

STATEMENT OF LAUREN ASHER
President, The Institute for College Access & Success

CONTACT: [Gretchen Wright](#)
[Johanna Díaz](#)
202/371-1999
[Shannon Gallegos](#)
510/318-7915

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Senate's "No" Vote on Cordray Nomination for CFPB Director Is a Blow to Students and Families

Earlier today the Senate blocked a vote on the nomination of Richard Cordray as Director of the new Consumer Financial Protection Bureau (CFPB). Without a Director the CFPB cannot exercise its full authority to protect students and their families from deceptive and predatory private student loan practices.

Consumers across the country are counting on the CFPB to oversee and supervise the consumer financial products that affect their lives, including private student loans. Private student loans are one of the riskiest, most expensive ways to pay for college. Like credit cards, private student loans can have uncapped variable interest rates that are highest for those who can least afford them. They also lack the consumer protections and flexible repayment options that are provided by federal student loans, and they are non-dischargeable in bankruptcy. That is why we and a broad coalition of student, consumer, civil rights and higher education organizations strongly supported the creation of the CFPB with authority over all private student loans.

As Senate Banking Committee Chairman Tim Johnson, Senator Jack Reed and others noted in their floor statements today, the CFPB plays a crucial role for private student loans. Students and their families need the CFPB now more than ever to fulfill its critical mission with full authority. Richard Cordray is highly qualified to serve as its director, and blocking his nomination has done a great disservice to all consumers.

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An independent, nonprofit organization, the Institute for College Access & Success works to make higher education more available and affordable for people of all backgrounds. The Institute's Project on Student Debt works to increase public understanding of rising student debt and the implications for our families, economy, and society. For more information see www.projectonstudentdebt.org and www.ticas.org.