

## FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 6.22.2009

Wall Street Journal, Editorial: A Triple-A Punt... If world-class lobbying could win a Stanley Cup, the credit-ratings caucus would be skating a victory lap this week. The Obama plan for financial re-regulation leaves unscathed this favored class of businesses whose fingerprints are all over the credit meltdown.

Wall Street Journal, Op-Ed by Frederick Mishkin: How to Get The Fed Out Of Its 'Box'

A commitment to fiscal discipline could enable expansionary monetary policy...When the Federal Open Market Committee meets this Tuesday and Wednesday, the Federal Reserve will face a serious dilemma.

Wall Street Journal: Wall Street Critic Inspired New Consumer-Protection Agency...Harvard University law professor Elizabeth Warren dined for three hours with White House economic adviser Lawrence Summers two months ago, and discussed over curry her idea for an agency to protect consumers from bad financial products.

Wall Street Journal: Timing, Tools of Fed's Exit Strategies Come Into Focus...When Federal Reserve officials meet this week, they will spend a lot of time discussing exit strategies. When should they start unwinding their efforts to stimulate the economy? How should they go about doing it?

Washington Post: Recovery's Missing Ingredient: New Jobs...Despite signs that the recession gripping the nation's economy may be easing, the unemployment rate is projected to continue rising for another year before topping out in double digits, a prospect that threatens to slow growth, increase poverty and further complicate the Obama administration's message of optimism about the economic outlook.

New York Times: States Turning to Last Resorts in Budget Crisis...In Hawaii, state employees are bracing for furloughs of three days a month over the next two years, the equivalent of a 14 percent pay cut. In Idaho, lawmakers reduced aid to public schools for the first time in recent memory, forcing pay cuts for teachers. And in California, where a \$24 billion deficit for the coming fiscal year is the nation's worst, Gov. Arnold Schwarzenegger has proposed releasing thousands of prisoners early and closing more than 200 state parks.

Wall Street Journal: Land Deals Help Builders Stay Alive...In Indio, a small city east of Los Angeles, the supply of foreclosed houses for sale is plentiful. Even so, work crews are finishing a batch of new homes for Lennar Corp.

While the recession wiped out many small builders, mortgage lenders and homeowners, the nation's biggest builders have hung on, in part through favorable land deals, loan agreements and tax strategies.

Wall Street Journal: World Bank Warns on Emerging GDP...Developing countries' net private capital inflows fell 41% last year and will be cut nearly in half this year, the World Bank said in a report that offers little hope that the countries will provide the spark for the global economic engine.

Wall Street Journal: Hedge Funds Boost Profile in Lobbying...Many hedge funds were relieved last week when the Obama administration's financial-overhaul plan included no big surprises or threats to the lucrative, secretive industry. It isn't clear exactly why hedge funds escaped their worst fears. But one factor might have helped: The hedge-fund industry has been spending a lot more time and money in Washington during the past few years.

New York Times: Too Big to Fail, or Too Big to Handle?... "No one should assume that the government will step in to bail them out if their firm fails." That's Timothy F. Geithner, the Treasury secretary, talking tough with lawmakers last week as

he promoted the government's remake of the financial regulatory framework.

Wall Street Journal: Changes Urged to Rules on Condo Loans...Two Democratic lawmakers are calling on Fannie Mae and Freddie Mac to relax recently tightened standards for mortgages on new condominiums, saying they could threaten the viability of some developments and slow the housing-market recovery.