



# CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

February 6, 2014

## **H.R. 2446** **Responsible Consumer Financial Protection Regulations Act of 2013**

*As ordered reported by the House Committee on Financial Services  
on November 21, 2013*

### **SUMMARY**

H.R. 2446 would replace the Director of the Consumer Financial Protection Bureau (CFPB) with a commission made up of a chairman and four additional members appointed by the President and confirmed by the Senate. The commission would be responsible for developing regulations to carry out the laws that fall within the jurisdiction of the CFPB.

Based on information from the CFPB, CBO estimates that enacting H.R. 2446 would increase direct spending by \$74 million over the 2014-2024 period. Because the bill would affect direct spending, pay-as-you-go procedures apply. CBO estimates that enacting the bill would not affect revenues and that implementing H.R. 2446 would not affect spending subject to appropriation.

H.R. 2446 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of H.R. 2446 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

|                                   | By Fiscal Year, in Millions of Dollars |      |      |      |      |      |      |      |      |      |      | 2014- | 2014- |
|-----------------------------------|--|------|------|------|------|------|------|------|------|------|------|-------|-------|
|                                   | 2014                                   | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2019  | 2024  |
| <b>CHANGES IN DIRECT SPENDING</b> |  |      |      |      |      |      |      |      |      |      |      |       |       |
| Estimated Budget Authority        | 2                                      | 7    | 7    | 7    | 7    | 7    | 7    | 8    | 8    | 8    | 8    | 37    | 75    |
| Estimated Outlays                 | *                                      | 7    | 7    | 7    | 7    | 7    | 7    | 8    | 8    | 8    | 8    | 35    | 74    |

Note: Components may not sum to totals because of rounding; \* = less than \$500,000.

## **BASIS OF ESTIMATE**

For this estimate, CBO assumes that the bill will be enacted near the middle of fiscal year 2014, that the new commissioners will be confirmed by the end of the fiscal year, and that spending will follow historical patterns for the CFPB. The CFPB is permanently authorized to spend amounts transferred from the Federal Reserve; because that activity is not subject to appropriation, CFPB expenditures are recorded in the budget as direct spending.

H.R. 2446 would replace the director and deputy director of the CFPB with a five-member commission. Based on information from the CFPB and agencies with similar organizational structures, CBO estimates that the agency would eventually hire an additional 40 employees to provide legal, research, and administrative support to the five commissioners and dismiss the agency director and deputy director. CBO estimates that additional costs for salaries, benefits, and overhead for the new positions would total about \$7 million a year. In the next few years, the CFBP will spend about \$450 million a year under current law to carry out all of its activities, CBO estimates.

## **PAY-AS-YOU-GO CONSIDERATIONS**

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

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**CBO Estimate of Pay-As-You-Go Effects for H.R. 2446, as ordered reported by the House Committee on Financial Services on November 21, 2013**

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|                                    | By Fiscal Year, in Millions of Dollars |      |      |      |      |      |      |      |      |      |      |      | 2014- | 2014- |
|------------------------------------|--|------|------|------|------|------|------|------|------|------|------|------|-------|-------|
|                                    | 2014                                   | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2019 | 2024  |       |
| <b>NET INCREASE IN THE DEFICIT</b> |  |      |      |      |      |      |      |      |      |      |      |      |       |       |
| Statutory Pay-As-You-Go Impact     | 0                                      | 7    | 7    | 7    | 7    | 7    | 7    | 8    | 8    | 8    | 8    | 35   | 74    |       |

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**INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 2446 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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