

MICHAEL BARR-LIAISON ON FORECLOSURE FRAUD INVESTIGATION-LEAVES TREASURY

✘ Just one week ago, Iowa's Attorney General Tom Miller told Chris Dodd that Assistant Secretary of the Treasury for Financial Institutions Michael Barr was the key person from Treasury working with the Attorneys General investigation into foreclosure fraud.

Miller: We haven't had any contact with the [Financial Stability Oversight Council]. We have had repeated contact with the Department of the Treasury, with Assistant Secretary Michael Barr and his staff. We've developed a terrific ongoing relationship with them. We talk about these issues and try and help and support each other on these issues. So we've had a lot of discussions with Treasury but not with that particular Council.

That's funny. Because Barr is leaving Treasury. Imminently.

Diana Farrell, deputy director of President Barack Obama's National Economic Council, and Assistant Treasury Secretary Michael Barr are leaving the administration, adding to the turnover in the ranks of the White House economic team that worked on the government's response to the worst financial crisis in more than 70 years.

Farrell will leave by the end of the year and Barr's last day at Treasury will be Dec. 3. Both played key roles in shaping Obama's financial regulatory

overhaul plan, which was signed into law in July.

[snip]

Treasury spokesman Steve Adamske said Barr would continue his academic career at the University of Michigan in Ann Arbor.

(Note, Barr is not currently listed as teaching next semester.)

In addition to working with the Attorneys General “investigating” the banksters’ foreclosure fraud, Barr had been considered a leading candidate—after Elizabeth Warren—to lead the Consumer Finance Protection Board and/or the Office of the Comptroller of the Currency (the agency that regulates the big banks) and (as the Bloomberg piece makes clear) had a key role in Dodd-Frank.

As you recall, the same day that Tom Miller told Dodd he was working closely with Barr, at almost the moment when Miller said the investigation would take months, sources that sounded an awful lot like the banks were suggesting a deal on the “settlement” ending the “investigation” was close. But even that article didn’t seem to suggest it’d be done by December 3.

Also note, the Financial Stability Oversight Council—the entity set up by Dodd-Frank to stave off systemic crises—meets on Tuesday; they promise to address efforts so far on the foreclosure fraud problem.

The group will provide an update on what various agencies are doing to investigate widespread paperwork problems that have called into question millions of foreclosures across the country, as well as how regulators are coordinating with the Justice Department, state attorneys general and other officials scrutinizing the mess.

Mind you, I don't know what Barr's departure means. But I find it notable that—after recently being floated for key positions going forward and given his role in efforts to respond to the foreclosure mess—he is leaving now.