and the Bank ... "We were assured that if the banks got the money, they would use it to help people to stay in their homes and help businesses to stay open," Hare said."

Wall Street Journal: "Chrysler Chapter 11 Is Imminent ... Talks between the Treasury Department and lenders aimed at keeping Chrysler LLC out of bankruptcy broke down Wednesday, making it all but certain the car maker will file for Chapter 11 protection Thursday, according to people familiar with the discussions."

Wall Street Journal: "Fed Signals Its Intention to Stay the Course ... The Federal Reserve signaled it has no intention of pulling back from its aggressive efforts to revive the financial system, even though it acknowledged that the intensity of the recession has eased in recent weeks."

Wall Street Journal: "FBI Looks Into Losses at Freddie ... Federal investigators looking into possible accounting violations at Freddie Mac are raising questions about whether the giant government-backed mortgage company improperly delayed the recognition of billions of dollars of losses, according to people familiar with the matter."

Wall Street Journal, Editorial: "Gettelfinger Motors ... President Obama insisted at his press conference last night that he doesn't want to nationalize the auto industry (or the banks, or the mortgage market, or . . .). But if that's true, why has he proposed a restructuring plan for General Motors that leaves the government with a majority stake in the car maker?"

Wall Street Journal, Paul Ingrassia: "The UAW in the Driver's Seat ... The latest developments in Washington's restructuring of the auto industry amount to this irony: Having burdened the Detroit companies for decades with restrictive work rules, enormous health-care obligations and generous retiree benefits, the United Auto Workers union will now end up controlling two of them. Specifically, the UAW will own 55% of Chrysler and 39% of General Motors, where only the government will have a larger ownership interest."

Washington Times, Boehner: "SOS: Save our savings ... You don't have to look far to find someone impacted by this recession - whether it's the loss of a job, a reduction in workplace benefits or the evaporation of their retirement, college and personal savings. It could be your neighbor. It could be a family member. It could be you."

Washington Times, Editorial: "In defense of short-selling ... Obama adds new risk to the stock market. The Securities and Exchange Commission is holding a round table next week to hash out how to regulate short-selling. The SEC would be wiser to let the market decide what stocks can be sold and when."

Barron's: "FOMC Keeps Its Powder Dry ... WHILE THE FEDERAL OPEN MARKET COMMITTEE reaffirmed its target rate for overnight federal funds, it pointedly is not looking to peg the yields on long-term Treasury securities."

Financial Times: "US taxpayers face bill of \$1,900bn, fears IMF ... Efforts to stabilise the financial system could end up costing US taxpayers about 13.3 per cent of annual output, or \$1,900bn over the next five years, according to analysis by the International Monetary Fund."

Investor's Business Daily, Editorial: "Seeds Of Revival ... The economy contracted a "worse than expected" 6.1% in the

first quarter of 2009, showing we are still in a deep recession. But things are better than they look - and likely will get more so as the year goes on."

Associated Press: "Obama doesn't wield heavy stick on banks ... Effective lobbying by bankers and voter frustration with taxpayer-funded "bailouts" have kept President Barack Obama from making good on his promise to wield a heavy stick against a financial industry blamed for derailing the economy."

Associated Press: "Gov't: high interest in managing toxic securities ... The Treasury Department on Wednesday said that more than 100 applications have been received from firms seeking to manage the government program to help purchase toxic securities from banks."

Bloomberg: "FDIC May Let Investors Buy Toxic Assets Without Treasury Stake ... The Federal Deposit Insurance Corp. may offer investors financing to buy distressed U.S. bank assets without requiring them to share an equity stake with the Treasury, people familiar with the matter said."

Politico: "New test for GOP: Subtlety on regs ... House Republicans who've cast unequivocal "no" votes on the stimulus, this year's budget, next year's budget and the second half of the bailout funds may soon find themselves in need of a little more nuance: With voters seething over Wall Street abuses, Republicans know they can't just say no to Democratic plans for new regulations on the nation's financial system."

Roll Call: "Durbin Opposes Future Bank Industry Bailouts ... A visibly frustrated Senate Majority Whip Dick Durbin (D-Ill.) announced Wednesday evening his intention to oppose future government bailouts of the banking industry, citing what he said is their reluctance help struggling homeowners stay in their homes."

CongressDaily: "Durbin's Push For Cram-Down Falls Short ... For two years, Senate Majority Whip Durbin fought in private talks and public speeches for Senate passage of a bill to let bankruptcy judges cut mortgage payments of struggling homeowners, in the process becoming the face of the effort."

CongressDaily: "Geithner Makes Push For Maloney's Credit Card Measure ... Treasury Secretary Geithner today endorsed House legislation to curb certain abusive credit card practices. Geithner spoke favorably about the bill after meeting with consumer groups and sponsor Rep. Carolyn Maloney, D-N.Y."