



Consumer Financial Protection Bureau

ALERT

MARCH 2013

LOEB & LOEB adds Knowledge.

House Financial Services Committee Chair Challenges CFPB Funding

House Financial Services Committee Chairman Jeb Hensarling (R-Texas) sent a [letter](#) March 8 to Federal Reserve Board Chairman Ben Bernanke challenging the Fed’s funding of the Consumer Financial Protection Bureau. Hensarling’s challenge was based on the recent decision of the U.S. Circuit Court of Appeals for the D.C. Circuit in *Canning v. National Labor Relations Board* holding President Barack Obama’s recess appointments of three NLRB commissioners to be “constitutionally invalid.” (Read our alert on the *Canning* decision [here](#).)

Chairman Hensarling wrote: “I anticipate that a federal court will soon reach a similar conclusion with respect to the validity of Mr. Cordray’s appointment.” Because the Dodd-Frank Act of 2010 provides that the Federal Reserve can transfer funds to carry out the operations of the CFPB only at the request of its director, Chairman Hensarling said, “I question the circumstances under which the [Federal Reserve] Board may lawfully fund the CFPB’s operations.”

For more information about the content of this alert, please contact [Michael Mallow](#) or [Michael Thurman](#).

Loeb & Loeb LLP’s Consumer Financial Protection Bureau Task Force

Our Task Force is composed of experienced litigators and trial attorneys who defend investigations and enforcement actions alleging violations of consumer protection and unfair competition laws, including consumer financial laws. Our goal is to provide clients with efficient, cost-effective representation in complex consumer-related litigation encompassing a diverse range of legal areas. We strive to keep our clients “off the radar” by training them to prepare for and defend claims and investigations before they arise. For those clients who engage us after litigation has already been filed, we focus on the economics of litigation and endeavor

to develop defense strategies that maximize business objectives while capturing and implementing the valuable lessons that can be derived from every litigation or investigation. For more information, please [click here](#).

This client alert is a publication of Loeb & Loeb LLP and is intended to provide information on recent legal developments. This client alert does not create or continue an attorney client relationship nor should it be construed as legal advice or an opinion on specific situations.

Circular 230 Disclosure: To assure compliance with Treasury Department rules governing tax practice, we inform you that any advice (including in any attachment) (1) was not written and is not intended to be used, and cannot be used, for the purpose of avoiding any federal tax penalty that may be imposed on the taxpayer, and (2) may not be used in connection with promoting, marketing or recommending to another person any transaction or matter addressed herein.

© 2013 Loeb & Loeb LLP. All rights reserved.

Attorneys

MICHAEL W. JAHNKE	MJAHNKE@LOEB.COM	212.407.4285
LIVIA M. KISER	LKISER@LOEB.COM	312.464.3170
MICHAEL MALLOW	MMALLOW@LOEB.COM	310.282.2263
MICHAEL A. THURMAN	MTHURMAN@LOEB.COM	310.282.2122

This publication may constitute “Attorney Advertising” under the New York Rules of Professional Conduct and under the law of other jurisdictions.