
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 6.10.2009

Wall Street Journal: "Salaries Safe, Bonuses Hit ... The Obama administration is dropping its plan to cap salaries at firms receiving government bailout money, leaving them subject to congressionally imposed limits on bonuses, according to people familiar with the matter."

Wall Street Journal: "Congress Hesitant on IMF Funding ... A White House bid to push a \$108 billion contribution to the International Monetary Fund through Congress is in danger of unraveling because of an unlikely coalition of Republicans, liberal Democrats and anti-globalization activists."

Wall Street Journal: "Playing Mortgage Market Proves Tricky ... As mortgage delinquencies have climbed, hundreds of investors have sought to profit by buying troubled loans from banks and other institutions, restructuring the mortgages to keep borrowers in their homes and quickly moving loans that can't be saved to foreclosure."

Wall Street Journal: "SEC Deluged by Support for Uptick Rule's Return ... If the Securities and Exchange Commission is seeking a consensus on its proposed measures to curb short selling of stocks, it has one. In the more than 800 letters the regulator has received since it put the proposal up for comment in April, investors, Mr. Adamson among them, are overwhelmingly calling for the return of the uptick rule, which restricts short selling when a stock's price moved downward in the most recent trade. It is seeking comment until June 19."

Wall Street Journal: "Ford Seeks Loans, Guarantees From an Array of Governments ... From governments around the world, Ford is trying to secure hundreds of millions in direct loans and loan guarantees to aid its credit arm and comply with environmental regulations in North and South America, Europe and Australia."

Wall Street Journal, Laffer: "Get Ready for Inflation and Higher Interest Rates ... Here we stand more than a year into a grave economic crisis with a projected budget deficit of 13% of GDP. That's more than twice the size of the next largest deficit since World War II. And this projected deficit is the culmination of a year when the federal government, at taxpayers' expense, acquired enormous stakes in the banking, auto, mortgage, health-care and insurance industries."

Financial Times: "Ten US banks to repay Tarp funds ... Ten financial groups including JPMorgan Chase and Goldman Sachs were on Tuesday allowed to repay a combined \$68bn to the US Treasury in a move that marks a turning point in the economic crisis but formalises the divide between healthy and fragile banks."

Financial Times: "Geithner sees 'global storm' abating ... Tim Geithner on Tuesday identified "encouraging signs" in the US economy and a better outlook internationally, adding there would be a reduced role for a key US programme to stimulate the market for toxic assets and loans."

Financial Times, Wolf: "It is in Beijing's interests to lend Geithner a hand ... the pressure on Tim Geithner, US Treasury secretary, to persuade his hosts in Beijing that their claims on his government are safe. But are they? The answer is: only if the creditor countries facilitate adjustment in the global balance of payments. Debtor countries will either export their way out of this crisis or be driven towards some sort of default. Creditors have to choose which."

Washington Post: "Goals Shift For Reform Of Financial Regulation ... The Obama administration is pulling back from some of its most ambitious ideas for overhauling the financial system, after determining that the consolidation of power under fewer federal agencies would face grave opposition by lawmakers and regulators, sources familiar with the discussions said."

Washington Times: "Ex-CEO of AT&T to lead GM board ... A former CEO and chairman of telecommunications giant AT&T Inc. will lead General Motors Corp.'s board after the automaker emerges from bankruptcy protection, GM said Tuesday."

New York Times: "As Court Clears Path, Chrysler Is Set to Exit Bankruptcy ... Chrysler appeared poised to emerge from bankruptcy by early Wednesday after the United States Supreme Court declined on Tuesday to hear a challenge by three Indiana state funds and several consumer groups to the sale of most of its assets to Fiat."

New York Times: "Cuomo Subpoenas Loan Modification Companies ... The New York attorney general, Andrew M. Cuomo, plans to sue a loan modification company and has subpoenaed information from 14 similar companies as part of a nationwide investigation."

USA Today: "Congress seeks Fed documents related to BofA-Merrill deal ... House lawmakers said Tuesday they have subpoenaed the Federal Reserve to hand over e-mails, notes and other documents related to its role in Bank of America's acquisition of Merrill Lynch."

USA Today: "House approves 'cash for clunkers' bill to boost auto sales ... The House on Tuesday approved a "cash for clunkers" bill that aims to boost new auto sales by allowing consumers to turn in their gas-guzzling cars and trucks for vouchers worth up to \$4,500 toward more fuel-efficient vehicles."

Los Angeles Times: "Wells Fargo isn't ready to repay federal bailout funds ... The bank, which received a government infusion last fall against its will, says it hasn't applied to return the TARP money because it's focusing on integrating Wachovia, the bank it bought last year."

Los Angeles Times: "Chrysler allowed to terminate dealerships today ... Bankruptcy judge OKs cancellation of 789 franchises. They won't be allowed to sell new Chrysler, Jeep and Dodge vehicles, do factory warranty service or display signs they are Chrysler dealers."

Fortune: "TARP payback may not help consumers ... Half of the big banks paying back federal loans are investment firms or asset managers, so lending isn't likely to pick up."

Politico: "Barney Frank says all's well with admin ... A week ahead of the expected White House announcement of its plan for a massive overhaul of the nation's financial rules, House Financial Services Committee Chairman Barney Frank's office is knocking down a report that the powerful but sometimes cantankerous Democrat is at odds with the Obama administration."