



**Americans for Financial Reform**  
1629 K St NW, 10th Floor, Washington, DC, 20006  
202.466.1885

July 11, 2013

**RE: Support for confirmation of Richard Cordray to full term as director of the CFPB**

Dear Senator,

We are writing to urge you to confirm Richard Cordray to a full term as director of the Consumer Financial Protection Bureau (CFPB). AFR is a coalition of more than 250 national, state, and local groups who have come together to advocate for a fairer and safer financial system. Members of AFR include consumer, civil rights, investor, retiree, community, labor, faith-based, and business groups along with academics and independent experts.

Director Cordray has clearly demonstrated that he is the right man for the job. His fitness for the post was apparent when he was first nominated, and his performance has only ratified that conclusion. Support for his re-nomination has come from far and wide. Consumer, community, civil rights, labor, senior, and small business and local government organizations have praised his work. Bank and financial industry leaders have also commended the Bureau for its openness, thoughtfulness, and balanced and responsible approach under his leadership. Director Cordray's swift confirmation is needed both to eliminate any uncertainty about the CFPB's authority and to enable the agency to deliver on its promise to "make markets for consumer financial products and services work for Americans."

In that context, we remain deeply troubled by the letter from 43 Senators declaring their refusal to consider – or even allow a vote to consider – any nominee to lead the Consumer Bureau unless it is dramatically weakened. This position amounts to an attempt by a minority in the Senate to overturn a bill passed by both the House and the Senate, signed into law by the President, and supported by large majorities of the American people, across lines of party and geography. If the signers follow through on their threat, they will be putting the economic security of American families at risk, introducing a damaging new element of uncertainty into the consumer finance markets, and subverting the democratic process.

The letter describes the CFPB director as having "nearly unprecedented powers." We are now about 18 months into the operation of the Bureau with a director at its head and that claim has no credibility. Independent funding is a feature of all the bank regulatory agencies; indeed the CFPB is the only such agency with a hard-cap limit on its funding. Arthur E. Wilmarth of George Washington University, one of the country's leading authorities on administrative law, points out that stable and independent funding is important because it makes it easier for agencies to resist industry pressure and to protect the public interest. The CFPB also shares its single-director structure with another crucial bank regulator, the Office of the Comptroller of the Currency (OCC). Agencies with three or five-member commissions, as the CFPB's critics advocate, often fall into partisan gridlock. And the CFPB already faces a number of serious checks on its power.

Its rules, unlike those of its peer agencies, can be vetoed by a committee of financial regulators known as the Financial Stability Oversight Council. The Bureau's operations are also subject to regular oversight by Congress. And it is the only bank regulator that must comply with an additional set of small-business regulatory review requirements.

The Bureau's current funding mechanism and structure are important to its functioning effectively to make the consumer financial markets fairer and more transparent. Moreover, it is particularly hard to see how even disagreeing with this well supported view justifies the extreme political brinksmanship of refusing to consider a well-qualified nominee in order to extract changes in the law. To follow through on this position in an effort to re-litigate policies that were debated and defeated in 2010 would hold hostage not just the CFPB director, but the future well-being of consumers, financial markets, and the economy.

While we believe there are good arguments that the CFPB can exercise its authority even without a director in place, there is debate about the extent of that authority. By indefinitely blocking confirmation, therefore, Senators would be creating significant uncertainty about the validity of the Bureau's actions and rules. This kind of uncertainty is harmful to consumers and industry alike. Consumers, already suffering from a near-depression caused by inadequate financial regulation, could suffer yet more harm. Financial companies that seek to follow the rules faithfully would be left at the mercy of unregulated, predatory competitors. The overall economy would be put at risk by an inability to take forceful action against abusive lending at a particularly vulnerable time.

The country needs a fully functioning CFPB to underpin a sustained and shared economic recovery. Unfair banking and lending practices helped bring on the financial crisis and the economic freefall that followed. Some of those practices are ongoing, including unfair payday loans that trap consumers in a cycle of debt; deceptive private student lending by schools that make hollow promises of jobs while saddling students with mountains of debt; and robo-calling by debt buyers in pursuit of money that is no longer (or never was) owed. Without a confirmed director, the CFPB's ability to address these and other serious problems remains in doubt.

To the extent that the greatest uncertainty over the CFPB's authority without a director concerns non-banks, blocking the Cordray nomination is particularly pernicious in creating an un-level playing field – to the benefit of payday lenders, debt collectors, credit reporting agencies, mortgage companies, and others. The strategy of the 43 Senators thus stands in the way of establishing fair rules of the road for all players, which ultimately will undermine good practices at community banks and larger depository institutions as well.

The focused mission of the CFPB is to protect consumers in the financial marketplace. The Bureau was created after it became evident that, without fair rules of the road, families were losing uncounted billions of dollars a year, and abusive practices were taking over crucial markets, from mortgages on down to credit cards, payday loans, and the other “last-dollar” providers who prey on consumers with no hope.

Under Director Cordray's leadership, the CFPB has proved to be an open and accessible agency that moves carefully to make markets work better, considering the views of industry players as well as consumers before it acts. We urge you to give top priority to the need to protect

consumers and the economy, eliminate uncertainty, and treat both banks and non-banks the same – and to vote to confirm Richard Cordray to a full term as director of the CFPB.

Sincerely,

**National Signatories:**

AFL-CIO

Alliance for a Just Society

Americans for Financial Reform

Asia Services in Action

Asian American Drug Abuse Program

Asian Pacific Policy & Planning Council

Campus Progress

Center for Asian Pacific American Women

Center for Digital Democracy

Center for Effective Government

Center for Responsible Lending

Chinese American Service League

Consumer Action

Consumer Federation of America

Consumer Watchdog

Consumer World

Consumers for Auto Reliability and Safety

Consumers Union

CourageCampaign.org

Demos

Green America

Hmong National Development

Home Defenders League

Housing Research & Advocacy Center

International Brotherhood of Teamsters

International Union, United Automobile, Aerospace & Agricultural Implement Workers of America, UAW

Main Street Alliance

Missionary Oblates USA

NAACP

National Association of Consumer Advocates

National Coalition for Asian Pacific American Community Development

National Community Reinvestment Coalition

National Consumer Law Center (on behalf of its low income clients)

National Consumers League

National Education Association

National Fair Housing Alliance

National Housing Law Project

National Peoples Action  
National Council of La Raza  
PICO National Network  
Public Citizen  
Rebuild the Dream  
SAFER (A Committee of Economists and other Experts for Stable, Accountable, Fair and Efficient Financial Reform)  
Sargent Shriver National Center on Poverty Law  
The Institute for College Access & Success and its Project on Student Debt  
The Leadership Conference on Civil and Human Rights  
U.S. PIRG  
United States Student Association  
University Neighborhood Housing Program  
USAction  
Young Invincibles

**State and Local Signatories:**

AAA Fair Credit Foundation (Salt Lake City, UT)  
Alabama Appleseed  
Alabama Arise  
Alliance of Californians for Community Empowerment (ACCE)  
Arizona Community Action Association  
Arizona Consumers Council  
Arizona PIRG  
Arkansans Against Abusive Payday Lending  
Arkansas Community Organizations  
Arkansas Interfaith Alliance  
Asian Services in Action (Cleveland, OH)  
Bell Policy Center (Denver, CO)  
Beyond Housing  
Brooklyn Coop  
California PIRG  
California Reinvestment Coalition  
Capital Good Fund  
Caritas Counseling, LLC  
Center for Economic Integrity, Tucson AZ  
Center for NYC Neighborhoods.  
Chicago Consumer Coalition  
Citizen Action of Wisconsin  
Citizen Action/Illinois  
Civic Center Barrio Housing Corp.  
Coalition of Religious Communities (Utah)  
Coalition of Wisconsin Aging Groups (CWAG)

Colorado PIRG  
Communications Workers of America District 1  
Communications Workers of America District 1082  
Connecticut Association for Human Services  
Connecticut Fair Housing Center  
Connecticut PIRG  
Consumer Federation of California  
Consumer Federation of the Southeast  
Cypress Hills Local Development Corp.  
Democratic Processes Center, Tucson, Arizona  
Empire Justice Center (NY)  
Empowering and Strengthening Ohio's People (ESOP)  
Fair Housing Council of Central New York  
Florida Consumer Action Network  
Florida PIRG  
Georgia PIRG  
Georgia Rural Urban Summit  
Green America  
Greenlining Institute  
Grow Brooklyn  
Heartland Alliance for Human Needs & Human Rights  
Illinois Asset Building Group  
Illinois PIRG  
Iowa Citizen Action Network  
Iowa PIRG  
Kentucky Equal Justice Center  
Keystone Progress  
Long Island Housing Services, Inc.  
Maine People's Alliance  
Maryland Consumer Rights Coalition  
Maryland PIRG  
Mass Alliance Against Predatory Lending  
Mass. Assoc. of Community Development Corporations  
Massachusetts PIRG (MASSPIRG)  
Metropolitan Milwaukee Fair Housing Council  
MFY Legal Services, Inc  
Miami Valley Fair Housing Center in Dayton, Ohio  
Michigan Citizen Action  
Mission Economic Development Agency (MEDA)  
Missouri PIRG  
Missouri Progressive Vote Coalition  
Neighborhood Housing Services of Greater Cleveland  
New Economy Project (formerly NEDAP)  
New Hampshire Citizens Alliance for Action

New Hampshire PIRG  
New Jersey Citizen Action  
New Jersey Communities United  
New Mexico PIRG  
Next Step (New Jersey)  
NJPIRG  
North Carolina Justice Center  
North Carolina PIRG  
Novadebt (New Jersey)  
NYPIRG  
Ohio PIRG  
Ohio Poverty Law Center  
Oregon Action  
Oregon State PIRG (OSPIRG)  
Pennsylvania PIRG  
Philadelphia Unemployment Project  
PIRG in Michigan (PIRGIM)  
Pratt Area Community Council  
Progressive Maryland  
ProgressOhio  
Public Justice Center (Baltimore, MD)  
Reinvestment Partners, Durham, North Carolina  
Rhode Island PIRG  
Rural Community Assistance Corporation  
Privacy Times  
Southeast Asia Resource Action Center  
Tennessee Citizen Action  
Texas PIRG  
The Affordable Homes Group  
The Arkansas Interfaith Committee for Worker Justice  
The Delaware Community Reinvestment Action Council, Inc  
Toledo Fair Housing Center  
United Action for Idaho  
United Church of Christ Justice and Witness Ministries  
UW Law School Consumer Law Clinic  
Vermont PIRG (VPIRG)  
Virginia Citizens Consumer Council  
Virginia Organizing  
Virginia Poverty Law Center  
Washington Community Action Network  
Washington PIRG  
West Virginia Citizen Action Group  
Western New York Law Center  
Wisconsin Partnership for Housing Development  
Wisconsin PIRG

## **Following are the partners of Americans for Financial Reform.**

*All the organizations support the overall principles of AFR and are working for an accountable, fair and secure financial system. Not all of these organizations work on all of the issues covered by the coalition or have signed on to every statement.*

- AARP
- A New Way Forward
- AFL-CIO
- AFSCME
- Alliance For Justice
- American Income Life Insurance
- American Sustainable Business Council
- Americans for Democratic Action, Inc
- Americans United for Change
- Campaign for America's Future
- Campaign Money
- Center for Digital Democracy
- Center for Economic and Policy Research
- Center for Economic Progress
- Center for Media and Democracy
- Center for Responsible Lending
- Center for Justice and Democracy
- Center of Concern
- Center for Effective Government
- Change to Win
- Clean Yield Asset Management
- Coastal Enterprises Inc.
- Color of Change
- Common Cause
- Communications Workers of America
- Community Development Transportation Lending Services
- Consumer Action
- Consumer Association Council
- Consumers for Auto Safety and Reliability
- Consumer Federation of America

- Consumer Watchdog
- Consumers Union
- Corporation for Enterprise Development
- CREDO Mobile
- CTW Investment Group
- Demos
- Economic Policy Institute
- Essential Action
- Green America
- Greenlining Institute
- Good Business International
- HNMA Funding Company
- Home Actions
- Housing Counseling Services
- Home Defender's League
- Information Press
- Institute for Global Communications
- Institute for Policy Studies: Global Economy Project
- International Brotherhood of Teamsters
- Institute of Women's Policy Research
- Krull & Company
- Laborers' International Union of North America
- Lawyers' Committee for Civil Rights Under Law
- Main Street Alliance
- Move On
- NAACP
- NASCAT
- National Association of Consumer Advocates
- National Association of Neighborhoods
- National Community Reinvestment Coalition
- National Consumer Law Center (on behalf of its low-income clients)
- National Consumers League
- National Council of La Raza
- National Council of Women's Organizations
- National Fair Housing Alliance
- National Federation of Community Development Credit Unions
- National Housing Resource Center
- National Housing Trust
- National Housing Trust Community Development Fund
- National NeighborWorks Association
- National Nurses United
- National People's Action
- National Urban League
- Next Step
- OpenTheGovernment.org
- Opportunity Finance Network
- Partners for the Common Good
- PICO National Network

- Progress Now Action
- Progressive States Network
- Poverty and Race Research Action Council
- Public Citizen
- Sargent Shriver Center on Poverty Law
- SEIU
- State Voices
- Taxpayer's for Common Sense
- The Association for Housing and Neighborhood Development
- The Fuel Savers Club
- The Leadership Conference on Civil and Human Rights
- The Seminal
- TICAS
- U.S. Public Interest Research Group
- UNITE HERE
- United Food and Commercial Workers
- United States Student Association
- USAction
- Veris Wealth Partners
- Western States Center
- We the People Now
- Woodstock Institute
- World Privacy Forum
- UNET
- Union Plus
- Unitarian Universalist for a Just Economic Community

*List of State and Local Partners*

- Alaska PIRG
- Arizona PIRG
- Arizona Advocacy Network
- Arizonans For Responsible Lending
- Association for Neighborhood and Housing Development NY
- Audubon Partnership for Economic Development LDC, New York NY
- BAC Funding Consortium Inc., Miami FL
- Beech Capital Venture Corporation, Philadelphia PA
- California PIRG
- California Reinvestment Coalition
- Century Housing Corporation, Culver City CA
- CHANGER NY
- Chautauqua Home Rehabilitation and Improvement Corporation (NY)
- Chicago Community Loan Fund, Chicago IL
- Chicago Community Ventures, Chicago IL
- Chicago Consumer Coalition
- Citizen Potawatomi CDC, Shawnee OK
- Colorado PIRG
- Coalition on Homeless Housing in Ohio

- Community Capital Fund, Bridgeport CT
- Community Capital of Maryland, Baltimore MD
- Community Development Financial Institution of the Tohono O'odham Nation, Sells AZ
- Community Redevelopment Loan and Investment Fund, Atlanta GA
- Community Reinvestment Association of North Carolina
- Community Resource Group, Fayetteville A
- Connecticut PIRG
- Consumer Assistance Council
- Cooper Square Committee (NYC)
- Cooperative Fund of New England, Wilmington NC
- Corporacion de Desarrollo Economico de Ceiba, Ceiba PR
- Delta Foundation, Inc., Greenville MS
- Economic Opportunity Fund (EOF), Philadelphia PA
- Empire Justice Center NY
- Empowering and Strengthening Ohio's People (ESOP), Cleveland OH
- Enterprises, Inc., Berea KY
- Fair Housing Contact Service OH
- Federation of Appalachian Housing
- Fitness and Praise Youth Development, Inc., Baton Rouge LA
- Florida Consumer Action Network
- Florida PIRG
- Funding Partners for Housing Solutions, Ft. Collins CO
- Georgia PIRG
- Grow Iowa Foundation, Greenfield IA
- Homewise, Inc., Santa Fe NM
- Idaho Nevada CDFI, Pocatello ID
- Idaho Chapter, National Association of Social Workers
- Illinois PIRG
- Impact Capital, Seattle WA
- Indiana PIRG
- Iowa PIRG
- Iowa Citizens for Community Improvement
- JobStart Chautauqua, Inc., Mayville NY
- La Casa Federal Credit Union, Newark NJ
- Low Income Investment Fund, San Francisco CA
- Long Island Housing Services NY
- MaineStream Finance, Bangor ME
- Maryland PIRG
- Massachusetts Consumers' Coalition
- MASSPIRG
- Massachusetts Fair Housing Center
- Michigan PIRG
- Midland Community Development Corporation, Midland TX
- Midwest Minnesota Community Development Corporation, Detroit Lakes MN
- Mile High Community Loan Fund, Denver CO
- Missouri PIRG
- Mortgage Recovery Service Center of L.A.
- Montana Community Development Corporation, Missoula MT

- Montana PIRG
- Neighborhood Economic Development Advocacy Project
- New Hampshire PIRG
- New Jersey Community Capital, Trenton NJ
- New Jersey Citizen Action
- New Jersey PIRG
- New Mexico PIRG
- New York PIRG
- New York City Aids Housing Network
- New Yorkers for Responsible Lending
- NOAH Community Development Fund, Inc., Boston MA
- Nonprofit Finance Fund, New York NY
- Nonprofits Assistance Fund, Minneapolis M
- North Carolina PIRG
- Northside Community Development Fund, Pittsburgh PA
- Ohio Capital Corporation for Housing, Columbus OH
- Ohio PIRG
- OligarchyUSA
- Oregon State PIRG
- Our Oregon
- PennPIRG
- Piedmont Housing Alliance, Charlottesville VA
- Michigan PIRG
- Rocky Mountain Peace and Justice Center, CO
- Rhode Island PIRG
- Rural Community Assistance Corporation, West Sacramento CA
- Rural Organizing Project OR
- San Francisco Municipal Transportation Authority
- Seattle Economic Development Fund
- Community Capital Development
- TexPIRG
- The Fair Housing Council of Central New York
- The Loan Fund, Albuquerque NM
- Third Reconstruction Institute NC
- Vermont PIRG
- Village Capital Corporation, Cleveland OH
- Virginia Citizens Consumer Council
- Virginia Poverty Law Center
- War on Poverty - Florida
- WashPIRG
- Westchester Residential Opportunities Inc.
- Wigamig Owners Loan Fund, Inc., Lac du Flambeau WI
- WISPIRG

***Small Businesses***

- Blu
- Bowden-Gill Environmental

- Community MedPAC
- Diversified Environmental Planning
- Hayden & Craig, PLLC
- Mid City Animal Hospital, Phoenix AZ
- The Holographic Repatterning Institute at Austin
- UNET

