

FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 7.10.2009

Wall Street Journal: "Mortgage Firms Prodded to Modify More Loans ... The Obama administration is pressing mortgage-servicing companies to step up their efforts to modify troubled loans under its housing-rescue program, the latest sign of frustration with the pace at which mortgage companies are reworking troubled loans."

Wall Street Journal: "Big Companies Go to Washington to Fight Regulations on Fancy Derivatives ... Any doubt about how broadly U.S. corporations rely on fancy financial instruments vanishes with a look at who's lobbying Congress to forestall tougher regulation.'

Washington Post: "Fed Role Protecting Consumers Debated ... Some economists with ties to the Federal Reserve are recommending that the central bank be stripped of its powers to protect consumers, in contrast to the positions of Chairman Ben S. Bernanke and other Fed leaders."

USA Today: "New beginning: A smaller, leaner GM ... General Motors' marriage to the U.S. government was sealed Friday, according to the Associated Press, and although the assets being sold out of bankruptcy court will create a "New GM," a lot will stay the same."

USA Today: "Commercial real estate woes grow as delinquency rates soar ... Owners of shopping malls, hotels and offices are defaulting on their loans at an alarming rate, and the commercial real estate market is not expected to hit bottom for three more years, industry experts warned Thursday."

USA Today: "With assets less toxic, banks have other troubles ... The bundles of bad home mortgages that panicked the Bush and Obama administrations have turned out to be not so toxic for the financial industry after all."

USA Today: "Banks cut borrowing from Fed, sign credit stress may be easing ... Banks trimmed borrowing from the Federal Reserve's emergency lending facility over the past week and cut back on other programs designed to ease the financial crisis, promising signs that some credit problems are easing."

New York Times: "A.I.G. Seeks U.S. Support for Bonuses ... Seeking to avoid the public furor that erupted last spring, the American International Group has been quietly seeking approval from the new federal compensation czar to pay a total of \$2.4 million dollars in bonuses to dozens of its senior executives."

New York Times: "Two Authorities on Fed Advise Congress Against Expanding Its Power ... Two economists with longstanding ties to the Federal Reserve warned Congress on Thursday that it would be a mistake to make the Fed a super-regulator in charge of reining in "systemic risk" and financial institutions considered "too big to fail."

New York Times, Editorial: "Questions for the Treasury Secretary ... Treasury Secretary Timothy Geithner is set to appear in Congress on Friday to explain and defend the Obama administration's proposal to regulate derivatives, the multitrillion-dollar market that was a major catalyst of the banking crisis and, by extension, the current recession."

Reuters: "Treasury sold warrants below market value ... The U.S. Treasury Department allowed 11 smaller banks to repurchase stock warrants at only 66 percent of their market value, passing up about \$10 million of taxpayer profits from government bailouts, a U.S. watchdog panel said on Friday."

Bloomberg: "FDIC Said to Withhold CIT Debt Guarantees Due to Credit Risk ... The Federal Deposit Insurance Corp. is unwilling to guarantee CIT Group Inc.'s bond sales because the commercial lender's credit quality is worsening, according to people familiar with the regulator's thinking."

Bloomberg: "Geithner Seeks 'Difficult-to-Evade' Derivatives Laws ... U.S. Treasury Secretary Timothy Geithner is urging Congress to rein in the \$592 trillion derivatives market with new laws that are "difficult to evade."