

Obama Appoints Financial Protection Chief

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This week, President Obama appointed Richard Cordray as director of the Consumer Financial Protection Bureau. The new government agency says it has already made home loans and credit card agreements easier for Americans to understand. But the Obama administration said the bureau cannot supervise financial products like home loans without a director.

The president used a measure known as a recess appointment to fill the position. He nominated Mr. Cordray last July. But the opposition Republican Party blocked a vote in the full Senate.

AP
President Obama with Richard Cordray in Cleveland, Ohio

Mr. Obama announced the appointment Wednesday during a visit to Ohio. It was his first political campaign trip of the year. He told the crowd that the severe economic crisis three years ago did not happen because of too many financial rules.

BARRACK OBAMA: "That makes no sense. Does anyone think the reason why we got into such a financial mess, the worst financial crisis since the Great Depression, the worst economic crisis in a generation, that the reason was because of too much oversight of the financial industry? Of course not. We shouldn't be weakening oversight, we shouldn't be weakening accountability, we should be strengthening it!"



Senate Minority Leader Mitch McConnell criticized the president's appointment. Many Republicans oppose the new agency, saying its goals are not clear. They also want a group of people to lead the agency instead of a single director.

The Consumer Financial Protection Bureau resulted from the Dodd-Frank Wall Street Reform and Consumer Protection Act of twenty ten. Its goal is to make the market for financial products safer. Educating Americans about investment and loan products, enforcing financial laws and studying financial information all are

part of its duties. The agency's budget is expected to be around five hundred million dollars.

Richard Cordray served as Ohio's attorney general for two years. He has earned praise for bringing legal action against banks and financial companies accused of harming homeowners and borrowers. Mr. Cordray launched cases against Bank of America and insurer AIG. His recess appointment is effective only until the end of the Senate's current term.

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