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AFR APPLAUDS 54 SENATORS FOR STANDING UP TO PRESSURE TO WEAKEN THE CFPB

In a letter to the President, fifty-four Senators today firmly rejected a minority effort to link confirmation of a director for the Consumer Financial Protection Bureau to a deal dramatically weakening the agency's authority and effectiveness.

Americans for Financial Reform applauds the Senators – first, for upholding the good work and crucial importance of this new agency, and second, for taking a clear stand against what the congressional scholar Thomas Mann has termed an act of modern-day nullification. A minority of Senators are threatening to use the filibuster and the confirmation process to undo one of the key provisions of a law they were unable to defeat through the normal and constitutionally prescribed channels.

Two weeks ago, President Obama announced his decision to nominate Richard Cordray to a full term as director, and 43 Senators (all but two of the Republicans in that body) responded by vowing to block confirmation unless and until they win major changes in the way the agency is funded and structured. They justified their demands with baseless claims about the director's "unaccountable" and "nearly unprecedented powers."

In fact, the Bureau's funding and governance arrangements, which the critics portray as aberrant, are fairly common, and were adopted by Congress for sound reasons. In practice, moreover, the Bureau has been notably open, transparent, and fair-minded. The Bureau's critics want it to be run by a board of commissioners instead of a single director, and to become the only bank regulator dependent on annual Congressional appropriations. Under the terms of the Dodd-Frank Act, which created the CFPB, it is funded through a capped percentage of the budget of the Federal Reserve Board, where the Bureau is housed. These changes, as the administrative law scholar Arthur Wilmarth explained in a [recent paper](#), would make it harder for the Bureau to reach decisions or stand up to industry pressure.