

Richard Cordray:

Jeopardy! Champion, Consumer
Champion

BY LOUISE L. SCHIAVONE

**Selfless, open-minded, smart—the
Consumer Financial Protection Bureau's
new director gets a lot of things right.**

It's just a television game show with no ostensible bearing on the function of the Consumer Financial Protection Bureau (CFPB). But *Jeopardy!* has become an honorific part of the title of the first person to head the post-economic collapse agency—as in: “Who is Richard Cordray?” ■ Ask anyone about the former Ohio attorney general appointed to set things rights for financial consumers of all types, and you will inevitably be asked, “Did you know that Rich is an undefeated five-time *Jeopardy!* champion?” ■ And perhaps it stands to reason that, in the topsy-turvy universe where the raw reality of politics and the financial world collide, anyone who can handle Alex Trebek's tough questions can manage one of the most controversial appointments of the Obama administration. ■ Amy Hanauer is founder and executive director of a progressive research group called Policy Matters Ohio, based in Cleveland. Four years ago, her group was named the country's most valuable state or regional organization by *Nation* magazine. Hanauer has known Cordray for more than a decade, and says he's

known as “a very smart guy, a fierce consumer advocate, but as someone who’s interested in solving problems.”

Hanauer concedes that Cordray has a strong point of view, but she says he’s not wedded to one approach or another. “He’s willing to think about how to accomplish a goal,” says Hanauer, making him an improbable politician.

“In some ways,” says Hanauer, “it’s funny that he’s run for political office so many times.”

Hanauer sees Cordray more as a “brainy *Jeopardy!* champion, very kind, not full of ego, good at listening.” Cordray graduated from Oxford University with honors and the University of Chicago Law School with honors, and was editor-in-chief of the *Law Review* there. He attended Michigan State University on full scholarship and, as a junior, held his first Washington position, as an intern for Sen. John Glenn (D-Ohio).

Cordray has clerked for Supreme Court Associate Justices Byron White and Anthony Kennedy. But his first high-power law-clerking responsibilities were in the office of federal Judge Robert Bork, who, many years later, remembers him this way: “When Richard Cordray clerked for me, I thought he was quite good—industrious, intelligent. The only problem,” says the conservative jurist, “was he was a Democrat.”

Cordray has been very involved with Ohio’s Democratic Party for much of his professional life. He’s run unsuccessfully for a few offices in the state of Ohio, and made a mark in the offices he has held, from state representative to Franklin County treasurer, Ohio solicitor general, state treasurer and Ohio attorney general.

The Ohio Democrat entered the national fray, in earnest, the first Wednesday of the 2012 election year, as he appeared with President Obama at a politically important suburban Cleveland rally. The occasion was prompted by the fact the president had run out of patience with Senate delays and decided to install Cordray as a recess appointment to be CFPB director.

The debate over the legitimacy of the president’s action has raged since that day. But Cordray’s former boss, Judge Bork, opines, “As solicitor general, I argued that recess appointments were constitutional as long as someone was left behind to accept the president’s veto. So Cordray’s appointment was constitutional.”

The New York Times wrote of Cordray that day in Jan-

uary, “He looked slightly shell-shocked when he got off Marine One to board Air Force One for the flight to Cleveland, clutching his brown folder to his chest as he walked to the plane.”

President Obama had first introduced Cordray in a much less chaotic setting the previous July. At a sunny White House Rose Garden ceremony, Obama announced the man who had been the chief of enforcement for the CFPB was his choice to lead it.

The brains behind the creation of the bureau, Elizabeth Warren, had overseen the bureau’s startup. But it was generally agreed that she was too much of a political lightning rod for Republicans and the financial community at large.

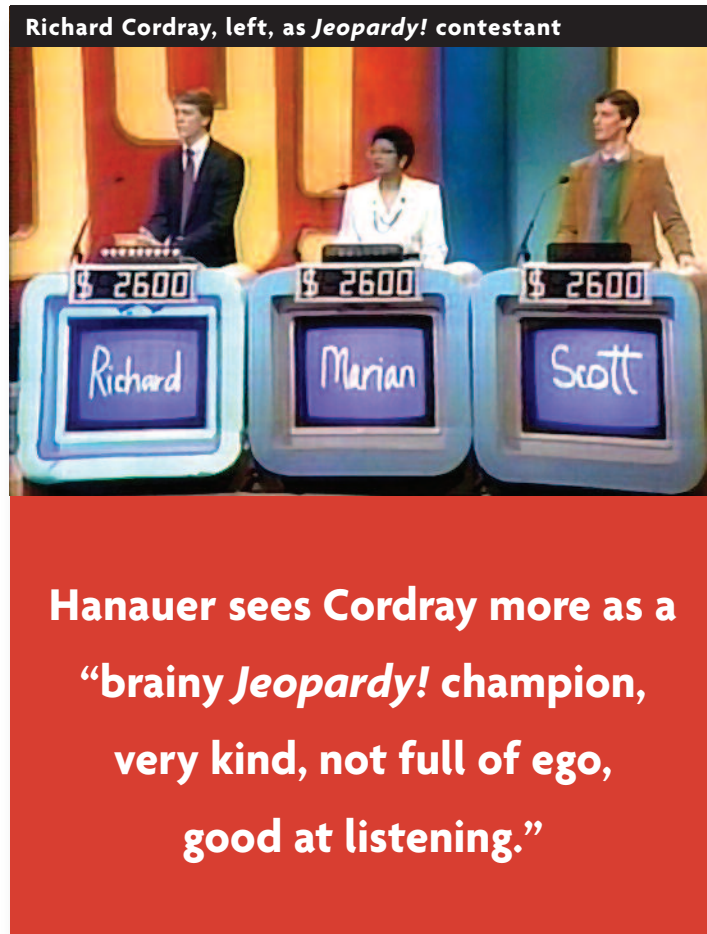
In introducing Cordray that summer day, the president took note of his nominee’s game-show prowess and the fact that Cordray had been a semi-finalist in *Jeopardy!*’s Tournament of Champions. “Not too shabby,” said Obama. “That’s why all his answers at his confirmation hearing will be in the form of a question. [extended silent pause] That’s a joke.”

As the action piece of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the CFPB was designed to be the guardian of last resort for all forms of consumer lending: mortgages, credit cards, payday loans, loans to students and the military, among them. But the agency was powerless without a director and still a bone of contention for the GOP and the financial community. Key Republican senators, that summer, signaled immediately they would block action on the Cordray nomination until

changes were made to the CFPB’s governance structure and funding mechanism.

It says something about Cordray that, as the Senate Banking Committee received his nomination, the president and chief executive officer of the Ohio Bankers League sent a letter to the panel in support of Cordray. In the communication, dated July 25, 2011, Michael Van Buskirk stated, “While I retain reservations about the lack of checks and balances in the bureau’s structure to protect the public’s interest, I believe Mr. Cordray would prove an able director.” Van Buskirk conceded that he and Cordray had not always arrived at the same conclusions about matters of public financial policy.

However, Van Buskirk told the Senate committee of



Cordray, “He has welcomed competing ideas. Moreover, he has systematically reached out to encourage a steady flow of information that might bring him better insight.”

Par for the course, says a longtime ally of Cordray, Bill Faith, executive director of the Coalition on Homelessness and Housing in Ohio, based in Columbus.

An open mind

“In his current role,” Faith says of Cordray, “he approaches issues with a very open mind. I’m pretty left of center on most issues, but Rich doesn’t start there. He’ll challenge me on my conclusions if he’s not sure about it and want me to prove the position we’re taking is correct.”

Faith says Cordray is an extremely accessible public official and always has been. In his role as advocate for those Ohioans who’ve lost so much ground during the recession, Faith collects lots of news clips about the subject and emails them to people he knows. “I would send out two or three articles a day, just to show what was going on and seek out policy solutions,” he said.

“I used to have really bad insomnia. I’d be up at 1:30 a.m., 2:00 a.m., sending these [emails] out, and [Cordray would] write back right away. And I’d reply, ‘Dude! What are you doing up at 1:30 in the morning?’” says Faith. “He’d then be up in the morning at 6:00 or 7:00 a.m. and be right back at it. The entire time I’ve known him, he’s been like that.”

Another longtime acquaintance was serving as Cuyahoga County treasurer when Cordray phoned to talk about running for the same job in Ohio’s Franklin County. Jim Rokakis says that when Cordray became Ohio’s state treasurer, he put together a network of offices across the state, geared to mortgage foreclosure prevention.

Nationally, Cordray has campaigned for consumer education and greater financial literacy. Says Rokakis, “He’s not an ideologue. He’s totally honest. As a result, he may be cast by the political right as one, but he’s not.” Rokakis says Cordray can take something difficult and reduce it to simple, understandable concepts. “He has a real common touch,” he says.

Upon assuming office, Cordray signaled one of his top CFPB agenda items would be payday lending, a sector where some institutions collect debts with aggressive and sometimes illegal methods, including improperly accessing customers’ checking accounts. Cordray is especially concerned

about the practice on Indian reservations, where tribal lenders have asserted immunity from state laws. The CFPB has announced a vigorous oversight regimen for all payday lenders. **MB**

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**Faith says that, essentially,
Cordray worked on the
foreclosure issue and related
mortgage issues for a dozen years
before he got to Washington.**

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