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## FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 6.24.2009

New York Times: "Behind the Scenes, Fed Chief Advocates Bigger Role ... During the debate over financial regulation, the Federal Reserve chairman, Ben S. Bernanke, has been surprisingly quiet. But behind the scenes, he has been a forceful proponent of giving the Fed more power, both defending his management of the economic crisis and arguing that more authority would help the agency act more decisively to reduce the chances of a recurrence, according to interviews with lawmakers and officials from the Fed, the Treasury and the White House."

New York Times: "Madoff's Lawyers Seek 12-Year Term, Citing His Shame ... A dozen years in prison. That is the sentence that lawyers for Bernard L. Madoff asked a judge to impose on their client, who has confessed to running what may be the biggest Ponzi scheme in history."

Wall Street Journal: "Financials Post Sign of Times: CEO Wanted ... The strain of the credit crisis, curbs on executive compensation and the specter of government scrutiny are making it harder for financial firms to lure chief executives, according to directors, executives and search firms."

Wall Street Journal: "Barney the Underwriter ... Back when the housing mania was taking off, Massachusetts Congressman Barney Frank famously said he wanted Fannie Mae and Freddie Mac to "roll the dice" in the name of affordable housing. That didn't turn out so well, but Mr. Frank has since only accumulated more power. And now he is returning to the scene of the calamity -- with your money. He and New York Representative Anthony Weiner have sent a letter to the heads of Fannie and Freddie exhorting them to lower lending standards for condo buyers."

Wall Street Journal, Opinion: "Obama and 'Regulatory Capture' ... It was not merely structural problems that led certain regulators to nap through the crisis. The people who filled regulatory jobs in the past administration were asleep at the switch because they were supposed to be. It was as though they had been hired for their extraordinary powers of drowsiness."

Wall Street Journal, Opinion: "Who Owns the Banks, Round Two? ... The stress tests came and went, but haven't settled the argument over whether anything short of seizing the biggest banks amounts to recapitulating Japan's experience with zombie banks."

Financial Times: "Policy on hold as Fed weighs easing ... When the Federal Reserve concludes its policy meeting on Wednesday the message will be clear: the US central bank is now on hold following what was, by many measures, the most aggressive easing cycle in monetary policy history."

Financial Times: "Challenges mount for 'national hero' Bernanke ... Ben Bernanke faces challenges on several fronts. Market pressures on Fed strategy coincide with congressional disquiet over proposals to give the central bank new systemic risk powers, and questions over the Fed chairman's role in the Bank of America-Merrill Lynch takeover."

Financial Times, Wolf: "Reform of regulation has to start by altering incentives ... Proposals for reform of financial regulation are now everywhere. The most significant have come from the US, where President Barack Obama's administration last week put forward a comprehensive, albeit timid, set of ideas. But will such proposals make the system less crisis-prone? My answer is, no."

Washington Post: "SEC Would Tighten Reins on Money Markets ... The Securities and Exchange Commission plans to propose tighter restrictions today for money-market mutual funds, which promise customers easy access to their cash with interest rates better than ordinary savings accounts, according to people who have been briefed."

Washington Post: "U.S. Judge Rejects GM Bondholder Group Plea ... A federal bankruptcy judge on Tuesday denied a request by a group of dissident General Motors bondholders for special status in the case, which would have required the automaker to pay their legal expenses as they contest the company's proposed restructuring."

Bloomberg: "Mortgage Bombs, Quiet for Now, Await Next Boom ... Here's a way to help head off the next financial crisis: Make sure borrowers have some of their own money on the line."

Forbes, Cooley: "A Dog's Breakfast ... On the most important issue, the regulation of systemic risk, the proposal is to assign this task to the Federal Reserve. This is going to be most contentious. It is not a very thoughtful or well-reasoned choice."

Reuters: "Banking "broken," consumers need help ... The outspoken head of a U.S. Congressional watchdog panel will strongly urge lawmakers on Wednesday to set up a new government agency to protect consumers from "tricks and traps" set by banks."

Reuters: "SEC rejects Madoff investor claim for damages ... The U.S. Securities and Exchange Commission has rejected an attempt by a Bernard Madoff customer to get the agency to pay \$1.7 million she lost in the fraud, setting the stage for a federal lawsuit, the investor's lawyer said on Tuesday."