

---

## FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 5.12.2009

Washington Post: "Bank Stock Sales Add Billions in New Capital ... The nation's largest banks are taking advantage of the recent stock market rally to raise billions of dollars in new capital, allowing the firms to improve their financial health much more quickly and cheaply than government officials had expected."

Washington Post: "Key Senators Reach Compromise on Credit Card Legislation ... The top senators on the Senate Banking Committee have reached a compromise on a bill that would protect consumers from abusive credit card industry practices, increasing the likelihood that the Senate will pass it as early as this week."

Washington Post: "Treasury nominee can keep corporate pay ... President Obama's nominee for the Treasury Department's top legal job still can receive almost \$3 million in pay over the next three years from one of the nation's largest financial-services companies under a compensation plan approved by government ethics lawyers."

New York Times: "We're Dull, Small Banks Say, but Have Profits ... Community banks have hardly suffered in the credit crisis, in part because the industry prefers its business to be boring - and safe."

Wall Street Journal: "More Banks Tackle TARP, Capital Gaps ... Several banks set plans to unleash almost \$8 billion of new stock on the market, seeking to take advantage of a resurgence of confidence in a sector that has been spurned for the past eight months."

Wall Street Journal: "Goldman Settles Subprime Inquiry ... Goldman Sachs Group Inc. agreed to provide about \$50 million in relief to Massachusetts subprime-mortgage holders and pay an additional \$10 million to the state to end an investigation of the company."

Wall Street Journal: "Vote Nears on Bill to Rein In Credit-Card Industry ... Senate lawmakers unveiled legislation Monday to impose new restrictions on credit-card companies, even as the industry responded to recession pressures by cutting credit lines and raising interest rates."

Wall Street Journal, Op-Ed: "Get Ready: You Will Own GMAC, Too ... GMAC differs from other companies under the government thumb because it isn't too big to fail. So the government doesn't need to save GMAC to safeguard the financial system."

Wall Street Journal, Editorial: "Geithner's Revelation ... The Earth stood still, the seas parted and a member of the U.S. political class admitted last week that the Federal Reserve helped to cause the financial meltdown. OK, only the last of those happened, but it's a welcome miracle nonetheless."

Financial Times: "Credit insurance hampers GM restructuring ... Hedge funds and other investors stand to make billions of dollars on credit insurance contracts if GM de-clares bankruptcy, a prospect that is complicating efforts to persuade creditors to agree to a restructuring plan for the automaker, analysts say."

Financial Times: "AIG chief fears 'criticism' will hurt taxpayers ... AIG's chief executive is set to tell Congress on Wednesday that "rampant" criticism of the insurance group could destroy its value and hurt taxpayers."

USA Today: "Ex-Bear Stearns exec sues for \$2 million bonus ... A former Bear Stearns executive has sued the firm for a \$2 million bonus he says it owes him."

Bloomberg: "Options for Fannie, Freddie May Include 'Wind-Down' ... Options for overhauling Fannie Mae and Freddie Mac, the government-run mortgage-finance companies, may eventually include liquidating their assets, according to an analysis released today by the Obama administration."

Bloomberg: "Bernanke Says U.S. Banks Must Test More to Identify Other Risks ... Federal Reserve Chairman Ben S. Bernanke said efforts by U.S. banks to raise capital are "encouraging" and called on firms to identify other risks through internal stress tests."

Associated Press: "Paying back TARP: Not as easy as writing a check ... Banks that are ready to repay government bailout money are finding it's not as simple as writing a check to the Treasury."

Associated Press: "Citigroup: TARP loans near \$45 billion mark ... Citigroup Inc. is using its \$45 billion in government capital to make nearly that much in new loans."

CongressDaily: "Retailers, Banks Tussle On Credit Card Bill ... The banking industry has a main goal as the Senate debates legislation this week that would curb some credit-card fees and interest rate practices. It wants to ensure that legislation it opposes is not made much worse from its point of view. To that end, it wants to kill language that would allow merchants greater freedom to offer a discount for purchases not made with a credit card."

CongressDaily: "Dodd, Shelby Deal Should Ease Credit Card Bill Approval ... The Senate is expected to pass legislation placing new restrictions on credit card fees and interest rate policies that have been labeled abusive by consumer groups after Banking Chairman Christopher Dodd reached a deal with Banking ranking member Richard Shelby this weekend."

Politico: "Compromise sets up credit card bill passage ... They tussled over the stimulus and diverged on the budget, but Democrats and Republicans have finally found an economic issue they can agree on: tougher rules for credit card lenders."

The Hill: "Bailouts crimp Senate Dem fundraising ... Senate Democrats are losing their fundraising edge on Wall Street, seeing less money for candidates at a time when the party's liberal wing is demonizing billions of dollars in taxpayer bailouts to banks."

The Hill: "AIG: We don't need more money ... AIG chief executive Edward Liddy will tell Congress this week that the sprawling firm that has received roughly \$180 billion in federal aid commitments does not need more bailout money."