
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 5.28.2009

Washington Post: "U.S. Weighs Single Agency to Regulate Banking Industry ... Senior administration officials are considering the creation of a single agency to regulate the banking industry, replacing a patchwork of agencies that failed to prevent banks from falling into the worst financial crisis since the Great Depression, sources said."

Washington Post: "U.S. Involvement in GM Won't End With Bankruptcy ... The government would retain significant control over the restructured General Motors under an Obama administration plan that would allow U.S. officials to directly name or influence the appointments of the vast majority of a new 13-member board that would oversee the company."

Washington Post: "Home Sales Rise, but Prices Keep Dipping ... Bargain hunters drove home sales up slightly in April, but prices plunged and do not appear close to stabilizing, according to industry data released yesterday."

Washington Post: "Stocks Fall on Concerns About Deficit, GM Woes ... Stocks fell yesterday as General Motors inched closer to bankruptcy and concerns emerged about the government's growing deficit being used to fund recovery efforts."

Washington Post: "Questions Delay Sale Of Toxic Bank Assets ... A top banking regulator said yesterday that a federal initiative to relieve financial firms of troubled assets is being held up while the Treasury Department drafts rules to guard against fraud in the program and audit its investors."

Washington Post: "Russia to Contribute to IMF by Buying \$10 Billion in Bonds ... Russia plans to buy \$10 billion of International Monetary Fund bonds to help fellow member states weather the global financial crisis, a decade after the country defaulted on its own ruble debt."

Washington Post, Ignatius: "Quiet Tiger at the Fed ... Sometime this summer, President Obama will have to start thinking about one of the big decisions of his presidency -- whether to reappoint Ben Bernanke as chairman of the Federal Reserve when his term expires next January."

Washington Post, Editorial: "In Search of Buyers ... CHINA LENT it, the United States spent it, is a boiled-down description of the economic relationship between the two countries over the past decade. U.S. consumers gobbled up inexpensive Chinese goods (as well as those from other countries), fueling high levels of global growth."

New York Times: "Citi in Talks to Settle S.E.C. Investigation, Report Says ... Citigroup is in early negotiations with the Securities and Exchange Commission to settle a probe into whether it misled investors by not properly disclosing the amount of troubled mortgage assets it held as the markets started to fall in 2007, The Wall Street Journal reported, citing people familiar with the matter."

New York Times: "Seeking Simple Rules for P.P.I.P. ... The government's plan to get bad assets off bank balance sheets always carried the risk that banks could game it, Breakingviews says."

New York Times: "More Banks Under Stress as Recession Wears On ... Despite signs that the nation's biggest banks are stabilizing, a growing number of small and midsize institutions are coming under stress as the recession wears on, The New York Times's Graham Bowley reported."

Wall Street Journal: "Single-Regulator Plan for Banks Now Close ... Top Obama administration officials are close to recommending that Congress create a single regulator to oversee the entire banking sector, people familiar with the matter said, a departure from the hodgepodge of federal agencies that failed to contain the financial crisis as it ballooned out of control last year."

Wall Street Journal: "Plan to Buy Banks' Bad Loans Founders ... A government program designed to rid banks of bad loans, part of a broader effort once viewed as central to tackling the financial crisis, is stalling and may soon be put on hold, according to people familiar with the matter."

Wall Street Journal, Editorial: "The Bond Vigilantes ... They're back. We refer to the global investors once known as the bond vigilantes, who demanded higher Treasury bond yields from the late 1970s through the 1990s whenever inflation fears popped up, and as a result disciplined U.S. policy makers."

Investor's Business Daily, Editorial: "Stiffing GM's Creditors Will Backfire ... Sure as the sun rises, the U.S. government's manhandling of GM and Chrysler bondholders will ripple outward, striking not only companies and their creditors but the very basis for U.S. power and prosperity."

UK Telegraph, Op-Ed: "Financial crisis: Only a new Bretton Woods will solve it ... Earlier this week, a group of America's most intelligent and influential thinkers published a report heralded as the definitive solution to the financial crisis."

Bloomberg: "Morgan Stanley Bullying Is Least of SEC's Woes ... If the Securities and Exchange Commission had its druthers, we still might have no idea that an internal probe into the securities trades by two of its attorneys had led to a criminal investigation."

The Hill: "New agency for 'prudential regulation' of all banks? ... The White House is weighing the creation of a new government regulatory agency to monitor all banking institutions as part of its sweeping overhaul of financial industry regulation, industry sources said on Wednesday."