

Senate Narrowly Confirms Kathy Kraninger as New CFPB Head

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The Senate voted 50-49 along party lines last week to confirm Kathleen “Kathy” Kraninger to a five-year term as the newest director of the Consumer Financial Protection Bureau (CFPB). She will succeed Acting CFPB Director Mick Mulvaney. Prior to her appointment, Kraninger served as an associate director in the Office of Management and Budget. She also previously held posts in the departments of Homeland Security and Transportation.

In her prepared statement to the Senate Banking Committee, Kraninger touted what she described as a track record of “implementing common-sense solutions to complex problems and delivering real value for the American people.” She also outlined four main priorities for the CFPB under her leadership:

1. Fairness and Transparency. Kraninger stated that, in her view, effective use of notice-and-comment rulemaking was the best way to ensure that all voices were heard and all interests were balanced during the regulatory process. She vowed to consider the views of both consumers and market participants, and to make “robust use” of cost-benefit analysis in considering future CFPB enforcement actions.
2. Partnerships. Promising to work closely with states and other financial regulators, Kraninger said that such partnerships would allow the CFPB to take aggressive action against bad actors.
3. Data Security. Kraninger told the Senate committee that, under her leadership, the CFPB would limit the collection of consumer data to the bare minimum necessary in an effort to protect individuals from identity theft.
4. Accountability. Kraninger highlighted “expenditure of resources” as an area where the CFPB needed to be accountable to the American people.

In response to Senate questioning, Kraninger stated that she would continue to enforce fair lending laws (including those involving discrimination based on race and military status), and she also said that she would keep “an open mind” about certain decisions by outgoing Acting Director Mulvaney regarding the reorganization of CFPB offices. When questioned about the CFPB’s use of disparate impact lawsuits, Kraninger said that she would not commit to the practice and, instead planned to examine data as it came in and have conversations with agency staff on the topic. She similarly would not commit to defending the CFPB’s constitutionality in the

court, [an issue we have covered on this blog](#). Indeed, Kraninger said that she would be open to working with members of Congress to change the CFPB's organizational structure.

As Kraninger's tenure at the CFPB unfolds, we will keep our readers updated on pertinent developments.

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Topics

CFPB, Consumer Financial Protection Bureau, Kathleen Kraninger