



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

December 8, 2017

H.R. 4292 **Financial Institution Living Will Improvement Act of 2017**

*As ordered reported by the House Committee on Financial Services
on November 15, 2017*

H.R. 4292 would codify current regulatory practices by requiring certain financial institutions to submit resolution plans (known as living wills) to the Federal Deposit Insurance Corporation (FDIC) and the Federal Reserve once every two years. The bill also would require the FDIC and the Federal Reserve to provide additional feedback to those financial institutions about their living wills and to publicly disclose their assessment framework.

H.R. 4292 would impose a small administrative cost on both agencies. Such costs to the FDIC are recorded in the budget as an increase in direct spending; costs incurred by the Federal Reserve are treated as reductions in remittances to the Treasury. Such reductions are recorded in the budget as reductions in revenues.

Because enacting H.R. 4292 would affect direct spending and revenues, pay-as-you-go procedures apply. However, using information from those agencies, CBO estimates that the net budgetary effects would be insignificant for each year.

CBO estimates that enacting H.R. 4292 would not significantly increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 4292 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contacts for this estimate are Sarah Puro (for the FDIC) and Nathaniel Frentz (for the Federal Reserve). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.