



## Biden Nominates Two Picks for Important Financial Positions

President-elect Joe Biden has announced his picks for two important financial regulatory positions. The **chairmanship of the Consumer Financial Protection Bureau (CFPB)** will be filled by **Rohit Chopra** while **Gary Gensler is expected to be named to head the U.S. Securities and Exchange Commission (SEC)**. Both nominations are expected to be controversial among the communities that fall under supervision of the two agencies with Chopra perhaps facing a difficult confirmation process.

Chopra helped now-senator Elizabeth Warren (D-MA) design CFPB during the presidency of Barack Obama and served as its assistant director and student loan ombudsperson. He has been a member of the Federal Trade Commission since 2018. Gensler was chair of the Commodity Futures Trading Commission (CFTC) from 2009 to 2014 and has led Biden's financial industry oversight planning team since the election. Industry observers generally expect the appointments to **signal a return to more robust oversight** than was the course during the outgoing administration.

Chopra will replace Kathy Kraninger at CFPB. His appointment is the indirect result of a Supreme Court decision last June. The CFPB chairmanship as well as that of the Federal Housing Finance Agency (FHFA) were designed, under the Dodd-Frank Wall Street Reform and Consumer Protection Act to be for five-year terms and the occupants removable only for cause. The Court, in *Seila Law V Consumer Financial Protection Bureau*, ruled that the single director design of the agency vested too much power in one person. This opened the door for a president to fire him or her at will. FHFA was not part of the law suit **but is generally assumed to fall under its precedent**. So far there is no indication that Biden will replace FHFA director Mark Calabria.

Gensler will take over from acting SEC chair Elad L. Roisman who was appointed only three weeks ago. Jay Clayton had led the agency for most of the Trump term and resigned at the end of 2020.

In announcing the nominations, the President-elect said, "Our administration will hit the ground running to deliver immediate, urgent relief to Americans; confront the overlapping crises of COVID-19, the historic economic downturn, systemic racism and inequality, and the climate crisis; and get this government working for the people it serves," Biden said in a statement. "These tireless public servants will be a key part of our agenda to build back better - and I am **confident they will help make meaningful change and move our country forward.**"



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