

BankBCLP

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BERNANKE TO HOLD REGULAR PRESS BRIEFINGS

On Thursday, the Federal Reserve announced that Chairman Ben Bernanke will begin holding press briefings four times per year to present the Federal Open Market Committee's current economic projections. In 2011, the Chairman's briefings will be held on April 27, June 22 and November 2.

FED REJECTS BANK OF AMERICA DIVIDEND INCREASE

On Wednesday, Bank of America announced that the Federal Reserve had vetoed its plans for a dividend increase in the second half of 2011. Bank of America did not disclose the central bank's reason for rejecting the dividend proposal, and the Fed declined to comment on how individual institutions fared in its latest round of examinations. The Bank said it had originally submitted its dividend proposal to the Fed in January, and it now intends to submit a revamped dividend proposal at a later date.

TREASURY DEPARTMENT OPPOSES TAX REPATRIATION HOLIDAY

On Wednesday, Michael Mundaca, the Assistant Treasury Secretary for Tax Policy, announced that he opposed proposals to give corporations a tax holiday on their overseas profits. Mundaca pointed to an earlier assessment from the Joint Committee on Taxation that estimated the tax holiday would cost billions, rather than raise revenue as proponents have argued. He added that a second holiday might even weigh even more heavily on revenue, by encouraging multinationals to shift even more profits overseas. The federal government currently taxes businesses up to 35 percent on overseas earnings. Win America, a coalition of multinational corporations including Apple, Google, Microsoft and Pfizer, argues that a temporary tax holiday would allow businesses to invest an estimated \$1 trillion in America, creating jobs in the process.

TREASURY ANNOUNCES MORTGAGE-BACKED SECURITIES SALE

On Monday, the Treasury Department announced that it will begin to sell its portfolio of \$142 billion in agency-guaranteed mortgage-backed securities (MBSs) amassed during the financial crisis. Starting this month, the department plans to sell up to \$10 billion in MBSs per month subject to market conditions. The sales are expected to generate a profit for taxpayers of \$15 billion to \$20 billion. The Fed currently holds just under \$945 billion of MBSs on its balance sheet.

More Information

If you have any questions regarding any of these issues, please contact:

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