

[Banking and Finance Law Daily Wrap Up, CONSUMER FINANCIAL PROTECTION BUREAU—Dem leaders to fight Cordray dismissal by Trump administration, \(Jan. 11, 2017\)](#)

Banking and Finance Law Daily Wrap Up

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By [Katalina M. Bianco, J.D.](#)

Financial Services Committee Democrats, led by Rep. Maxine Waters (D-Calif), said they will "strongly oppose any action towards removing" Consumer Financial Protection Bureau Director Richard Cordray from his position prior to the expiration of his term in July 2018. In a [letter](#) to President-elect Donald Trump, the legislators "demanded" that attempts to remove Cordray be denied.

The Democrats' letter comes on the heels of a letter by Republican Sens. Ben Sasse (R-Neb) and Mike Lee (R-Utah) urging Trump to "fire King Richard" as quickly as possible after the president-elect's inauguration (see [Banking and Finance Law Daily](#), Jan. 10, 2017).

"Any attempts to remove Director Cordray from his position are without historical precedent, and intended solely to distract the Director and the Bureau from its important work protecting servicemembers, students and other borrowers from financial predation," the lawmakers wrote. "Since the founding of our republic, no President has ever removed an independent agency head for cause. Indeed, 'for-cause removal' is an extraordinary remedy whose use must be subjected to enhanced congressional, judicial, and public scrutiny."

"We caution you not to engage in partisan litigation, particularly since it is likely to be unsuccessful and will needlessly divert government resources away from other important priorities."

Cordray accomplishments. The lawmakers noted in their letter that Cordray has "an impressive record of taking on special interests when they violate the law." They pointed out that "the CFPB has returned nearly \$12 billion to more than 27 million consumers harmed by illegal, predatory financial schemes." Further, the members argued, in the CFPB's five-year history, "it has brought more than 100 cases against financial firms ranging from fraudulent debt collectors to payday lenders trapping borrowers in a cycle of debt."

The committee Democrats stressed that the CFPB director has been sensitive to the needs of small and community financial institutions and also noted the steps Cordray has taken to address concerns about disparities among bureau employees. "In fact, the CFPB has become a leader among federal financial services agencies in addressing diversity within its ranks and correcting employment practices that could lead to biased outcomes."

"It's clear to us that Director Cordray has made significant strides in upholding our nation's consumer protection laws and managing the complicated issues of diversity and inclusion at his agency. He has done this despite repeated attempts by special interests to undermine, rollback, and limit his work and authority," the legislators concluded.

Brown statement. Senator Sherrod Brown (D-Ohio), Ranking Member of the Senate Banking, Housing, and Urban Affairs Committee, issued a [statement urging](#) Trump "to reject efforts by predatory lenders and their allies in Congress to gut protections for working Americans" by firing Cordray before his term expires.

"Firing Cordray and abolishing the consumer bureau so the special interests can get their \$12 billion back would shatter President-elect Trump's promise to hold Wall Street accountable and protect working people."

LegislativeActivity: CFPB CommunityDevelopment CrimesOffenses DebtCollection EnforcementActions Loans