
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 7.15.2009

Wall Street Journal: "With Fresh Verve, J.P. Morgan Fights Proposed Limits ... J.P. Morgan Chase & Co., freed from the government's strictures after repaying \$25 billion in federal money, is back to playing hardball. The bank's tougher stands include stepping up its opposition to the government's proposed legislation on derivatives and telling the Treasury Department it is fed up with haggling over the value of warrants that the government holds in J.P. Morgan. The bank also is talking tough with clients and taking market share and top performers from competitors."

Wall Street Journal: "Regulators Near Deal on Package to Save CIT ... CIT Group Inc. and federal regulators were working to iron out details of an aid package Tuesday night after customers drained hundreds of millions of dollars from the lender, according to people familiar with the matter."

Wall Street Journal: "U.S. Tightens Its Derivatives Vise ... The Justice Department's investigation into credit-default swaps is homing in on the role of Markit Group Holdings Ltd. and its ownership by a group of banks that control a large amount of pricing information in the \$26 trillion market."

Wall Street Journal: "BlackRock's Fed Fees: \$42 Million ... Money-management firm BlackRock Inc. is set to earn tens of millions of dollars for managing assets that once belonged to Bear Stearns Cos. and American International Group Inc."

Wall Street Journal, Editorial: "A Tale of Two Bailouts ... Yesterday saw one TARP recipient, Goldman Sachs, report \$3.44 billion in profits even as another, CIT, teeters on the edge of either bankruptcy or another taxpayer bailout. Which way CIT will tip remained unclear as we went to press, but its very plight shows how the government's approach to systemic risk has created groups of financial "haves" and "have nots."

Wall Street Journal, Kessler: "The Bernanke Market ... Just about every policy move to right the U.S. economy after the subprime sinking of the banking system has been a bust. We saved Bear Stearns. We let Lehman Brothers go. We forced Merrill Lynch, Wachovia and Washington Mutual into the hands of others. We took control of Fannie and Freddie and AIG and even own a few car companies, pumping them with high-test transfusions. None of this really helped."

New York Times: "Calpers Sues Over Ratings of Securities ... The nation's largest public pension fund has filed suit in California state court in connection with \$1 billion in losses that it says were caused by "wildly inaccurate" credit ratings from the three leading ratings agencies."

New York Times: "Mortgages Are Now a Bank's Best Friend ... Even as banks remain cautious about lending and millions of borrowers still risk losing their homes, the mortgage business is returning as one of the most lucrative corners of the financial industry."

New York Times: "In Wake of Madoff, S.E.C. Head Says Agency Will Do More to Protect Investors ... House lawmakers voiced approval Tuesday for recent changes at the Securities and Exchange Commission following the Madoff scandal, but some Republicans chafed at new proposed regulations."

Washington Post: "Aid for Auto Dealers Gains Traction on Hill ... Now that the Obama administration has spent billions of dollars on the bailouts of General Motors and Chrysler, Congress is considering making its first major management decision at the automakers."

Washington Post: "SEC Upsets Some as It Tries to Sharpen Teeth ... The Securities and Exchange Commission has begun moving far faster to stop financial scams and open investigations into potential wrongdoing than in the past, according to agency data, adopting an aggressive posture after it was sharply criticized about its oversight of Wall Street and failure to uncover Bernard Madoff's massive fraud."

Washington Post, Meyerson: "Whiz Kids, Wall Street Division ... If there's an analogous figure to McNamara in this mess, then, it's probably Rubin -- socially liberal, like McNamara; concerned with the world's poor, like McNamara; architect, like McNamara, of a system perfected by the best minds of his time, a system that should have worked but that failed catastrophically."

USA Today: "Minnesota lawsuit claims credit card arbitration firm has ties to industry ... In a move that could reverberate through the credit card industry, the Minnesota attorney general on Tuesday sued the National Arbitration Forum, charging that the dispute-resolution company engaged in "deceptive practices" in hiding its ties to the debt-collection and banking industry."

USA Today: "Chrysler Financial pays the \$1.5B it owed in TARP loans ... Chrysler Financial, the former financing arm of automaker Chrysler, said Tuesday that it has repaid in full its \$1.5 billion in government loans."

Washington Times, Ford & Todd: "More secret than sensible ... The Fed's activities need to be more transparent. This could be accomplished at least in part by requiring the Fed to use the same Generally Accepted Accounting Principles (GAAP) used by commercial banks and other private companies."

Los Angeles Times: "U.S. toxic asset plan draws criticism ... The Obama administration is moving forward with its financing program to take the complex securities off banks' balance sheets, but critics say there is no need for it now."

Reuters: "Obama mulls rental option for some homeowners-sources ... U.S. government officials are weighing a plan that would let borrowers who have fallen behind on their mortgage payments avoid eviction by renting their homes instead, sources familiar with the administration's thinking said on Tuesday."

Bloomberg: "Barney Frank, Chris Dodd Do Banking Back Flip ... Congress can't make up its mind. First, legislators pushed to let banks take a rosy view of the value of some hard-hit holdings. Now, two key committee chairmen claim banks aren't being realistic enough about the values of some loans."

Politico: "Consumer groups ready for fight on new agency ... As Congress works toward rewriting the nation's financial rules, one of the biggest battles is over the administration's proposal to create a new agency dedicated to protecting consumers from shoddy financial products and practices."

Politico: "Why is Steve Rattner resigning from White House auto czar post? ... In Washington, people's antennae go up whenever a public official says he is resigning to spend "more time with my family." That's usually a polite veneer for some other motivation, whether it's a scandal, burnout or office politics."