Professor Hawkins was quoted in an article on Housingwire.com regarding the potential appointment of former banking executive Raj Date to fill the Consumer Financial Protection Bureau's empty director post.

The following article was posted on Housingwire.com on Friday, June 10, 2011:

Raj Date is top contender for CFPB director job: congressional source

Posted By KERRI PANCHUK

Former banking executive Raj Date is currently the president's top pick to fill the Consumer Financial Protection Bureau's empty director post, a congressional source said Friday.

The CFPB declined to comment when asked about Date and the director position. The bureau goes live July 21.

While Elizabeth Warren, the architect of the bureau, remains a popular choice among progressive policy groups and CFPB supporters, ongoing criticism of the agency that Warren helped shape has dogged the Harvard law professor for months.

On the surface, Date appears the opposite of Warren, given his background in banking. He formerly served Deutsche Bank Securities as managing director of the financial institutions group and Capital One Financial as senior vice president for corporate strategy and development. He also joined Cambridge Winter Center for financial policy, a nonprofit that defines its mission as "fostering a rational and informed discourse on U.S. financial institutions policy."

"It makes sense politically," said University of Houston Law Professor Jim Hawkins, who has studied the CFPB. "It is a way to choose someone who is really close to Warren, but maybe not too close. I think the big difference is that she never formally worked in the industry. She is an academic. He is an industry person who later formed a nonprofit."

While the president's consideration of Warren for the post riled critics who saw her as an academic with no real-world banking experience, the criticism surrounding Date could be just as potent, sources say.

Despite his business pedigree, one source said "frankly, he doesn't pass the smell test, there are doubts about his conflicts of interest that have been raised in the past."

One of those doubts surfaced last October when The New York Times reported [1] Date's previously worked at a firm that arranged low-doc loans for borrowers with troubled credit histories.

At the same time, supporters of Date rejected the article and instead pointed to his research [2], where he pushes back against excessive Wall Street pay and addresses negatives tied the financial bailouts in the report, 'The Killer G' [3]s.
"If he is nominated, it is going to be a nonstarter," one source told HousingWire.

Even still, a party familiar with the matter said the argument against the CFPB and director post "is not about one person."

"The whole thing has to be rearranged, and the president is not going to do that. From a macro-perspective we do not want a single person running the agency," according to the source.