



Written by [Raven Clabough](#) on September 21, 2010

Warren Appointment Raises Issues

President Obama has once again circumvented the United States Congress by appointing Elizabeth Warren to the influential position of special adviser to the new Consumer Financial Protection Bureau, rather than having Warren come before a Senate confirmation process. Obama's critics have called his decision "an affront" to the alleged transparency he promised during his campaign.



Intended to be a watchdog of Wall Street, the Consumer Financial Protection Bureau is an agency created by the [financial reform bill](#), which was passed earlier this summer to the dismay of free market supporters. The *Wall Street Journal* reports that the Consumer Financial Protection Bureau will have the most direct bearing on millions of ordinary peoples lives, as its alleged purpose is to protect consumers from abusive financial products.

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As the special adviser to the new bureau, Warren will serve as an assistant to both the President and Treasury Secretary, providing her with oversight over the scope, range, and emphasis of the bureau. She will also have control of the approximately \$500 million annual budget that, like her appointment, is not subject to the approval of Congress.

Of the new agency, the *Wall Street Journal* writes:

The new consumer regulator will be funded by the Federal Reserve and have independent powers to write and enforce rules governing how loans and other financial products are offered, bearing on everything from the type of mortgages people can get to the fees on their credit cards.

The agency will be able to enforce its rules against any bank with more than \$10 billion of assets, as well as all large mortgage lenders, student loan companies and payday-loan firms. It will have an army of examiners to probe these companies practices. Small banks will have to follow the new rules written by the agency but they will be examined by other federal regulators.

The powers assigned to the bureau appear to be unending. The agency is analogous to the types of agencies created during the economic crises of the 1930s, such as the Securities and Exchange Commission and Federal Deposit Insurance Corp.

Since Warren conceived the idea of the bureaus creation, it seemed only a matter of time before she was recommended for the position of adviser. However, banking groups urged senators to oppose Warren, calling her an activist who would impose policies they argue would hurt the availability of



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credit, especially for those with low incomes, according to the *Wall Street Journal*.

The banking groups concerns are not unfounded, as Warren has publicly voiced her distaste for credit card companies in the past. Credit card companies market their product the same way drug dealers do [They] are undermining the economic security of middle class America, she said.

Warren also appeared in Michael Moore's documentary, entitled *Capitalism: A Love Story*, in which she spoke out against capitalism. In the film, Moore remarked, Capitalism doesnt work, to which Warren responded, We made up these rules. And the rules are of men, of people. We pick what the rules are. The rules have not been written for ordinary families, for people who actually do the work. We have to rewrite those rules.

Warren also seems to embrace the notion that Americans need protection from themselves, and supports the principles of the nanny state through increased government regulation. Upon learning of her appointment, she said, This new bureau is based on the simple idea that if the playing field is level and families can see whats going on, they will have better tools to make better choices. Its time for all of us to pull up our socks and get to work.

In her first official statements as the adviser to the bureau, Warren exemplified her role as nanny by targeting clearer mortgage disclosures. She remarked, Fine print obscures the costs of credit and makes it impossible for families to compare products. Too often, families come to understand the legalese only when they get bitten by it.

David Hirschmann of the Chamber of Congress contends, By not allowing Ms. Warrens nomination to be considered through the regular order of the full Senate confirmation process, the administration has circumvented one of the very few checks on a big new agency that already has been given an unprecedented concentration of regulatory powers. This maneuver is an affront to the pledge of transparency and consumer protections thats purported to be the focus of this new agency.

Republican Senator Bob Corker of Tennessee asserts, It is a key responsibility of the U.S. Senate and its committees of jurisdiction to advise and consent and one that I believe was not meant to be abdicated by the Executive Branchs use of appointments.

In addition to Warrens opposition to the free market system, and Obamas circumvention of Congress, conservative pundit Glenn Beck articulated concerns over those who voiced support of Warrens appointment, including Arianna Huffington of the Huffington Post, liberal documentary creator Michael Moore, Vermont's socialist Senator Bernie Sanders, Minnesota's liberal Democratic Senator Al Franken, former SEIU President Andy Stern, AFL-CIO President Richard Trumka, and Green Czar Marxist Van Jones.

Beck said, Show me your friends and Ill show you your future.

Photo: Elizabeth Warren listens as President Barack Obama announces that she will head the Consumer Financial Protection Bureau, Sept. 17, 2010: AP Images



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