

Hope Ahead for Curbing the CFPB

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By Eric Grover

Alex Pollock's "[Let's Put Checks and Balances on CFPB](#)" is spot on describing the enormous danger of a politically unchecked CFPB lording over consumer financial services, and what animates its champions. They believe the financial services industry is rapacious and untrustworthy, a great many of their countrymen are not fully competent to make their own ("the right") choices selecting consumer financial products, and unconstrained regulatory mandarins produce better outcomes than lightly regulated markets.

The bureau was given near plenary regulatory power and insulated from political accountability by being housed in and funded by the Fed because its creators did not want political checks on its power. Over time it will take an increasingly expansive view of its authority, hurting industry economics and curbing innovation and consumer choice.

Free markets where mutually consenting parties transact self-correct. Unfettered government, which the CFPB epitomizes, does not, and is profoundly dangerous and un-American, fundamentally at odds with the Founding Fathers' view of the role of the state and the citizenry.

However, there is a silver lining. President Obama's patently unconstitutional and political "recess" appointment when the Senate was in session of Richard Cordray as CFPB director will be legally challenged. Senate Majority Leader Harry Reid captures the political hypocrisy. He pioneered holding proforma sessions in 2007 to prevent Bush recess appointments. In 2008 Reid said "I had to keep the Senate in pro-forma session to block the Bradbury appointment. That necessarily meant no recess appointments could be made." Now with President Obama in the White House Reid is singing a different tune, supporting Cordray's "recess" appointment.

While the political optics of eliminating the Consumer Protection Bureau are difficult, if the GOP holds the House and captures the Senate and White House, its enormous powers could be circumscribed in 2013.

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