

THE CHARISMATIC BLONDE WOMEN AND THE CONSENT DECREE



DDay reported on OCC's attempt to preempt a foreclosure settlement on Monday. Today, Yves Smith has a long post giving the consent decrees the banks are trying to roll out in lieu of a real foreclosure settlement the disdain they deserve.

Wow, the Obama administration has openly negotiated against itself on behalf of the banks. I don't think I've ever seen anything so craven heretofore.

[snip]

The part I am puzzled by is who is behind this rearguard action. It clearly guts the Federal part of the settlement negotiations. If you pull out your supposed big gun (ex having done a real exam to find real problems, and it's weaker than your negotiating demands, you've just demonstrated you have no threat. Now obviously, a much more aggressive cease and desist order could have been presented; it's blindingly obvious that the only reason for putting this one forward was not to pressure the banks, as American Banker incorrectly argued, but to undermine the AGs and whatever banking/housing regulators stood with them (HUD and the DoJ were parties to the first face to face talks).

So the only part that I'd still love to know was who exactly is behind the C&D order? Is it just the OCC?

But what I'd like to know is why, coincident

with the roll-out of this Potemkin resolution to the foreclosure problem, someone told Reuters that the Administration was considering Jennifer Granholm and/or Sarah Raskin to head the Consumer Finance Protection Board.

The White House is considering Federal Reserve Governor Sarah Raskin and former Michigan Gov. Jennifer Granholm to head a new agency charged with protecting consumers of financial products, a source aware of the process said Tuesday.

You see, as Yves reminds us, one part of the whole AG settlement that this consent decree seems intended to replace was that Tom Miller, Iowa's Attorney General, would get the CFPB position as his reward for shepherding through such a crappy settlement.

So now, with the consent decrees the apparent new plan to appear to address foreclosures without penalizing the banksters, the Administration rolls out the claim that it is considering Granholm and Raskin?

And the report is all the more weird given that Granholm was previously floated for the position in late March, at which point she declined to be considered and—the next day—accepted a position with Pew. This morning, in response to the Reuters story, Granholm tweeted,

This story says I'm under consideration for the CFPB job. I have declined to be considered for this post. I'm happy in my new roles at Pew, Berkeley and Dow. And, by the way, while I don't know Raskin and she may be great, I think nominating Elizabeth Warren is a fight worth waging.

See, best as I can guess (and this is a guess), by pulling the plug on the AG settlement, the Administration lost its best case for appointing someone not named Elizabeth Warren to assume the

CFPB position. Whereas they might have been able to claim (falsely) that Miller had achieved this great progressive settlement for homeowners, now they've decided to stick with the status quo rather than even a bad settlement. Which leaves them with the increasingly urgent problem of who heads the CFPB when it goes live in July.

And so they float a report that the one blond woman who is as much of a rock star as Warren is might get the position? Do they think Democrats can't tell the difference between charismatic blonde women (or that progressives would confuse the down-to-earth but centrist Granholm for Warren)?

It's like they've got a Craigslist posting up somewhere:

Wanted: blonde woman with great people skills and rock star looks to serve as figurehead for a position purported to exercise real power to protect American consumers, but which will instead be asked to serve up Timmeh Geithner coffee and complete deference. Democratic affiliation a plus but not necessary.