

September 2, 2011

**Move Quickly to Confirm Former Ohio Attorney General Richard Cordray as
Director of the Consumer Financial Protection Bureau**

The Honorable Tim Johnson
Chairman
Senate Committee on Banking, Housing and
Urban Affairs
Washington, DC 20510

The Honorable Richard Shelby
Ranking Member
Senate Committee on Banking,
Housing and Urban Affairs
Washington, DC 20510

Dear Chairman Johnson and Ranking Member Shelby,

We are writing to urge you to move swiftly to confirm Mr. Richard Cordray as director of the Consumer Financial Protection Bureau. The bureau has been operating since July 21, but cannot use its full authority to ensure that markets for consumer financial products and services work for all Americans – whether they are applying for a mortgage, choosing among credit cards or using any number of other consumer financial products.

Mr. Cordray, a former Ohio Attorney General, has a well-deserved reputation as a tough but fair consumer advocate who has the honesty and intelligence to protect everyday Americans. As attorney general, Mr. Cordray demonstrated his knowledge of the financial services world as well as his ability to take on financial giants who misled consumers and put public employee and schools pension funds at risk. The companies he challenged successfully include Bank of America and American International Group (AIG). He also took on the major securities ratings agencies. Mr. Cordray recovered more than \$2 billion for Ohio retirees, investors and business owners and took major steps to help protect consumers from fraudulent foreclosures and financial predators.

Not surprisingly, Mr. Cordray has attracted the support of 30 Ohio sheriffs in his bid to become the Bureau's director. The group sent a letter to the Senate Committee on Banking, Housing and Urban Affairs noting Mr. Cordray had earned the respect of Ohio's law enforcement community because of his "numerous efforts to combat consumer fraud." His ability to work with individuals or groups across the ideological spectrum has been well documented.

Mike Van Buskirk, president of the Ohio Bankers League, said Mr. Cordray has been committed to consumer protection and wrote a letter to the Committee in support of Mr. Cordray's nomination. "He's very bright and cares about consumers and can be aggressive when he thinks he needs to be," said Van Buskirk during a Los Angeles Times interview. "Any ethical financial institution always had access (to him) and he listened to them." Mr. Cordray's nomination also drew a letter of support from a group of Ohio business leaders – American Electric Power Chairman Michael G. Morris, retired Procter

& Gamble CEO John E. Pepper Jr., Limited Brands Chairman Leslie H. Wexner and Forest City Enterprises Co-chairman emeritus Albert B. Ratner.

If Mr. Cordray's commitment to protect consumers had prevailed among our federal regulators, deceptive and abusive mortgage lending, fair lending violations, payday loans and a host of other toxic products and practices could have been held in check and we could have prevented our nation's worst financial crisis since the Great Depression. The Center for Responsible Lending reports that homeowners in communities of color also would not have lost an incredible level of wealth - \$194 billion and \$177 billion in African-American and Latino communities respectively – because of these unconscionable practices. The level of inequity in wealth between African-American, Latino and white Americans only worsened because of the housing market's collapse, according to the Pew Research Center.

Congress created the Consumer Financial Protection Bureau so we would have a “cop on the beat” with the duty to ensure fair play and make the public interest its top priority. It is in the public's best interest to have a financial marketplace that operates soundly and efficiently and provides quality products and services to consumers. It is clear now that America's financial marketplace preceding the collapse did not function in this manner. The Bureau and its director are accountable to the American people. As with any good agency, there is a strong system checks and balance.

The Dodd-Frank Wall-Street Reform and Consumer Protection Act placed additional limits on the Bureau's power by taking the unprecedented step of allowing a set of regulators - two-thirds of the members of the Financial Stability Oversight Council (FSOC) – to veto the Bureau's actions. Unlike other financial regulators, the Bureau has a budget ceiling written into law. The Bureau is also the only financial regulator that must comply with rulemaking procedures under the Regulatory Flexibility Act – a requirement that will add at least six months to an already detailed rulemaking process.

It's time to put consumers on an equal footing with Wall Street in this debate. We urge you to confirm Mr. Richard Cordray as the Consumer Financial Protection Bureau's first director.

Sincerely,

Bazelon Center for Mental Health Law
Lawyers' Committee for Civil Rights Under Law
Leadership Conference on Civil and Human Rights
NAACP
NAACP Legal Defense Fund
National Association of Consumer Advocates
National Coalition for Asian Pacific American Community Development
National Fair Housing Alliance
National Urban League
Poverty & Race Research Action Council