

FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 6.12.2009

US News & World Report: "GOP: No More Bailouts ... Today GOP House members on the Financial Services Committee unveiled a financial regulatory reform package to challenge Obama's still-coming-together plan."

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."

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."

Bloomberg: "Bernanke Success May Come at Cost of Congress Curbing Fed Power ... Federal Reserve Chairman Ben S. Bernanke's success in stabilizing the financial system through unprecedented use of the central bank's powers may come at the cost of Congress limiting some of that authority in the future."

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."

MarketWatch: "GOP: No more government bailouts; bankruptcy works ... Regulators should rely on the bankruptcy process to unwind large systemically significant financial institutions rather than allow government bailout dollars to help resolve insolvent mega-financial institutions, says a broad regulatory reform proposal unveiled by House Republicans on Thursday."

The Hill: "GOP maintains traditional principles in uphill battle on financial regulation ... House Republicans are returning to a familiar playbook of small government and less regulation as they stake their position in the battle to overhaul the financial system."

Wall Street Journal: "Fed to Keep Lid on Bond Buys ... Federal Reserve officials are unlikely to significantly boost purchases of U.S. Treasuries and mortgage-backed securities when they meet in late June, but could make other adjustments in the face of rising bond yields and fresh signs of an improving economy."

Wall Street Journal: "Lewis Takes Heat but Defends Merrill Deal ... Lawmakers grilled Bank of America Corp. Chief Executive Kenneth Lewis on his decisions to seek cover from the Federal Reserve and not tell shareholders about losses at Merrill Lynch & Co. last December."

Wall Street Journal, Farago: "Washington Can't Be 'Hands-Off' With GM ... Less than two weeks after President Barack Obama promised a hands-off approach to the bankrupt car maker's day-to-day operations, politicians are busy interfering with the car maker's day-to-day operations. Even Sen. Bob Corker (R., Tenn.), who upbraided the Big Three CEOs at hearings last November, is now working to save GM's Spring Hill plant from permanent closure."

Financial Times: "Geithner's plans for Wall Street regulation ... When Barack Obama's administration first circulated its proposals to reform Wall Street regulation, at their core was a plan to consolidate Washington's Balkan map of

overlapping regulatory agencies. That idea underestimated the power of entrenched interests on Capitol Hill."

USA Today: "Banks cut borrowing from Fed emergency lending program ... Banks cut borrowing from the Federal Reserve's emergency lending program, while investment firms took a pass for the fourth straight week, a sign some credit problems are easing."

New York Times: "House Panel Clashes Over Pay Restrictions ... Less than a day after the Obama administration announced a plan to set executive pay levels at bailed-out companies like Citigroup and Bank of America, a spat broke out among members of a House committee on Thursday about the regulation of corporate compensation."

Washington Post: "Consumer Watchdog Gains Key Supporter ... Christopher J. Dodd (D-Conn.), chairman of the Senate Banking Committee, yesterday announced his support for the creation of a new agency with broad authority to protect consumers of financial products such as mortgage loans and credit cards."

Bloomberg: "Geithner Said to Tell Bernanke Fed Gains Most in Rules Overhaul ... The Federal Reserve is likely to emerge as the most powerful regulatory agency in the Obama administration's plan for overhauling financial market oversight, people familiar with the proposal said."