

## Big Changes Coming to the CFPB

November 16, 2017 - Richard Cordray, the current Director of the Consumer Financial Protection Bureau, announced his resignation yesterday. He is the last Obama appointee in a position of power over the banking industry and his exit at the end of this month is likely the beginning of sweeping changes at the agency.

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Cordray has been a thorn in the side of both the Trump administration and congress. While the current administration has been attempting to ease industry regulations to spur economic growth, the CFPB has continued to issue new regulations for the financial services industry. The President has made no secret of the fact that he doesn't like Cordray, but he's been powerless to get rid of him. The CFPB Director can only be fired for cause because of the way congress structured the agency - something that may actually change soon because it is being reviewed in the federal courts.

Speculation is that President Trump will appoint Mick Mulvaney - currently the head of the Office of Management and Budget (OMB) - as interim director; possibly as soon as tomorrow. That would be a significant shift. Mulvaney has been a vocal opponent of the CFPB and said that he would like to see the agency dissolved.

In all likelihood if Mulvaney is tapped for the job, we can expect to see much fewer new regulations for the financial services industry. It would also be surprising if we didn't see an about-face on some existing regulations put in place by the CFPB; either withdrawing them or submitting to congress for review under the Congressional Review Act. Many of the regulations that have been put in place by the CFPB have actually hurt consumers by making bank products more expensive and making them less accessible.

Cordray will not be missed; either by the President or congressional leadership. Speculation is that he is resigning to run for governor of Ohio next year. If he does decide to run, he needs to make his announcement in February of next year.

byJim Malmberg

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