FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 5.05.2009

Washington Post: "Major Banks Get Stress Test Results Today ... Regulators plan to brief the nation's largest banks today on the final results of federal tests to determine whether the companies have sufficient reserves to weather the recession, with a public announcement scheduled for Thursday afternoon."

Washington Post: "Go Easy on Bonuses, or We'll All Pay ... Is something very wrong with our financial system when the nation's biggest banks are talking about seven-figure bonuses while ever more Americans are losing their jobs? Millions of people seem to think so: If we could calculate an outrage index, it would be marching toward an all-time high."

Washington Post: "Chrysler Gets Green Light for Federal Loans ... A U.S. bankruptcy judge Monday approved Chrysler's request to begin using $4.5 billion in government loans, a key step in the automaker's plan to emerge quickly as a stronger, global company."

New York Times: "Acorn Charged in Voter Registration Fraud Case in Nevada ... A prominent antipoverty organization that drew criticism from Republicans during last year's presidential race was charged by Nevada officials Monday with engaging in voter registration fraud.

New York Times, Ashcroft: "Bailout Justice ... I CAN imagine the Treasury secretary's face turning pale as he is told by the attorney general that one of the financial institutions on government life support has been indicted by a grand jury. Worse, I can imagine the attorney general facing not too subtle pressure from the president's economic team to go easy on such companies.

Wall Street Journal: "Program to Unfreeze Credit Receives a $10 Billion Boost ... A government program to unfreeze the credit markets got a boost as companies rushed to issue nearly $10 billion of bonds and as credit markets rode the same wave of optimism that sent stocks soaring."

Wall Street Journal: "More Banks Will Need Capital ... The U.S. is expected to direct about 10 of the 19 banks undergoing government stress tests to boost their capital, according to several people familiar with the matter, a move that officials hope will quell fears about the solvency of the financial sector."

Wall Street Journal: "Fewer Banks Are Tightening Their Lending Standards ... Although credit conditions remain strained, an April survey of loan officers by the Federal Reserve found a smaller number of banks were tightening loan standards compared with a few months ago."

Wall Street Journal: "Small Banks Face Hits on Commercial Real Estate ... Thursday's "stress-test" results will bring fresh scrutiny to the nation's biggest banks. They also are likely to highlight the woes from commercial real-estate loans that are piling up at large and small banks alike."

Wall Street Journal, Op-Ed: "We Can't Subsidize the Banks Forever ... The results of the government's stress tests on banks, to be released in a few days, will not mark the beginning of the end of the financial crisis. If we are to believe the leaks, the results will show that there might be a few problems at some of the regional banks and Citigroup and Bank of America may need some more capital if things get worse. But the overall message is that the sector is in pretty good shape. This would be good news if it were credible."

Financial Times, Editorial: "Back-seat driving ... Fixing the US auto industry requires two changes: wiping out most of the cost burdens that have weighed down Detroit for decades, and managing the big three in a more clear-sighted and unsentimental way than in the past."

Los Angeles Times: "Construction spending, pending home sales climb ... Hopes that the recession is easing got a boost Monday from reports that construction spending and pending home sales both fared better than expected in March."

Bloomberg: "Fed Stress Test Results May Show 10 U.S. Banks Need Capital ... The Federal Reserve plans to deliver results of stress tests on U.S. banks to executives today that may show about 10 companies need additional capital to weather a deeper recession, people familiar with the matter said."

Associated Press: "Upbeat stress-test results ignore bad bank assets ... As regulators prepare to reveal how banks fared on "stress tests" - a key part of the government's plan to fix the financial system - investors seem ready to take the news in stride."

Associated Press: "Bernanke likely to give less dour take on economy ... Federal Reserve Chairman Ben Bernanke will provide Congress with a fresh assessment of the country's fragile economic health that probably will note some recent improvements, but still warn that it will take time -- perhaps years -- for the economy to get back to normal."

Associated Press: "Nevada charges ACORN illegally paid to sign voters ... Nevada authorities filed criminal charges Monday against the political advocacy group ACORN and two former employees, alleging they illegally paid canvassers to sign up new voters during last year's presidential campaign."

Reuters: "U.S. watchdogs want bar raised in failed bank reviews ... So many U.S. banks are failing that three government bank watchdogs want the law changed to force a review only when a bank failure costs the federal insurance fund $300 million or more."

Reuters: "Chrysler bankruptcy has dealers on "razor's edge" ... Chrysler's car dealership network is on the verge of collapse, a U.S. bankruptcy court heard on Monday, as hundreds of dealerships have closed their doors this year and uncertainty about the company's future is driving consumers away."

Investor Business Daily, Editorial: "Don't Demonize Chrysler's Debt Holders For Standing Up For Their Shareholders ... President Obama last Thursday gave us reason to wonder what he believes is more important: respect for rule of law or his desire for more government control over the economy."

Roll Call: "Interchange Fees Rear Their Head ... Retailers and credit card companies are facing off over interchange fees as merchants try to add language to a Senate bill that limits the ability of banks to raise interest rates."

CongressDaily: "SEC Chief Plans Overhaul Of Money Market Industry ... SEC Chairwoman Mary Schapiro today announced her agency is putting the finishing touches on a plan to overhaul the regulations governing the $2.8 trillion money market sector. In a speech to the Mutual Fund Directors Forum, Schapiro said the decision to revamp industry standards stemmed from market turmoil and the collapse of the money market fund Reserve Primary, which set off a near panic."