

Washington's Consumer Financial Protection Bureau (CFPB). Donald's Interim Appointee Wants to Abolish It?

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Created in the wake of the 2008-09 financial crisis, the CFPB has been more bark than bite.

In September 2010, Obama appointed Elizabeth Warren (current US senator) as Assistant to the President and Special Advisor to the Secretary of the Treasury on the Consumer Financial Protection Bureau (CFPB) to set up the new agency.

In July 2011, when it began operating, she was passed over for Richard Cordray as its first director, formerly Ohio's attorney general – an establishment figure like Warren, neither a reformer or people's advocate, Leandra English his deputy.

On November 24, Cordray stepped down, naming English his successor. Trump named hardline budget director Mick Mulvaney as acting CFPB director until a permanent appointment is made and confirmed – a legal clash underway over who's rightfully in charge of the agency.

Dodd-Frank legislation (2010) created the CFPB, clearly saying its deputy director (currently English) shall “serve as acting director in the absence or unavailability of the director.”

Yet the Federal Vacancies Reform Act (FVRA) lets the president install a temporary acting head of an executive agency, already confirmed by the Senate for another administration position – adding the following:

FVRA lets the president appoint an acting head of an agency “unless (1) a statutory provision expressly...(B) designates an officer or employee to perform the functions and duties of a specified office temporarily in an acting capacity...” Dodd-Frank clearly says so for the CFPB.

English filed a lawsuit, saying she's the “rightful acting director,” calling Mulvaney's temporary appointment “unlawful.” She has a strong case, challenging the administration and a politicized court, maybe ruling against her.

The US District Court for the District of Columbia will decide, its ruling likely to be appealed whichever way it goes, perhaps to the Supreme Court.

Mulvaney has no qualifications for the CFPB position. He once called the agency a “sad, sick joke,” wanting it abolished.

English has the experience and skill to lead the agency – despite its inability to provide much consumer protection in a hostile Washington anti-consumer environment – in the White House and Congress under either party, undemocratic Dems marginally different from Republicans.

From inception under Obama, the CFBP was largely toothless. Nominally charged with overseeing banking practices with regard to credit cards, mortgages, payday loans, student loans, and other consumer financial products, it provides consumer-friendly cover for ineffective Dodd-Frank legislation.

Neither the legislation or CFPB did anything meaningful to curtail Wall Street practices responsible for 2008-09 financial crisis conditions. Things today are worse than earlier.

Warren is no consumer rights champion. She did nothing to urge prosecution of Wall Street crooks. Nor did Cordray. As deputy director, English is untested.

On November 25, National Consumer Law Center’s Lauren Sanders issued a statement on Mulvaney’s interim appointment, calling it “an illegal affront to the American public,” adding:

“In an attempt to install a wrecking ball at the helm of the consumer watchdog, President Trump has ignored the law that dictates that the consumer bureau’s deputy director takes over until Congress can confirm a new director.”

“The law is designed to protect the consumer bureau’s independence and to make sure that the qualifications and biases of a new director are examined through the regular confirmation and hearing process.”

Since inception, the CFPB’s mandate and practices have been world’s apart. Wall Street does what it pleases with bipartisan support.

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My newest book as editor and contributor is titled “Flashpoint in Ukraine: How the US Drive for Hegemony Risks WW III.”

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