
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 6.11.2009

Wall Street Journal: "Pay Czar Gets Broad Authority Over Executive Compensation ... The Obama administration scrapped the \$500,000 salary cap it proposed for executives at firms receiving large amounts of federal assistance but appointed a pay czar to review, reject and even set pay levels -- with no appeal."

Wall Street Journal: "Fed Makes \$2.7 Billion, Offers Details on Loans ... The Federal Reserve made almost \$2.7 billion in the first quarter on its myriad lending facilities, asset holdings and loans to Bear Stearns Cos. and American International Group Inc., according to data released Wednesday."

Wall Street Journal: "Brazil, Russia Trade T-Bills for IMF Clout ... Brazil and Russia are set to unload U.S. Treasury bonds as they acquire \$10 billion each of new International Monetary Fund securities designed to bolster the institution's aid programs, officials in the countries said Wednesday."

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."

Financial Times, Wolf: "Turf warriors head for Washington ... We are about to observe the next phase in the government's attempt to stabilise the US financial system. It is about to launch its effort to reform the notoriously tangled and overlapping system of financial regulation. It is vital to get this right."

Financial Times, Henry: "Daunting decisions on a new risk regulator ... Congress will soon begin hearings and debate on whether to create a new systemic risk regulator (SRR) to monitor financial institutions, funds and markets, with the twin goals of discovering contagion and preventing its spread."

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. "

Washington Times: "W.H. ducks blame for dealership cuts ... Senators asked a few demanding questions Wednesday about whether taxpayers will recover the \$80 billion the Obama administration is investing in Chrysler and General Motors, but mostly they wanted to know why the companies are closing dealerships."

New York Times: "Treasury to Set Executives' Pay at 7 Ailing Firms ... The Obama administration's sweeping new proposal to restrict executive pay is likely to be a humbling exercise for seven of the nation's largest companies, which have received billions of dollars in federal assistance to survive the economic crisis."

New York Times, Editorial: "Payback Time ... President Obama struck a cautionary note on Tuesday as he announced the administration's decision to permit 10 banks to repay a combined \$68.3 billion in bailout money. "Now, this is not a sign that our troubles are over," he said. "Far from it."

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."

USA Today: "Foreclosure rate dips in May, but remains high ... The pace of foreclosures remains at a historic high and mortgage demand is tumbling as interest rates climb, reflecting a wobbly housing recovery that could falter if rates continue to rise."

Reuters: "U.S. regulators ready laws for OTC derivatives crackdown ... The two primary U.S. financial market regulators are drafting legislation to implement the Obama administration's proposed crackdown on over-the-counter derivatives, said sources familiar with discussions at the agencies late on Wednesday."

Reuters: "Emails show Fed pressed BofA to do Merrill deal ... Emails from Federal Reserve officials appear to back assertions by Bank of America Chief Executive Kenneth Lewis that he was under pressure, to the point of losing his job, to complete the purchase of Merrill Lynch, despite worries about its financial condition."

Reuters: "Fiat closes Chrysler deal ... Fiat SpA closed its acquisition of Chrysler's strongest assets on Wednesday, a key step in the Italian carmaker's ambitious plan to create a global player to ride out the worldwide auto sales downturn."