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## FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 7.30.2009

Wall Street Journal: "Senate Probes Banks for Meltdown Fraud ... A Senate panel has subpoenaed financial institutions, including Goldman Sachs Group Inc. and Deutsche Bank AG, seeking evidence of fraud in last year's mortgage-market meltdown, according to people familiar with the situation."

Wall Street Journal: "FDIC Poised to Split Banks to Lure Buyers ... The Federal Deposit Insurance Corp., grappling with the worst banking crisis since the 1990s, is poised to start breaking failed financial institutions into good and bad pieces in an effort to drum up more interest from prospective buyers."

Wall Street Journal: "Credit Thaw Is Spurring Appetite for Bank IOUs ... Investors have developed a voracious demand for short-term debt issued by U.S. and European banks, and an important global lending benchmark has fallen to an all-time low -- welcome signs that bank credit markets have improved."

Wall Street Journal: "Derivatives Plan Is Expected ... Two key House Democrats reached a broad agreement on regulating derivatives and are weighing a ban on speculators in certain types of trades, a proposal that is raising hackles on Wall Street."

Wall Street Journal, Luskin: "Can the Fed Identify Bubbles Before They Happen? ... President Barack Obama proposed last month that the Fed act as an overall "systemic risk" regulator, with consolidated supervisory responsibility over "large, interconnected firms whose failure could threaten the stability of the system." Now William C. Dudley, the ex-Goldman Sachs economist just appointed president of the New York Federal Reserve, has upped the ante. He thinks the Fed should be responsible for identifying and preventing asset-price bubbles. Considering that the Fed's track record reveals more skill at causing bubbles than preventing them, this is a very dangerous idea."

New York Times: "American Express Buys Back Treasury Warrants ... The American Express Company paid the Treasury Department \$340 million Wednesday to redeem warrants to buy its stock, allowing it to fully escape the government's bank bailout program."

New York Times: "Lucrative Fees May Deter Efforts to Alter Troubled Loans ... This week, the Obama administration summoned mortgage company executives to Washington to demand they move faster to lower payments for homeowners sliding toward foreclosure. Treasury officials called on the companies to hire and train more people quickly to field applications for relief."

Washington Post: "Oil Speculation Limits Weighed ... Federal regulators moved closer on Tuesday to issuing new rules to limit oil speculation, addressing concerns that Wall Street firms may have manipulated the price of oil through financial trading."

Washington Post: "Housing Market Teeters Between Recovery, Relapse ... The battered housing market appears to be on the mend, with sales climbing nationally and prices leveling off, even rising in some spots."

Washington Post, Carter: "Profits We Should Cheer ... To the country, profit is a benefit. Record profit means record taxes paid. But put that aside. When profits are high, firms are able to reinvest, expand and hire. And profits accrue to the benefit of those who own stocks: overwhelmingly, pension funds and mutual funds. In other words, high corporate profits today signal better retirements tomorrow."

USA Today: "Oil and gas traders fight curbs on futures speculation ... Financial firms that play a dominant role in the energy futures market brought their case against broad limits on speculative trading to federal regulators Wednesday."

Los Angeles Times: "Federal Reserve finds signs of economic stabilization in some regions ... The so-called beige book survey of business conditions across the country offers a brighter assessment than a previous report."

The Hill: "Government watchdogs fear bill undermines them ... Five government watchdogs over the financial system are fighting back against legislation speeding through Congress that they say would politicize their work and undermine their investigative authority."