

Financial Reform Debate Far From Over

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President Obama will soon sign the final [Wall Street Reform and Consumer Protection Act](#), which the Senate passed last week. However, in many ways, the [battle over financial reform has just begun](#). While the law makes broad and comprehensive changes to the nation's financial system regulatory structure, many more details will be added in the months and years ahead as the reorganized regulatory structure takes shape, the revamped regulatory processes established by the bill unfold, and the numerous studies mandated by the bill are conducted.

Many of the regulatory details expected will emanate from the newly created Consumer Financial Protection Bureau. The Bureau will have independent authority but will be housed within the Federal Reserve system. It will serve as the primary regulator of financial products that reach consumers. Time magazine [lists](#) six consumer financial issues the Bureau could address first, including student loans, credit scores, and certain mortgages. However, there will be strong differing opinions on how, when, and in what areas the Bureau should focus its attention.

But before the Bureau can even begin to act, it needs to be created, staffed, and organized. The individual chosen to lead the Bureau out of the gate will have the opportunity to vastly influence the organization, culture, direction, scope and strength of the new regulator. The Washington Post [reported today](#), following similar [earlier reports](#), that Elizabeth Warren has emerged as an early leading candidate for the position. Ms. Warren is a professor at Harvard Law School and chairs the oversight panel created by Congress to monitor the Troubled Asset Relief Program. Consumer protection groups already are strongly supporting her nomination. Others fear, however, that Ms. Warren does not have the organizational experience to lead the newly-created office. Among others with greater institutional experience purportedly being considered for the position are current Assistant Treasury Secretary Michael Barr, and Eugene Kimmelman, a deputy assistant attorney general in the Justice Department's Antitrust Division and former lobbyist for Consumers Union.

Appointment of any of these candidates would send a clear message from the Obama administration that it intends to fully pursue the goal of an active consumer protection regulator. Financial service providers will have an opportunity to voice their concerns and opposition through the Senate confirmation process.