

## **President Appoints Richard Cordray Director of CFPB**

President Obama has announced his intention to use a recess appointment to install former OH Attorney General Richard Cordray as the first director of the CFPB. The move to install Mr. Cordray through recess appointment is controversial and could negatively affect the establishment and future role of the Bureau.

Republicans have almost unanimously opposed the appointment of Mr. Cordray in an attempt to force changes to the structure of the CFPB. Republicans want statutory changes that will replace the leadership of the CFPB with a bipartisan board rather than an independent director. The Obama Administration is opposed to any change in the Bureau's enabling statute.

The controversial recess appointment (especially given the Senate has not officially been in recess) will be challenged in the courts. However, Mr. Cordray is expected to take full control of the Bureau and exercise all authorities as Director during any legal challenge. Click [here](#) to read a Congressional Research Service report on the power of the president to fill vacancies in federal agencies.

The importance of today's announcement for CAI members is the CFPB now has authority to move forward on new regulations that will govern the mortgage market. Without a director, the Bureau lacked sufficient authority under federal law to finalize important rules like the Qualified Mortgage rule and to begin enforcement actions on regulated entities.

CAI remains concerned that the CFPB will look to regulate community associations and community managers based on the involvement of these entities in the housing market. CAI will continue to advocate for state regulation of community associations and the individuals and businesses that support the community association model of housing.