

# NEW YORK

## The GOP Is Looking to Fire One of the Few Adversaries of Wall Street Who's Slated to Stay in Power

Eric Levitz

December 29, 2016

Days after Donald Trump's election, Barack Obama argued that his successor was unlikely to bring change as radical or swift as he had promised. After all, the federal government **"is not a speed boat, it's an ocean liner"** — and you can't turn an ocean liner 50 degrees **without flipping the whole ship over.**

There was truth in the president's analogy. Our governing institutions make repealing legislation an arduous, time-consuming task. And, in most cases, executing that task will require Trump to **garner the support of several Senate Democrats**; in others, it will require his party to risk **a backlash from its own constituents.**

But while it's quite difficult to rewrite a law, it's very easy to stop enforcing one. And every Republican president since Reagan — including our dear president-elect — has **put this insight into practice** when assembling their cabinets.

Can't repeal the Fair Housing Act? Put a man who thinks the **FHA is "communist"** in charge of Housing and Urban Development. Sick and tired of all this red tape preventing red states from deliberately reducing African-American voter turnout? Make a **longtime critic** of the Voting Rights Act your attorney general. Tired of the Labor Department always sticking up for special interests, like striking fast-food workers or lower-middle-class wage earners **who feel entitled to overtime pay**? Let the **CEO of Hardee's** take the wheel.

In other words, while ocean liners can't turn on a dime, they can be slowed to a crawl.

Richard Cordray would prefer that the Consumer Financial Protection Bureau not be adrift at sea. In his first five years as head of the CFPB — the agency that Elizabeth Warren dreamed up to keep the finance industry honest in its dealings with consumers — Cordray has **overseen the enactment** of stricter lending requirements in mortgage markets, a rule to reduce the exploitation of the economically insecure in the payday-lending industry, and the realization of over \$11 billion in relief payments for 27 million consumers.

And he's poised to continue afflicting the most unscrupulous sectors of the finance industry through July 2018: The only way he can be replaced before then is if he neglects his duty or commits an act of malfeasance.

But Trump would prefer to drain the swamp of competent financial regulators ASAP (the president-elect has already signaled his desire to make it legal for financial advisers **to scam the elderly out of their retirement money again**). And so Republicans are searching for evidence that Cordray is guilty of malfeasance. Per *The Wall Street Journal*:

The agency's critics are now openly calling for Mr. Cordray's removal and discussing potential faults he may have committed during his tenure at the CFPB's helm—so the incoming president can fire him for cause. “President Trump, it's time to say ‘you're fired’ to Mr. Cordray,” wrote Thaya Brook Knight, associate director of financial regulation studies at the libertarian Cato Institute.

Republicans are currently focused on **allegations of pay discrimination** against women and nonwhite employees at the CFPB, which first surfaced in 2014. They are also looking into the CFPB's **controversial efforts** to fight racial discrimination in auto lending and the allegedly excessive costs of renovating the agency's headquarters.

While pay discrimination is a serious issue — and no one can **doubt the sincerity of** the Republican Party's commitment to equity in the workplace — allegations of pay discrepancy are not normally the sort of charge that costs agency heads their jobs.

And the CFPB's purported failings on individual projects are overshadowed by its many achievements. (Of course, to the GOP, Cordray's success at enacting new regulations is a bug, not a feature. House Republicans' proposed “reforms” of the CFPB involve empowering Congress to shred its budget.)

So, it's pretty hard to argue that Cordray's stewardship of the CFPB has been so unprecedentedly terrible that he deserves to be the **first appointee ever fired by a president** for cause in American history.

But even if the GOP can't come up with a reason to fire him, the biggest threat to Cordray's job security might be the Judicial branch. In October, the U.S. Court of Appeals for the D.C. Circuit **ruled** that the agency's structure was unconstitutional and that the president should have the power to fire the director at will. The CFPB is challenging that ruling.