
WEEKLY FINANCIAL SERVICES REPUBLICAN ROUND-UP 6.12.2009

MESSAGING RESOURCES/POLLING UPDATE

REGULATORY REFORM

No More Bailouts. The Republicans plan for regulatory reform ends all taxpayer funded bailouts by ending the "too big to fail" policy and restoring market discipline. The Democrat alternative will likely continue the failed policy of rescuing firms deemed "too big to fail" by creating a systemic risk regulator.

Rep. Shelley Moore Capito echoed this principle in this YouTube clip.

Limiting The Federal Reserve. The Republican plan for regulatory reform restores the Federal Reserve to its core mission of conducting monetary policy. Our regulators have acted with little oversight and accountability. This must end. The Democrat alternative will likely include an expanded "systemic risk role" that will only continue the cycle of bailouts.

Restoring Market Discipline. The Republican plan will let the market resolve failed institutions through bankruptcy. This is a transparent and effective way of resolving the failure of non-bank financial institutions. The Democrat alternative will likely include a new unfunded taxpayer liability through the creation of a resolution authority that will allow regulators to designate firms as "systemically important" and therefore continue to place the taxpayer on the hook and create market advantages for politically favored companies.

Polling Update:

Rasmussen: 53% Say More Government Spending Hurts the Economy...Just 27% now say increased government spending helps the economy, and 10% say it has no impact."

Rasmussen: Voters Now Trust Republicans More than Democrats on Economic Issues...The latest Rasmussen Reports national telephone survey finds that 45% now trust the GOP more to handle economic issues, while 39% trust Democrats more. This is the first time in over two years of polling that the GOP has held the advantage on this issue."

Rasmussen: Most Reject Government Control of Executive Compensation If Bailout Is Repaid...If a company repays its bailout funds, 61% of Americans say the government should not regulate the company's executive pay and bonuses."

ON THE HORIZON

Tuesday, June 16: The Capital Markets Subcommittee will meet for a hearing on insurance and systemic risk at 10 am in room 2128 Rayburn. At 2 pm, the Housing Subcommittee will meet for a hearing on the Green Act in room 2128 Rayburn.

Thursday, June 18: The Domestic and Monetary Policy Subcommittee will have a joint hearing with the Ways and Means Select Revenue Subcommittee on New Markets Tax Credits at 10 am in room 1100 Longworth. Also at 10 am, the Oversight and Investigations Subcommittee will meet for a hearing on mortgage fraud in room 2128 Rayburn. At 1:30 pm, the Full Committee will hear from Treasury Secretary Geithner on regulatory reform in 2128 Rayburn.

Friday, June 19: The Full Committee will hold a hearing on CDBG at 1 pm in room 2128 Rayburn.

WEEKEND MUST-READS

Bloomberg: "Republicans Urge Bankruptcy to Resolve Failed Firms ... U.S. House Republicans proposed letting non-bank firms fail in bankruptcy court and stripping the Federal Reserve of supervisory powers as they released a proposal for overhauling financial regulations."

Reuters: "U.S. House Republicans propose financial reforms ... A group of U.S. Republican lawmakers on Thursday unveiled proposals to reform financial regulation by reining in the Federal Reserve, expanding the bankruptcy code and merging two bank regulatory agencies."

Washington Post: "Calls Resume for Single Banking Regulator ... The Obama administration is facing new pressure from key Democratic and Republican lawmakers to centralize banking oversight in a single regulator, a proposal the White House had seriously considered before shelving it as widespread opposition grew."

Wall Street Journal: "Assured of SEC's Survival, Schapiro Now Fights to Keep Regulatory Teeth ... In late April, senior Securities and Exchange Commission enforcement lawyers met to discuss a shake-up that would place them into specialized groups. Some senior lawyers were skeptical."

Washington Post: "Ailing Banks Caught Between Regulators' Competing Visions ... The large banks that cannot yet repay federal aid, including Bank of America and Citigroup, increasingly find themselves under pressure from competing branches of the federal government with different ideas about the government's proper role. "

Los Angeles Times: "Fed lost \$5.3B on Bear Stearns, AIG holdings in 1Q ... The Federal Reserve lost \$5.25 billion in the

first quarter on the securities it acquired with last year's bailouts of Bear Stearns and insurer American International Group Inc., according to a report issued Wednesday."

Wall Street Journal: "Finance Reforms Pared Back ... The Obama administration is backing away from seeking a major reduction in the number of agencies overseeing financial markets, people familiar with the matter say, suggesting that the current alphabet-soup of regulators will remain mostly intact."

Wall Street Journal, Opinion: "Making Failure an Option ... The Hotel Geithner -- a.k.a. the Troubled Asset Relief Program or TARP -- is poised to set up its checkout desk this week. Big banks that have successfully raised capital from private sources, including J.P. Morgan and Goldman Sachs, may be among the first to get their walking papers."

COMMITTEE REPUBLICANS IN THE NEWS

Rep. Walter Jones issued this press release: [Jones Urges Treasury To Use Repaid TARP Funds To Pay Down Debt.](#)

Rep. Judy Biggert issued this press release: [Biggert Unveils Financial Reform Proposal Ends Bailouts, Empowers Consumers, Cracks down on Fraud.](#)

Rep. Shelley Moore Capito issued this press release [Capito, Fellow Committee Leaders Announce Comprehensive Financial Regulatory Reform Plan](#) and outlined the Republican plan in this [YouTube clip](#).

Rep. Jeb Hensarling issued this press release: [Hensarling: Terminate TARP.](#)

Rep. Scott Garrett issued these press releases: [Garrett Statement on GOP Regulatory Reform Proposal](#); [Garrett Statement on TARP Repayment.](#)

Rep. Randy Neugebauer issued this press release: [We need reform for smarter regulation and to get out of the business.](#)

Rep. Tom Price issued these press releases: [Price, Financial Services Republicans Introduce Plan to Reform Financial Regulatory Structure](#); [Obama Proposes Executive Pay Rules, Private Sector Braces for Impact.](#)

Rep. Thaddeus McCotter discussed GM with Neil Cavuto on Fox News and Fox Business , he also talked about GM in this [Fox News interview](#). Mr. McCotter discussed Michigan Unemployment Struggles during a John Batchelor Roundtable, discussed Chrysler and Obama's stimulus push during this interview with Martha Zoller. He also penned this [blog](#): Mythical 'saved' jobs figures won't aid Michigan's summer of discontent.

Rep. Kevin McCarthy issued this press release: [Congressman McCarthy Urges Treasury to use TARP Repayments to Pay Down National Debt.](#)

Rep. Leonard Lance issued this press release: [Returned TARP Funds Should Be Used For Debt Reduction.](#)

Rep. Spencer Bachus issued this press release: Republicans Announce Comprehensive Regulatory Reform Plan.

CARTOON OF THE WEEK

(The Hill's Chris Weyant, 6/9/2009)