

FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 6.30.2009

Washington Post: "Ruling Adds Teeth to State Oversight of Banks ... For years, state governments have had little power to enforce consumer-protection and lending rules at the country's biggest banks. No more."

Washington Post: "Uncertainty Clouds Recovery of U.S. Investment in GM ... If a new General Motors emerges from bankruptcy as planned, U.S. financial aid for the company will expand to nearly \$50 billion, but neither the government nor the company is forecasting how much of the public money will be repaid."

Washington Post: "Reverse Mortgages Leave Seniors at Risk, GAO Says ... The Department of Housing and Urban Development has left elderly borrowers vulnerable to abusive lending practices because of shortcomings in programs that offer reverse mortgages, according to a report released yesterday by the Government Accountability Office."

New York Times: "State Street Says Regulators May Sue on Mortgage Losses ... The State Street Corporation, an asset management and servicing company, said Monday that it might face civil charges by securities regulators for exposing investors to losses on subprime mortgages."

New York Times: "Madoff Is Sentenced to 150 Years for Ponzi Scheme ... A criminal saga that began in December with a string of superlatives - the largest, longest and most widespread Ponzi scheme in history - ended the same way on Monday as Bernard L. Madoff was sentenced to 150 years in prison, the maximum for his crimes."

Wall Street Journal: "AIG Signals More Losses on Derivatives Portfolio ... American International Group Inc. warned that if credit markets continue to deteriorate, the company could face unrealized losses on a portfolio of derivatives in its financial-products unit, the unit largely responsible for the parent company's collapse."

Wall Street Journal, Opinion: "Spitzerism Revisited ... Eliot Spitzer has departed the national stage in ignominy, but the damage he did as an unrestrained state Attorney General lives on, notably in a dubious 5-4 victory yesterday before the Supreme Court."

Los Angeles Times: "California Insurance Commissioner Steve Poizner orders insurers to reveal Iran investments ... Poizner says he wants to identify whether any insurance company doing business in the state is funneling money into a nation 'that poses a serious national security threat.'"

Forbes, Steve Forbes: "Largely Useless, Even Harmful ... The blunt truth is that even if we had had President Obama's financial regulatory "reforms" in place four years ago--reforms designed to prevent another financial meltdown--we would still have experienced a horrific economic disaster. In other words, the Administration's prescriptions deal with the symptoms--and those badly--not the underlying causes."

Politico: "SEC bash too close for comfort? ... By all accounts, it was an excellent evening. For the 75th anniversary of the Securities and Exchange Commission, the SEC's Historical Society - an independent, nonprofit organization - threw a lavish dinner for 950 at the National Building Museum.