



High court agrees to hear case against CFPB

Chris Woodward

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The U.S. Supreme Court has agreed to hear a case involving the constitutionality of the controversial Consumer Financial Protection Bureau.

The case is *Seila Law LLC v. Consumer Financial Protection Bureau*.

Seila Law, a consumer advocacy law practice, sued the CFPB over its legal authority after the law firm refused to turn over documents to the federal agency, online website The Hill reported.

Ilya Shapiro, director of constitutional studies at the [Cato Institute](#), describes the CFPB as a “super-independent agency” that is funded by the Federal Reserve.

What could prove to be a big legal issue is the role of the CFPB director who can only be removed “for cause,” meaning for misconduct, not by the President’s executive branch powers that oversee federal agencies.

CFPB was created during the Obama administration by the Dodd-Frank financial reform law in 2010, with a little-known professor named Elizabeth Warren appointed by Obama to set up the agency.

Warren was expected to be the first CFPB director but Shapiro recalls she got in “political hot water” and Richard Cordray took the role as a recess appointment.

Warren, of course, would later go on to become Sen. Elizabeth Warren and is now among the top-tier candidates for the Democratic Party's presidential nomination.

Shapiro says the CFPB has been hugely controversial ever since.

"At the very beginning of the Trump administration, President Trump wanted a different director," he explains. "There was a lawsuit about that and briefly Mick Mulvaney, who is now the acting chief of staff as well as the director of the Office of Management and Budget (OMB), was acting director of the CFPB for a time."

Seila Law lost its 9th Circuit appeal so it appealed to the U.S. Supreme Court.