

**Opening Statement of Chairman Tim Johnson  
September 6, 2011 Cordray Nomination**

On our next panel, we will consider the nomination of Richard Cordray to be the first Director of the Consumer Financial Protection Bureau.

Mr. Cordray, welcome to the Senate Banking Committee and a warm welcome to your family and friends who are here this afternoon.

The CFPB was born out of the failure by prudential regulators to hold financial companies accountable for complying with consumer protection laws. Congress created the CFPB to be a robust and independent agency focused on protecting consumers, like military families and older Americans, from abusive financial products. The CFPB was also created to streamline disclosures so consumers can make the best financial choices for themselves and their families. In fact, one of the CFPB's first projects is to simplify the long, confusing mortgage disclosure forms.

The CFPB is an agency that the American people want. A recent bipartisan survey shows that Americans strongly support the creation of the CFPB.

The Director of the CFPB will play an important role in maintaining the agency's independence, promoting an equitable and transparent consumer financial market place and exercising enforcement of consumer protection laws.

On July 18<sup>th</sup>, President Obama nominated Mr. Cordray to be the first ever Director of the CFPB.

The purpose of today's hearing should be to consider whether Mr. Cordray is qualified for that job. Instead, a vocal minority is playing games with the process and holding Mr. Cordray's nomination hostage. This political gamesmanship is preventing Americans from receiving the consumer protections they deserve and putting community banks and credit unions at a competitive disadvantage to nonbank financial companies.

This vocal minority insists on rehashing the same debate Congress had last year when it created the CFPB as an accountable yet independent regulator.

The fact is that every regulatory agency is structured with different features that make it accountable. Each agency has a unique combination that fits its mission and independence. Last year, Congress decided on a structure for the CFPB which borrows some accountability features from other regulators, but also includes several new features unique to the consumer agency.

The chart on display lists many of the ways the CFPB is accountable, for example:

- The Financial Stability Oversight Council has the power to overturn CFPB regulations;
- By law, the CFPB's budget is capped; and
- The president has the power to fire the CFPB Director.

So the misleading claim of no CFPB accountability - drummed up by special interests and put forth by a vocal minority - should be exposed for what it is: an attempt to destroy the Bureau's ability to do its job of protecting American consumers.

I would remind my colleagues that in 2008 a bipartisan Senate, including Members on both sides of the aisle sitting here today, helped to create the Federal Housing Finance Administration. FHFA is also an independent agency, headed by a sole Director, subject to a GAO audit and purposely not subject to the Congressional appropriations process.

Now let's talk about what the focus of a nomination hearing should be: the nominee. Richard Cordray has spent his career in public service caring about people. He has taken the time to understand and come up with the best, most practical solutions for their problems.

Mr. Cordray supports small business and honest companies. He has been a member of his local chamber of commerce for 22 years. He believes in leveling the playing field so that small companies can compete fairly and that playing by the rules is good for business. *Ask unanimous consent to include several letters of endorsement into the hearing record.*

Mr. Cordray also believes that people and corporations must be responsible for their own behavior and if they act responsibly they should get a fair shake.

It is my hope that, if confirmed, Mr. Cordray will use his knowledge and experience as a law enforcement official and public servant to better protect American consumers and to enhance the quality of our consumer financial markets.

We have seen many important nominations blocked in the Senate and denied an up-and-down vote on confirmation. The stability of our financial system, and of our economy, is simply too important to be put at risk by political games. It's time to allow the CFPB to do its job to the fullest extent of its authority with a Senate-confirmed Director in place.

I now turn to Senator Shelby.

**[Once all Members who have opening statements have had a chance to give them, proceed to witness introduction.]**

## **Witness Introduction**

Now for an introduction of our nominee. Senator Sherrod Brown will introduce Richard Cordray. Senator Brown?

**[Once Cordray has been introduced]**

Thank you Senator Brown.

Mr. Cordray, I look forward to hearing your testimony.

**[Proceed to oath]**

**Will the nominee please rise and raise your right hand.**

- **DO YOU SWEAR OR AFFIRM THAT THE TESTIMONY THAT YOU ARE ABOUT TO GIVE IS THE TRUTH, THE WHOLE TRUTH, AND NOTHING BUT THE TRUTH, SO HELP YOU GOD?**
- **DO YOU AGREE TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE?**

Please be seated.

Please be assured that your written statement will be part of the record. Please also note that Members of this Committee may submit written questions to you for the record and you should respond to these questions promptly in order for the Committee to advance your nomination.

Mr. Cordray if you would like, please introduce your family and friends who are in attendance before beginning your statement.