

September 2, 2011

Former Ohio Attorney General Richard Cordray Is Well Qualified to Lead the Consumer Financial Protection Bureau and Deserves a Swift Confirmation

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,

On behalf of the nation's organizations dedicated to promoting fair housing and fair lending across our country, 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 Senate Committee on Banking, Housing and Urban Affairs 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 will be accountable to the American people. As with any good agency, there is a strong system of 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,

Arizona Fair Housing Center, Phoenix, AZ

Center for Fair Housing, Mobile, AL

Chicago Lawyers' Committee for Civil Rights Under Law, Inc, Chicago, IL

Chicago Area Fair Housing Alliance, Chicago, IL

Colorado Cross-Disability Coalition, Boulder, CO

Fair Housing Council of Central New York, Syracuse, NY
Fair Housing Center of Greater Boston, Boston, MA
Fair Housing Center of the Greater Palm Beaches, Latana, FL
Fair Housing Center of Metropolitan Detroit, Detroit, MI
Fair Housing Center of Nebraska and Iowa, Omaha, NE
Fair Housing Center of Northern Alabama, Birmingham, AL
Fair Housing Center of West Michigan, Grand Rapids, MI
Fair Housing Continuum, Melbourne, FL
Fair Housing Contact Service, Akron, OH
The Fair Housing Council of San Diego, San Diego, CA
Fair Housing Council of San Fernando Valley, Panorama, CA
Fair Housing of Marin, San Rafael, CA
Greater Houston Fair Housing Center, Houston, TX
HOPE Fair Housing Center, Wheaton, IL
Housing Opportunities Made Equal, Buffalo, NY
Housing Opportunities Made Equal of Virginia, Richmond, VA
Housing Opportunities Project for Excellence, Miami, FL
Housing Rights Center, Los Angeles, CA
Long Island Housing Services, Bohemia, NY
Massachusetts Fair Housing Center, Holyoke, MA
Metropolitan Milwaukee Fair Housing Council, Milwaukee, WI
Miami Valley Fair Housing Center, Dayton, OH.
National Fair Housing Alliance, Washington, DC
North Texas Fair Housing Center, Dallas, TX
Northwest Fair Housing Alliance, Spokane, WA
Office of Fair Housing & Consumer Affairs, Cleveland, OH
Oak Park Regional Housing Center, Oak Park, IL
South Suburban Housing Center, Homewood, IL
Tennessee Fair Housing Council, Nashville, TN
Toledo Fair Housing Center, Toledo, OH