FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 5.15.2009

Washington Post: "Treasury Agrees To Aid Insurers ... The Treasury yesterday granted preliminary approval for some of the nation's largest insurance companies to receive capital infusions under the government's Troubled Assets Relief Program, Treasury spokesman Andrew Williams said."

Washington Post: "Obama Urges Action On Credit Card Rules ... President Obama on Thursday declared that "enough's enough" when it comes to high credit card fees and sudden interest rate hikes and called on Congress to immediately protect consumers from abusive practices by credit card companies."

Washington Post: "SEC Proposes New Rules to Protect Assets in Investment Funds ... The Securities and Exchange Commission yesterday proposed rules to better protect the assets of people who use investment advisers to manage money."

Washington Post: "Plan to Encourage Banks to Allow Short Sales ... Banks could get government incentive payments for allowing borrowers to sell their home at a loss rather than go through foreclosure, under new guidelines issued yesterday for the Obama administration's $75 billion housing plan."

New York Times: "Carlyle Settles With New York in Pension Case ... The private equity firm agreed to pay $20 million under an agreement with the state's attorney general."

New York Times: "U.S. Presses BofA on Board Revamp, Report Says ... Federal officials have urged banking giant Bank of America to revamp its board and bring in directors with more banking experience, The Wall Street Journal reported."

New York Times, Editorial: "New Rules for Derivatives ... President Obama's new proposal to regulate derivatives would go a long way toward reining in the complex products and reckless practices that have been a big factor in the financial crisis. But it would not go far enough."

New York Times, Op-Ed: "Danger in Wall Street's Shadows ... ON Wednesday, the Obama administration fired a shot across the bow of lobbyists - and their friends in Congress - who have been guarding against regulation of derivatives, the financial instruments at the center of the financial crisis. In a brief letter, Treasury Secretary Timothy Geithner suggested how new laws might help regulators oversee this $600 trillion shadow market."

Wall Street Journal: "Reaction Mixed to Derivative Reforms ... As financial exchanges, clearinghouses and trade-processing firms look for ways to profit from the Obama administration's proposed derivative-market reforms, some market participants worry that some of rules could hamper trading and cause unnecessary hurdles to managing risk."

Wall Street Journal: "Housing-Rescue Plan Adds 'Short Sales' ... The Obama administration on Thursday laid out additions to its housing-rescue plan that are designed in part to make it easier for financially troubled homeowners to sell houses that are worth less than their mortgages."

Wall Street Journal: "Obama Calls for Credit-Card Industry Reform ... President Barack Obama pressed his case for legislation imposing new restrictions on credit-card fees and interest-rate changes, telling a town-hall meeting Thursday he must have a bill on his desk before Congress leaves for Memorial Day."

Wall Street Journal: "BofA Urged by Regulators to Revamp Board of Directors ... Federal officials have pressured Bank of America Corp. to revamp its board by bringing in directors with more banking experience, as regulators place the bank under increasingly heavy government scrutiny."

Wall Street Journal, Op-Ed: "Derivatives Trades Should All Be Transparent ... On Wednesday, Treasury Secretary Timothy Geithner proposed new regulations on derivatives trading. The administration's goal is to introduce greater transparency to these financial contracts in order to reduce the systemic risk they pose to financial markets and to the economy as a whole. The proposals are good as far as they go, but they don't go far enough."

The Economist, Editorial: "Three trillion dollars later... There is no single big remedy for the banks' flaws. But better rules-and more capital-could help. ... COULD there be a better time to be a bank? If you have capital and courage, the markets are packed with opportunities-as they well understand at Goldman Sachs, which is once again filling its boots with risk. Governments are endorsing high leverage and guaranteeing huge parts of the financial system, so you get to keep the profits and palm off the losses on the taxpayer. The threat of nationalisation has receded, reinvigorating the banks' share prices. Money is cheap, deposits plentiful and borrowers desperate, so new lending promises handsome margins. Back before the crash, banks' profits just looked big; today they might even be real."

Investor's Business Daily, Op-Ed: "Don't Blame Deregulation For Housing Mess ... After virtually every disaster created by Beltway politicians you can hear the sound of feet scurrying for cover, see fingers pointing in every direction away from Washington, and watch all sorts of scapegoats hauled up before congressional committees to be denounced on television for the disasters created by members of the committee who are lecturing them."

Bloomberg, Baum: "2088: A Look Back At The Panic of 2008 ... Economic historians like to put some distance between themselves and the events they're writing about. The Founding Fathers come up for a scholarly re-look a few times each century. The Civil War and the economics of slavery provide endless fodder. The Great Depression is still hotly debated 80 years after the fact."

Financial Times: "Big steps taken to reform Wall Street ... What does mainstream - or Main Street - America make of Wall Street these days, not to mention the world of derivatives? That is a question I have been mulling this week."

Reuters: "Obama administration mum on derivatives regulator ... The Obama administration has yet to take a position on which U.S. agency should oversee credit derivatives, which have fallen through regulatory cracks and been blamed for wreaking havoc on the financial system."

Reuters: "Obama's derivatives plan could hurt corporate users ... The Obama administration's plans to move derivatives trading to exchanges could end up hurting companies that use the products, because accounting rules often make customized, off-exchange products a better choice for corporations."

Politico: "New documents shed light on TARP action ... A series of emails and other documents released this week fill in dramatic new details of the Bush administration's decision to bail out the nation's largest banks - portraying Treasury Secretary Hank Paulson and White House aides as frantically reaching out to bank executives, the two presidential candidates and even a conservative think-tank to line up support for the plan."