

U.S. Rep. Rush Holt (NJ-12) today joined 56 members of the House in writing a letter to President Obama urging him to name Elizabeth Warren to chair the newly created Consumer Financial Protection Bureau (CFPB). The new Wall Street reform law, which Holt supported and which President Obama signed into law on Wednesday, specifically created the CFPB to serve as a powerful, independent voice and watchdog on behalf of hard-working Americans.

“The fight for Wall Street reform was all about standing up for hard-working families and giving them a voice against Wall Street and big banks. The President’s signing of Wall Street reform into law was not the end of the fight, it is really the beginning,” Holt said. “The Consumer Financial Protection Bureau will only be as good as its leadership. Elizabeth Warren has devoted her career’s work to standing up for hard-working families in the face some of the worst predatory lending practices that contributed to the financial meltdown. You just can’t do better than her.”

A copy of the letter is below:

July 22, 2010

Dear Mr. President,

We are writing to ask that you nominate Dr. Elizabeth Warren as Director of the newly created Consumer Financial Protection Bureau (CFPB).

A consumer financial protection body was Dr. Warren’s idea, first expressed in a journal article in 2007, and we can think of no better person to be its first Director. As a professor at Harvard Law School since 1982, she has risen to national prominence in the area of economics of the middle class. Even before the financial crisis, Professor Warren was warning of risky financial products and of lenders who “deliberately built tricks and traps into some credit products so they

can ensnare families in a cycle of high-cost debt.” As Chair of the Congressional Oversight Panel she has been an essential voice of reason in the wake of the financial crisis-- and an ardent supporter of the Wall Street Reform and Consumer Protection Act.

In her original conception, Dr. Warren modeled the Consumer Finance Protection body after the Consumer Product Safety Commission, describing the main functions of the agency “to establish guidelines for consumer disclosure, collect and report data about the uses of different financial products, review new financial products for safety, and require modification of dangerous products before they can be marketed to the public.” She foresaw the new Bureau as being able to evaluate these products to eliminate the gimmicks that made some far more dangerous than others.

At a time when the nation is still coping with the aftermath of a decade of a hands-off regulatory approach that brought the nation the worst financial crisis in three generations, with mortgage foreclosures still occurring at a rate of one million a year, with nearly one in five Americans either unemployed, under-employed, or who have given up looking for work altogether (while still trying to cope with a mountain of consumer debt), we need a CFPB Director who truly understands the burden that American families are coping with today, and the mission of this new body.

Dr. Warren is simply the perfect choice for that post. We hope you will act quickly to appoint her as its Director.