

National Consumer Law Center Statement on Appellate Court Order to Vacate and Review Questionable Decision on Trump Power over Consumer Watchdog

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(WASHINGTON) Today, the full U.S. Court of Appeals for the District of Columbia Circuit agreed to rehear a decision that would have posed a serious threat to the integrity and independence of the Consumer Financial Protection Bureau and its director Richard Cordray. The decision, issued by three of the Circuit's judges in October 2016, struck down a provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act that permitted the President to dismiss the CFPB director only for "inefficiency, neglect of duty, or malfeasance in office." Instead, the 2016 decision held that the President could fire the CFPB director at will. Wall Street lobbyists and their allies in Washington have urged President Trump to fire Cordray before his term ends in July 2018. The full Court of Appeals vacated the three-judge panel's decision and scheduled the case for argument on May 24.

National Consumer Law Center Associate Director Lauren Saunders made the following statement:

"The full court has now vacated the three-judge panel's highly questionable decision that the President has unlimited authority to fire Cordray for any reason - including doing his job too well by standing up for ordinary Americans over big banks and predatory lenders. If President Trump were now to accede to the Wall Street campaign demanding Richard Cordray's head, the firing would unquestionably violate the law. The Wall Street Reform Act deliberately gave the consumer watchdog independence from lobbyists and political interests so that it could do its job to protect the public's interest. The CFPB has been a powerful ally for consumers - including many Trump voters, older adults, and military personnel - in its short existence, delivering nearly \$12 billion to 29 million consumers around the country. Critics attempting to build a case for the unprecedented removal of Richard Cordray as CFPB director are on thin legal ground, lack public support, and are carrying water for powerful special interests."

Related Resource:

Legal analysis on law related to the removal of a presidential appointee: [No One Has Been Fired by the President for Cause. Richard Cordray Should Not Be the First.](#)

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