

# Democrats posture as opponents of Wall Street in CFPB dispute

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28 November 2017

In what can only be described as a stage-managed publicity stunt, the director of the Consumer Financial Protection Board, Democrat Richard Cordray, resigned abruptly on Friday after promoting his chief of staff, Leandra English, to the long-vacant position of deputy director.

English then declared herself to be Cordray's successor and acting director, under the provisions of the Dodd-Frank bill, which established the CFPB in 2010 to act as an extremely limited, essentially toothless consumer watchdog on the depredations of US financial institutions.

The Trump White House, momentarily confused by the maneuver since Cordray had been expected to resign a week later, hastily named Budget Director Mick Mulvaney the acting director of the CFPB, and instructed English to report to Mulvaney as his deputy.

On Sunday night, English filed a civil lawsuit with the US District Court for Washington DC, seeking a declaratory judgment that she was the rightful CFPB director. However, the CFPB's own general counsel, Mary McLeod, issued a memorandum to the agency's employees instructing them that Mulvaney, as the nominee of the president, had the legal authority to direct the agency.

On Monday, Mulvaney visited the CFPB and took possession of the director's office, announcing that he was halting all new hiring and regulatory actions for 30 days, pending a review of the agency's operations.

While the 1,600 employees of the agency are concerned about an imminent threat to their jobs and livelihood—Mulvaney is an open enemy who, while in Congress, described the CFPB as a “sick joke” and advocated its abolition—the actions of Cordray, English and their Democratic congressional supporters are purely a political stunt.

There is little doubt that Trump has the authority, as president and head of the executive branch, to name interim replacements for vacancies at any executive agency. This authority is further codified in legislation enacted as recently as 1998.

The CFPB has been the subject of political posturing by both Republicans and Democrats since it was established six years ago in the wake of the 2008 Wall Street Crash. The Dodd-Frank bill, which created it, was an effort by the Obama administration and the Democrats, who then controlled Congress, to pretend to crack down on Wall Street while actually doing very little.

The Republicans, for their part, treated the CFPB as the second coming of the Bolsheviks, claiming that the tiny agency, with little enforcement power, was a threat to US financial markets and to the capitalist system itself.

Each capitalist party has used the agency for its own political purposes, while the CFPB itself has been nothing more than a minor annoyance to Wall Street. In six years of operation, it has been responsible for fines and restitution to consumers totaling \$12 billion, or \$2 billion a year. This amounts to barely one percent of the net profits of the US financial industry (\$173 billion in 2016), and less than one half of one percent of bank revenues alone (over \$400 billion and rising every year since the 2008 crash).

Cordray's own role personifies the uses of the CFPB as a political cover. He was named to head the agency after Obama caved in to Republican opposition to Elizabeth Warren, his initial choice. Warren parlayed her undeserved reputation as a scourge of the bankers, and victim of the Republicans, into a successful campaign for a US Senate seat from Massachusetts.

Cordray's fixed five-year term runs until July 1,

2018, so he was practically the sole Obama appointee to continue serving in the Trump administration. But he decided to abandon the post eight months early—and thus cede control of the CFPB to Trump—in order to seek the Democratic nomination for governor of Ohio. He then engineered the handover of authority to English, setting off the subsequent media firestorm, to jet-propel his own political campaign.

More broadly, the obvious determination of the Trump administration to stamp out even a fig leaf of accountability for the big banks allows the Democratic Party as a whole to adopt the stance of opposition to Wall Street.

Senate Minority Leader Charles Schumer met with Leandra English and Elizabeth Warren Monday afternoon, and then denounced Trump for “putting the fox in charge of the henhouse.” So says the paid agent of the foxes, who has received more campaign contributions from Wall Street than anyone else in Congress.

Schumer’s deputy, Senator Richard Durbin of Illinois, hailed the CFPB, declaring, “Wall Street hates it like the devil hates holy water”—perhaps uttering an inadvertent truth, since the CFPB is precisely as useless as holy water in fighting the domination of Wall Street over the US economy.



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