



Consumer Federation of America

July 15, 2013

Dear Senator,

We write to urge you to confirm Richard Cordray to a full term as director of the Consumer Financial Protection Bureau (CFPB).

Since Director Cordray's recess appointment in January 2012, he and the CFPB have demonstrated an unprecedented commitment to creating a market for financial products that is fair, transparent and accountable to consumers and to Congress. We urge you to support an up or down vote on Director Cordray's re-nomination and to vote to confirm him as the director of the Consumer Financial Protection Bureau for a full term.

Director Cordray is well qualified and the CFPB has been widely praised for ensuring a level playing field for consumers in the financial marketplace

Under Director Cordray's leadership, since his recess appointment in January 2012, the CFPB has carried out a deliberate, transparent and fully accountable effort to ensure that consumers are treated fairly in the financial marketplace. The CFPB listened to consumers and the financial industry and responded to expand credit card eligibility for consumers that rely on a spouse's income. The Bureau also adopted a Qualified Mortgage definition that will take steps to ensure that mortgages are made based on a reasonable ability to repay and took steps to protect consumers from abuse during the foreclosure process. During these and other actions taken during the last year, both Director Cordray and the CFPB have received praise from consumer and community groups, as well as from bank and financial industry leaders, who have commented on the Bureau's balanced and responsible approach.

Confirming Director Cordray prevents unnecessary uncertainty in the financial marketplace

The failure to confirm a Consumer Financial Protection Bureau director will leave the important oversight of the consumer financial marketplace operating with a severe handicap, and would put consumers and the financial system at unnecessary risk, and dealing with lingering uncertainty that would undermine the important protections Congress has already mandated in law. When the CFPB was created, it was charged with ensuring that consumers were protected from financial abuses regardless of where they lived or what type of company they chose for their credit and financial services needs. It was also charged with leveling the playing field in the financial services market and ensuring that financial institutions that offered safe and sustainable products and services were not placed at a competitive disadvantage.

The Bureau has begun this task in a careful, deliberate and transparent way and regularly seeks the advice and guidance of the financial services industry as well as consumers. The actions that the Bureau has taken under Director Cordray's leadership have been widely viewed as thoughtful, measured responses to the very significant problems that challenged the stability of our financial system during the run up to the financial crisis and the years that followed. Confirming a CFPB director is needed to make sure that the

Bureau's work to date is not compromised and that consumers can make decisions about their financial future knowing that consistent and predictable safeguards are in place.

Conditioning Director Cordray's re-nomination on changes to the structure and funding puts consumers at risk

Proposals to alter the CFPB's leadership structure and funding are unnecessary and are inconsistent with the structure and funding of the Comptroller of the Currency (OCC), the regulator charged with ensuring the safety and soundness of many of the largest banks. Holding a straightforward process like approving a well-qualified Director hostage to the reversal of legislative decisions already made and ratified by both Houses of Congress is inappropriate and sets a regrettable precedent.

Like the OCC, the CFPB was designed as an independent agency, with a single director accountable to Congress and consumers. Like the OCC and every other prudential regulator, the CFPB has a budget that is independent of the appropriations process. Independent funding has been critical to insulating federal banking regulators from efforts to curtail their ability to protect financial institutions from undue risk and reckless practices. There has been no persuasive argument why an agency devoted to protecting consumers should be organized any differently than one devoted to protecting the safety and soundness of financial institutions. Moreover, the place for such arguments is in authorizing legislation, not in the process of approving a Director under the terms and conditions already adopted in law.

The CFPB is subject to considerable oversight. The CFPB director provides regular updates to Congress on its activities. Unlike any other banking regulator, its budget is subject to a cap based on a percentage of the budget of the Federal Reserve and its actions are subject to review and possible veto by the Financial Stability Oversight Council.

We urge you to move forward with an up-or-down vote on Richard Cordray's re-nomination as director of the Consumer Financial Protection Bureau and to vote to confirm him for a full term.

Please contact Rachel Weintraub at the Consumer Federation of America, at rweintraub@consumerfed.org or (202) 939-1012 to discuss further.

Sincerely,

Rachel Weintraub
Legislative Director and Senior Counsel
Consumer Federation of America