Head of Consumer Financial Protection Bureau Resigns, Giving Trump Chance to Abolish It

Richard Cordray, the rogue head of the unaccountable Consumer Financial Protection Bureau (CFPB), announced on Wednesday that, effective at the end of the month, he would be leaving his post. His term doesn't run out until July of 2018, but he's leaving early with no reason being offered. In an internal e-mail he told his 1,623 employees, "I have told the senior leadership … that I expect to step down from my position here before the end of the month."

The CFPB was created in July 2011 as part of the Dodd-Frank bill that was hastily passed following the real estate crisis of 2007-2008 that led to the Great Recession. It is physically located inside the Federal Reserve, which funds the agency. Under Dodd-Frank, Cordray and his unaccountable bureaucrats can investigate any financial institution of any size in any place for any reason. Its faux "jurisdiction" includes banks, credit unions, securities firms, payday lenders, mortgage-servicing companies, foreclosure relief services, and debt collectors, along with "other" financial companies in the country. If it involves money, financing, credit, or other services, it's covered.

The problem is that it is totally unconstitutional. In Article I, Section 1 of the Constitution it states, "All legislative powers herein granted shall be vested in a Congress of the United States" while Article II, Section 1 declares that "the executive power shall be vested in a President of the United States." That executive branch is separate from the judicial power, which in Article III, Section 1 is "vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish." This is popularly and accurately known as "the separation of powers," which the Founders put in place as checks against each other. Those powers are further separated from the states, which, it was hoped, would be jealous of any federal intrusion into their proper realm.

In Cordray's case, however, he and his people write the rules, investigate their violations, and then prosecute violators. This is all done without any oversight from any federal branch, including the executive branch. This was supposed to protect the agency from "political influence," with scant thought or consideration about protecting the people from the tryanny of its runaway recombination of authority.

Cordray and his faux agency have had more than their share of problems as a result. President Obama never objected to its creation, but had trouble finding someone acceptable to Republicans to run the illegal bureau. When Elizabeth Warren was too toxic, Obama found the liberal former Ohio attorney general to be the next best option. Republicans objected to him as well, and Obama was forced to appoint Cordray under a "recess appointment." The Senate finally confirmed Cordray in July 2013 by a vote of 66-34, and since then he has had free rein to wreak havoc, pain, and suffering wherever he wished.

He made the mistake of fining PHH Financial, a mortgage lender, for $109 million for various alleged misdeeds. PHH filed suit, giving the Trump administration's Department of Justice the opportunity to enter the case, claiming that the agency is illegal. But rather than claiming it was unconstitutional, instead it told the court in its amicus brief that it was illegal only because it had a single head — Cordray — instead of being run by a commission of several bureaucrats.

One of the judges ruling against Cordray and his agency almost got it right, declaring:

> The CFPB's concentration of enormous executive power in a single, unaccountable, unchecked director not only departs from settled historical practice, but [it] also possesses a far greater risk of arbitrary decision-making and abuse of power, and a far greater threat to individual liberty, than does a multi-member independent agency.

Norbert Michel, a research fellow at the Heritage Foundation, came even closer:

> The CFPB has independent litigation authority, a single director removable only for cause, a budget completely immune to the regular appropriations process, and a mandate to regulate financial markets under an ill-defined new concept of consumer protection.
>
> No federal agency should have such power.

Indeed, none should, not because it's run by a single autocrat but because it recombines what the Founding Fathers worked so assiduously to separate: the powers of law-making, law-enforcing, and law-interpreting.

The *Wall Street Journal* gives little comfort that Trump will do the right thing and abolish the agency altogether. The departure of Cordray, opined the *Journal*, "paves the way for President Donald Trump to tap a new leader who will likely overhaul the agency."

No, Mr. President: The CFPB shouldn't be overhauled, it should be overthrown and abolished.

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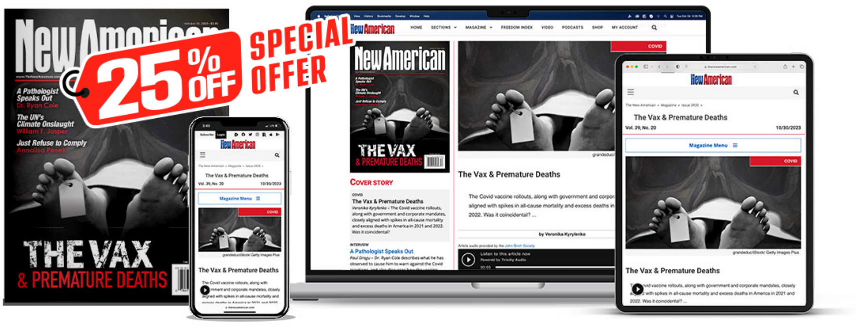

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