
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 7.23.2009

Wall Street Journal: "Obama Proposes New Transaction Fees for Financial Firms' Riskiest Investments ... President Barack Obama said for the first time that the government might assess new fees against financial companies engaging in what he labeled "far-out transactions," in order to protect taxpayers from future bailouts."

Wall Street Journal: "Bad Loans Still Haunt Banks ... Banks are doing some things right, like borrowing money at a low rate, lending it at a higher one and pocketing the difference. But that isn't enough to overcome a relentless rise in troubled loans to cash-strapped consumers and struggling businesses, as results from four big U.S. banks showed Wednesday."

Wall Street Journal: "S&P Shift on Ratings Unsettles Investors ... A surprise ratings flip-flop by Standard & Poor's cast a cloud of uncertainty over the \$700 billion market for commercial mortgage-backed securities and further tarnished the ratings firm's credibility."

Wall Street Journal, Posner: "Treating Financial Consumers as Consenting Adults ... The agency would have regulatory authority over retail financial products such as mortgages and credit cards, with the aim, the bill says, of ensuring that consumers "have, understand, and can use the information they need to make responsible decisions." But the agency will go beyond the conventional consumer-protection function of providing information. It also will design "standard" consumer financial products that will contain whatever "features or terms [are] defined by the Agency for the product or service."

New York Times: "Bernanke Tells Senate New Agency Isn't Needed ... Ben S. Bernanke, the chairman of the Federal Reserve, put himself at odds with the Obama administration on Wednesday by resisting its plan to create a consumer protection agency for risky financial products."

New York Times: "Government Takes Over Delphi's Pensions ... The federal government said Wednesday that it would take over the pension plans of the Delphi Corporation at a cost of \$6.2 billion, after years of demanding that the assets of the company and its former corporate parent, General Motors, be used instead."

New York Times, Editorial: "CIT on the Verge ... A funny thing happened last week. After the government refused a second bailout for the CIT Group - the ailing lender to small and midsize businesses - CIT's bondholders realized how much they could lose if the firm filed for bankruptcy and agreed to provide \$3 billion in emergency financing. The agreement, finalized Monday night, averted what would have been the fifth-largest bankruptcy filing in the history of corporate America."

USA Today: "SEC backs plan to curb investment firms' donations ... Private investment advisers and their firms would face new restrictions on campaign contributions to public pension fund officials under a proposed federal crackdown that won provisional approval Wednesday."

Los Angeles Times: "Should bailouts turn more profit for taxpayers? ... Goldman Sachs repaid its TARP debt with interest, but the Obama administration lost money in deals with other banks."

Washington Times: "GOP seeks bailout limits ... House Republicans plan to introduce legislation Thursday that calls for sweeping regulatory reforms of the financial services industry that would make it more difficult for institutions to receive federal bailout money."

Reuters: "Chrysler says dealer legislation could force liquidation ... Chrysler Group could again face the prospect of liquidation if legislation aimed at reversing its decision to terminate contracts with 789 dealers becomes law, a company executive said on Wednesday."

Bloomberg: "FDIC's Bair Asks Congress to Create Fund to Wind Up Large Firms ... Federal Deposit Insurance Corp. Chairman Sheila Bair urged U.S. lawmakers to impose fees on the nation's largest financial firms to keep the government from having to prop up companies deemed too large to fail."

The Hill: "GOP to propose alternative financial overhaul ... House Republicans plan to unveil on Thursday their answer to Democratic efforts to overhaul the financial regulatory system."

The Hill, Spencer Bachus: "GOP alternative to Dem reform bill ... The collapse of the housing and mortgage markets, which led to the worst financial market meltdown in U.S. history, has shown that our 1930s-era regulatory system is not up to the task of monitoring the safety and soundness of the complex financial firms of the 21st century. We need comprehensive regulatory reform to restore market discipline, reduce incentives to take excessive, imprudent and systemically significant risks, and protect consumers from abusive lending practices."