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Supreme Court's Decision in NLRB Case will Determine Constitutionality of Cordray's Appointment

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Washington, Jun 24 -

House Financial Services Committee Chairman Jeb Hensarling (R-TX) welcomed the United States Supreme Court's announcement on Monday of its decision to hear a case over the validity of President Obama's purported "recess appointments" of three individuals to the National Labor Relations Board (NLRB) on January 4, 2012. Because the President also attempted to install Richard Cordray as director of the Consumer Financial Protection Bureau (CFPB) on the same day and in the same manner, the Supreme Court's decision regarding the constitutionality of the NLRB appointments will effectively determine the constitutionality of Cordray's appointment as well.

"Today's announcement by the Supreme Court is welcome news for Americans seeking greater certainty in our struggling economy and greater accountability in Washington. In 2010, congressional Democrats and the Obama Administration bestowed upon the CFPB director the power to impact the availability and affordability of credit for every single American. This single unelected, unaccountable bureaucrat has the unprecedented power to decide what financial products and services will – and will not – be available to American consumers. No bureaucrat in Washington should have the power to deny a credit card to a hardworking single mother trying to put food on the table, a mortgage to a couple trying to buy their first home, or a car loan for a family. It should be up to individual consumers to determine whether a product is the right fit for their lifestyle and financial planning – not a Washington bureaucrat.

"The President's alleged 'recess' appointment of a CFPB director put actions by this agency under a cloud of uncertainty. The legal validity of any and all actions undertaken by the CFPB are now questionable.

"While I applaud the Supreme Court's decision to hear the Noel Canning case, there is more that can be done. Congress and the Administration should take this opportunity to make common sense reforms to the CFPB so it is transparent and accountable to the American people. The CFPB should be governed by a bipartisan commission – which is how other federal agencies charged with consumer or investor protection operate. And to ensure there is proper oversight of this massive bureaucracy, the CFPB should be subject to the same appropriations process as other agencies. The House passed similar legislation in the last session of Congress and our committee will once again advance a proposal to bring accountability and oversight to the CFPB."

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