CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

February 5, 2014

H.R. 3193
Consumer Financial Protection Safety and Soundness Improvement Act of 2013

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

SUMMARY

H.R. 3193 would amend the statute that authorizes the Financial Stability Oversight Council (FSOC) to delay implementation or set aside final regulations developed by the Consumer Financial Protection Bureau (CFPB). The bill also would require the CFPB, when developing a new rule, to consider the impact of the rule on the financial soundness of an insured depository institution.

CBO estimates that enacting H.R. 3193 would increase direct spending by $5 million over the 2014-2024 period; therefore, pay-as-you-go procedures apply. CBO estimates that enacting H.R. 3193 would not have a significant effect on revenues and implementing the bill would not affect discretionary costs.

H.R. 3193 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 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.

CBO assumes that the bill will be enacted near the middle of fiscal year 2014 and that spending will follow historical patterns for the CFPB. H.R. 3193 would broaden the scope of items the CFPB must consider when prescribing new rules under consumer financial laws. Currently, the CFPB must consider both the potential costs to consumers and the effect on certain entities and consumers in rural areas. H.R. 3193 would direct the CFPB to consider the impact of a potential new rule on the financial safety or soundness of an insured depository institution as well.

Based on information from the CFPB, CBO estimates that the cost to enact H.R. 3193 would total $5 million over the 2014-2024 period for additional staff costs associated with the new rulemaking requirement. We expect that the cost in any given year would not be significant.

The bill also would change the conditions under which the FSOC would stay the effective date or set aside a regulation developed by the CFPB. Based on information from the Treasury, CBO estimates that enacting those provisions of H.R. 3193 would not have a significant effect on direct spending or revenues.

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.

CBO Estimate of Pay-As-You-Go Effects for H.R. 3193, as ordered reported by the House Committee on Financial Services on November 21, 2013

	By Fiscal Year, in Millions of Dollars												
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2014-2019	2014-2024
Statutory Pay-As-You-Go Impact	0	0	0	0	0	0	0	0	0	0	0	3	5

Note: Components may not sum to totals because of rounding.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 3193 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal Costs: Susan Willie
Impact on State, Local, and Tribal Governments: Melissa Merrell
Impact on the Private Sector: Paige Piper/Bach

ESTIMATE APPROVED BY:

Theresa Gullo
Deputy Assistant Director for Budget Analysis