
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 5.19.2009

Wall Street Journal: "Local Banks Face Big Losses ... Commercial real-estate loans could generate losses of \$100 billion by the end of next year at more than 900 small and midsize U.S. banks if the economy's woes deepen, according to an analysis by The Wall Street Journal."

Wall Street Journal: "BlackRock Wears Multiple Hats ... The U.S. has selected BlackRock Inc., a money manager and risk-advisory firm, to manage mortgage assets once owned by Bear Stearns Cos. and American International Group Inc. Separately, the firm also has been tapped to analyze hard-to-price assets of Freddie Mac and Morgan Stanley, among other financial institutions in the crisis."

Wall Street Journal: "FDIC Weighs Fee That Would Hit Big Banks Harder ... The Federal Deposit Insurance Corp. is considering levying a one-time fee to replenish the agency's deposit-insurance fund that would hit big banks harder than it would hit small ones, according to people familiar with the matter."

Wall Street Journal: "Laws Take On Financial Scams Against Seniors ... Fed up with purported financial advisers preying on unwitting older people, investigators from the Arkansas Securities Department last year staged an undercover sweep of one of the hucksters' favorite showcases -- free lunch seminars."

Wall Street Journal: "Small Firms Wait for a Credit Thaw ... Big companies are rushing to issue stocks and bonds to suddenly hungry investors. But credit is still scarce for thousands of mostly smaller companies that rely on bank lending."

Washington Post: "Housing, Banking Sectors Lead Market Rally ... Stock markets shot up as much as 3 percent yesterday as investors shook off last week's malaise, cheered by encouraging reports in the housing sector."

Washington Post: "Don't Let Anger at Card Issuers Affect Your Credit Score ... This is a big week for the credit card industry -- and the 78 percent of families who have cards. Today, the Senate is scheduled to vote on a bill that would ban many industry practices that consumers have been complaining about for years, such as arbitrary retroactive interest rates."

Washington Post: "SEC Official Denies Trying to Intimidate Her Mother's Brokers ... A lawyer for an official at the Securities and Exchange Commission yesterday denied a report that his client had attempted "to intimidate and influence" investment brokers by invoking her position."

Financial Times: "Bankers escape cap on salaries ... Bankers will not have their salaries capped by the Obama administration but they will face changes to executive compensation aimed at discouraging risky short-term bets, Tim Geithner, the US Treasury secretary, said on Monday."

Financial Times: "Companies face higher hedging costs ... Companies using trillions of dollars of derivatives contracts to hedge interest rate, currency and commodity price risks could face higher costs under the proposed overhaul of US rules on derivatives, industry officials say."

USA Today: "State Street to raise money to repay government ... State Street, a bank that specializes in serving institutional investors and wealthy customers, said Monday it plans to raise money through common stock and senior note offerings as part of an effort to repay a government loan."

New York Times: "Credit Card Industry Aims to Profit From Sterling Payers ... With Congress on the verge of limiting penalties on delinquent borrowers, credit card companies are expected to turn to their best customers to make up the difference."

New York Times: "In Advising U.S., BlackRock Thrives in Uncertain Times ... Questions are being raised over an apparent conflict between BlackRock's role as a government adviser and its profits as manager of troubled assets."

New York Times: "Taxpayers May Lose Out in TARP Paybacks ... Americans were promised a reward for rescuing the nation's banks. In return for all those bailouts, the banks essentially granted stock options to the government - a potential jackpot for taxpayers once the crisis blew over."

New York Times: "Geithner Says He Favors New Policies, Not Pay Caps ... Treasury Secretary Timothy F. Geithner said on Monday that the government should not impose caps on executive pay at institutions that receive federal bailouts, but

instead should set policies that discourage all financial companies from rewarding excessive risk-taking, The New York Times's Jackie Calmes reported."

New York Times, Op-Ed: "Some Bankruptcies Are Worth It ... THE Treasury Department hopes that its recent stress tests on the country's 19 largest banks have weeded out the capital-challenged ones. But many other large financial institutions are still groaning under huge burdens of debt and assets of dubious or uncertain value."

New York Times, Brooks: "In Praise of Dullness ... We now have an administration freely interposing itself in the management culture of industry after industry. It won't be the regulations that will be costly, but the revolution in values. When Washington is a profit center, C.E.O.'s are forced to adopt the traits of politicians. That is the insidious way that other nations have lost their competitive edge. "

Bloomberg: "Derivatives Market Declines for First Time on Record ... The derivatives market shrank for the first time in the second half of 2008 as the global financial crisis curbed trading, the Bank for International Settlements said in a report."

Bloomberg: "Morgan Stanley, JPMorgan, Goldman Said to Apply to Repay TARP ... Goldman Sachs Group Inc., JPMorgan Chase & Co. and Morgan Stanley applied to refund a combined \$45 billion of government funds, people familiar with the matter said, a step that would mark the biggest reimbursement to taxpayers since the program began in October."