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CFPB director Richard Cordray is stepping down

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The head of the Consumer Financial Protection Bureau — the federal regulator that squeezed $12 billion over the last five years from US banks caught doing wrong by their customers — is stepping down.

Richard Cordray, who's led the CFPB since it was created in 2012, is widely expected to run for governor in his home state of Ohio.

The 58-year old former Ohio Attorney

General often drew the ire of Republican lawmakers for being too aggressive in enforcing consumer-facing federal regulations — many of which were passed into law in the years following the Great Recession.

In one of his more noted cases, Cordray led a probe into Wells Fargo and the millions of fake accounts it created during a years long effort to growth its customer relationships.

The CFPB fined the bank millions of dollars. In all, the agency returned $12 billion to about 30 million banking customers whose bank overstepped regulations.

Cordray's term was set to expire in July next year.

The opening will allow President Trump to put reshape the often criticized agency.

"For President Trump, it will be yet another opportunity to put his stamp on a nominee who is friendlier to business and more inclined to deregulate," Mark Hamrick, senior economic analyst at Bankrate.com. "For consumers, the risk is that they will have fewer advocates working for them in the federal government."

Cordray's tenure coincided with a wave of Obama-era Wall Street regulation in the wake of the financial crisis.

While he led the agency — which was the brainchild of Sen. Elizabeth Warren (D-Mass.) — Cordray cracked down on payday lenders, student loan scammers, high overdraft fees, shifty debt collectors, and other abuses of banks and other financial companies.

“Together we have made a real and lasting difference that has improved people’s lives,” Cordray said in a memo to CFPB staffers.

Cordray, however, was a thorn in the side of Wall Street — and President Trump has pushed to neuter the agency.

In July, his administration recommended that the CFPB’s powers to supervise banks and financial institutions get revokes. That would have left the agency with very little left to do besides create reports, insiders said.

“Under his leadership, the CFPB has continually overreached its authority, pursuing an aggressive and inappropriate crusade against the financial services industry. Consumers need access to financial products that help them lead their lives,” Thaya Brooke Knight, an associate director at the Cato Institute, said in a statement.

Even though the CFPB is less than five years old, it still wielded tremendous power on Wall Street.

The CFPB’s suit last year against Wells Fargo led to the resignation of the bank’s CEO, John Stumpf.

And last month, Cordray had sent an open letter to Trump asking him to veto laws that would have stopped consumers from banding together to sue banks in class-action lawsuits.

“Many have told me I am wasting my time writing this letter — that your mind is made up and that your advisors have already made their intentions clear,” he said. “But this rule is all about protecting people who simply want to be able to take action together to right the wrongs done to them.”