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Elizabeth Warren  
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Backers Say Warren Has Time to Make Her Mark

By Women's eNews Contributors

Women's eNews is the definitive source of substantive news--unavailable anywhere else--covering issues of particular concern to women and providing women's perspectives on public policy. It enhances women's ability to define their own lives and to participate fully in every sector of human endeavor.



Legal scholars predict that the appointment of [Elizabeth Warren](#) to lead the new Bureau of Consumer Financial Protection will be a boon for everyday Americans, especially low-income women who have struggled with crushing credit card, student loan and other debts.

"Warren brings a lifetime of pioneering research on issues ranging from the financial impact of divorce on families headed by single mothers to the financial vulnerability of older Americans on fixed incomes who struggle with credit card debts," said Robert Lawless, professor of law at the [University of Illinois](#) in Champaign. "These studies are important to an agency that will have the ability to crack down on deceptive practices in the financial services industry."

The temporary nature of Warren appointment--she's only supposed to serve for nine-months--has been widely seen as hedge against congressional opposition to approving her for a permanent term.

But Barbara A. Perry, senior fellow at the [Miller Center of Public Affairs](#) at the [University of Virginia](#) in Charlottesville, said [President Obama's](#) Sept. 17 appointment of the [Harvard Law School](#) bankruptcy expert will pay off in the Nov. 2 election.

"Like [President Kennedy](#) who stood up to the steel companies when they tried to increase prices in 1962, Obama will find that his performance ratings and the [Democrats'](#) chances for retaining seats in [Congress](#) will be enhanced by appointing a strong woman who won't allow the banks to push around consumers," said Perry, a presidency expert who is currently researching a book on [Rose Kennedy](#).

Perry also said voters will identify with Warren's up-by-the-bootstraps biography.

Child of Financial Turmoil

Warren's parents lost their life savings when her father's business partner in a car dealership took off with the money. After that her father worked as a maintenance man and her mother as a clerk at [Sears](#). Warren married her high school sweetheart at age 19, and completed law school at [Rutgers University](#) in Newark, N.J., while raising the couple's two children.

As assistant to the president and special advisor to the [Treasury](#) secretary, Warren will be responsible for all aspects of the bureau that is assuming the regulatory power for consumer rights now vested in the [Federal Reserve](#), the [Department of Housing and Urban Development](#) and other agencies.

Although 19 senators had supported appointment of Warren to a five-year term as director, the [White House](#) opted for a temporary appointment, which will end in July. [Senate Banking Chair Christopher Dodd](#) (Democrat of Connecticut) had warned that Warren could not win 60 votes for confirmation because of opposition from [Republicans](#) and the financial services industry.

Lawless predicted that even if Warren's tenure is short she could leave her mark on the institution through the staff she recruits and leaves behind. "As a professor, Warren encouraged a generation of young people to go into bankruptcy, consumer credit, and business law and developed their talents, so they now have the skills to enable the agency to achieve long-term success," he said.

Part of Financial Reform Battle

Warren's appointment is the latest chapter in the vociferous battle over reform of the financial system, which attracted major and controversial taxpayer bailouts in 2008.

Progressive Democrats, unions and advocates for women's financial security lobbied for inclusion of the bureau in the sweeping financial overhaul law Obama signed in July, arguing that existing federal regulations hadn't protect consumers from predatory lenders.

Female homeowners were almost twice as likely to hold subprime loans as male borrowers, even though some women had adequate credit scores to qualify for conventional mortgages.

Warren's supporters said she was the best candidate to lead the agency, because she had proposed the bureau in a 2007 essay in Democracy, a Washington-based journal, in which she had written that "kitchen appliances were better regulated than mortgages and credit cards."



After trying to snuff out the bureau, the financial services industry and its Republican and centrist Democrat allies in Congress mounted a campaign to deny Warren a role in the bureau, arguing that she would institute regulations that would make credit difficult to acquire

The day Warren's appointment was announced Sen. Lamar Alexander (R-Tenn.) said in a press statement that Warren would "put the agency in charge of making millions of decisions that ought to be made by the free market or by community banks."

#### Outsider to Old Boys Club

Susan J. Carroll, senior scholar at the [Center for American Women and Politics](#) of the [Eagleton Institute of Politics](#) at Rutgers, the State University of New Jersey in New Brunswick, said that the criticism was predictable, because "Warren has never been part of the Old Boys network in the financial community where women are regarded as unpredictable stewards of the economy."

Attacks on Warren as "anti-market" are false, said Katherine M. Porter, professor of law at the [University of Iowa](#) in Iowa City.

"Warren has a wider view of the market and what is necessary to foster the growth of the economy through credit than does [Wall Street](#)," she said. "Warren wants to level the playing field, so that single mothers will be able to get affordable mortgages and college graduates won't have to work two jobs to pay off student loans with exorbitant interest rates."

Consumer advocates are concerned that Warren's opponents in Congress may sabotage her efforts to get the new bureau up and running by withholding funds from the agency, which is expected to have a budget of up to \$500 million.

Warren might also face opposition from Treasury [Secretary Timothy Geithner](#), who has supported the positions of the banks, the Treasury department's traditional constituency, throughout the debate over financial reform.

As chair of the congressional watchdog committee that oversaw the [Troubled Asset Relief Program](#) that provided a \$700 billion bailout for banks, Warren had criticized Geithner for the Treasury Department's failure to require banks to do more to enable families in foreclosure to retain their homes.

New battles may be on the horizon because vague language in the financial overhaul law leaves room for interpretation of regulations for credit card fees, bank overdraft charges and payday loans.

The legislation establishes a new council of regulators led by Geithner who will have the power to nullify the new bureau's rules if they are deemed to jeopardize the stability of the financial system.

Warren was the first woman on the faculty of the [University of Houston Law School](#) in Texas. She also taught at Rutgers, the [University of Texas](#), the [University of Michigan](#) and the [University of Pennsylvania](#) law schools before joining the Harvard faculty in 1992. [CNN](#) reported that Obama considered appointing Warren to take the seat of [Supreme Court Justice John Paul Stevens](#) when the 90-year-old justice retired in June.

This article was contributed by Sharon Johnson who is a New York-based freelance writer.

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