

FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 7.27.2009

Wall Street Journal: "Loans Shrink as Fear Lingers ... Lending continues to slow as bankers and borrowers refrain from taking risks, in a bearish sign for the economy."

Wall Street Journal: "U.S. Pay Czar to Rework Contracts Deemed High ... The U.S. pay czar, now preparing to vet the compensation at businesses receiving major federal aid, will push to renegotiate contracts that he views as excessive or seek other ways to reduce overall outlays, said people familiar with the matter."

Wall Street Journal: "Banks Profit From U.S. Guarantee ... The government's guarantee since November on new debt issued by financial firms such as Citigroup Inc. and General Electric Co. will save those companies about \$24 billion in borrowing costs during the next three years, according to an analysis by The Wall Street Journal."

Wall Street Journal: "In a Flash, Schumer Warns SEC ... Sen. Charles Schumer (D., N.Y.) told the Securities and Exchange Commission that he will move to limit "flash" orders for stocks if the agency takes no action against them."

New York Times: "Forget Aloof, Bernanke Goes Barnstorming ... Ben S. Bernanke, the chairman of the Federal Reserve, is on a publicity campaign with a message: the central bank is here to help, and it is not as mysterious or menacing as people might think."

New York Times, Roubini: "The Great Preventer ... Mr. Bernanke deserves to be reappointed. Both the conventional and unconventional decisions made by this scholar of the Great Depression prevented the Great Recession of 2008-2009 from turning into the Great Depression 2.0."

New York Times, Schwartz: "Man Without a Plan ... AS Federal Reserve chairman, Ben Bernanke has committed serious sins of commission and omission - and for those many sins, he does not deserve reappointment."

Washington Post, Wilmers: "Where The Crisis Came From ... At the heart of the financial crisis lie the complex, opaque derivative securities created not by traditional Main Street banks but by Wall Street, and with the passive complicity of regulators."

USA Today: "Bernanke had to 'hold his nose' over bailouts ... Federal Reserve Chairman Ben Bernanke said Sunday that he had to "hold my nose" over last year's taxpayer-financed bailouts of big financial companies but argued that the action had to be taken to avoid a major meltdown of the U.S. financial system and the broader economy."

USA Today: "Geithner, Bernanke at odds over who should protect consumers ... Treasury Secretary Timothy Geithner and Federal Reserve Chairman Ben Bernanke staked out opposing sides Friday in a turf war over who should protect Americans from shady mortgage lending, abusive credit card fees, payday loans and other high-cost or risky financial products."

Washington Times, Tella: "A compromise on auditing the Fed? ... The Transparency Act of 2009 (H.R. 1207), a bill originated by Rep. Ron Paul, Texas Republican, that mandates Government Accountability Office (GAO) audits of the

Federal Reserve, has the support of more than half the members of the House of Representatives. In one sense, it's almost comical. The insinuation that Federal Reserve Board Chairman Ben S. Bernanke is against openness is like saying Popeye is against spinach."

Forbes, Tamney: "The Bank That Bailed Out Itself ... Not too long ago, it was broadly assumed that mid-level lender CIT Group would go bankrupt. With its executives having staked the firm's survival on receipt of a federal loan, the FDIC's refusal to agree on a rescue package apparently spelled its doom. But as often happens when individuals stare demise in the face, creativity is the result. In CIT's case, its creditors didn't want to risk the vagaries of bankruptcy court, while its executives probably saw a greater likelihood of unemployment if they left the firm's fate in the hands of a judge."

The Hill: "Frank eyes Friday for executive compensation vote ... House lawmakers next week plan to cast their first votes on President Obama's overhaul of the financial regulatory system by taking up new restrictions on executive pay practices."