Dear Senator Kirk,

The undersigned groups ask that you support the confirmation of Richard Cordray as the Director of the Consumer Financial Protection Bureau. Over his tenure, Director Cordray has demonstrated a profound commitment to the needs of consumers as well as an ability to include a diverse range of stakeholders in the decision-making process. Delaying his confirmation because of political brinksmanship would harm consumers, introduce destructive uncertainty into the financial system, and allow predatory financial practices to flourish.

Illinois continues to suffer the effects of deceptive and predatory financial practices. Completed foreclosures in the Chicago area skyrocketed 73.8 percent from 2011 to 2012, and more than 142,000 residences in the region were vacant for more than one year. Particularly in our communities of color, the fallout of the predatory lending bubble translates into high concentrations of damaged credit, negative equity, and blighted neighborhoods. Illinois can’t afford to let these practices happen again.

Since its inception, the CFPB has already enacted reforms that curb the worst financial industry abuses and empower consumers to make better financial choices. It has created a consumer complaint database and hotline so consumers can submit issues about bank accounts, credit cards, mortgages, student loans, and more. Rules governing mortgage disclosures, mortgage affordability, foreclosure standards, prepaid cards, payday loans, and more have drafted and examined by the public. Enforcement actions have been taken against companies that issued illegal credit card fees and made spurious debt settlement claims. The CFPB has just begun its important work of creating a fair playing field for consumers and financial institutions, and the last thing American consumers need is for its progress to be held up by political disputes.

As shown by the broad range of organizations signed on to this letter, Illinoisans support the CFPB, as do consumers across the country. A recent national survey found that two-thirds of Americans support the CFPB and more than 9 in 10 Americans support the need for clearer disclosures for bank accounts, mortgages, credit cards, and student and auto loans.

Delaying the confirmation to push for structural changes to the CFPB harms the economy by creating uncertainty in the marketplace and makes industry less likely to offer loans and new products when they are unsure what future regulations will be. The delays also prevent oversight of predatory non-bank lenders because they can only be fully regulated when a confirmed director is in place.

The financial and governance structures passed by Congress in the Dodd Frank Act were thoughtful and intentional, ensuring that the CFPB would be less susceptible to special interest pressures by providing stable and independent funding. The single
director structure mirrors that of the OCC, but with additional oversight by a committee of financial regulators known as the Financial Stability Oversight Council, who have veto power over the Bureau’s decisions. Its operations are also subject to regular oversight by Congress and of all the bank regulators, only the CFPB is subject to additional small business regulatory requirements.

Given the importance of the CFPB’s work to industry and consumers, we hope you will support the confirmation of Richard Cordray as Director of the Consumer Financial Protection Bureau. The CFPB must be able to continue its efforts to prevent the abusive and deceptive banking and lending practices that caused the financial and housing crises from which the nation is still working to recover.

Sincerely,

Dory Rand, President
Woodstock Institute

Jay Readey, Executive Director
Elizabeth Shuman-Moore, Director of Fair Housing Project
Chicago Lawyers Committee for Civil Rights Under Law

Lynda DeLaforgue, Co-Director
Citizen Action/Illinois

Samantha Tuttle, Director of Policy and Advocacy
Heartland Alliance for Human Needs & Human Rights

Bob Palmer, Policy Director
Housing Action Illinois

Lucy Mullany, Senior Policy Associate
Illinois Asset Building Group

Joanna Trotter, Vice President of Programs
Metropolitan Planning Council

Bill Goldsmith, President
Mercy Portfolio Services

Cindy Holler, President
Mercy Housing Lakefront

Monsignor John Egan Campaign for Payday Loan Reform

James Rudyk, Executive Director
Northwest Side Housing Center

Rob Breymaier, Executive Director
Oak Park Regional Housing Center

Karen Harris, Director of Asset Opportunity
The Sargent Shriver National Center on Poverty Law