



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

November 30, 2007

H.R. 4043
Preserving and Expanding Minority Depository Institutions Act

*As ordered reported by the House Committee on Financial Services
on November 7, 2007*

Existing law requires officials from two of the federal agencies that regulate banks—the Office of Thrift Supervision (OTS) and the Federal Deposit Insurance Corporation (FDIC)—to consult with the Department of the Treasury on methods to preserve and promote minority ownership of depository institutions. H.R. 4043 would direct the Chairman of the Board of Governors of the Federal Reserve System and the Comptroller of the Currency to participate in those activities. In addition, the bill would require each of the participating agencies to submit an annual report to the Congress on actions taken to implement the law.

Based on information from the Federal Reserve and affected agencies, CBO estimates that additional costs under the bill incurred by the Office of the Comptroller of the Currency, the OTS, and FDIC would affect direct spending, but such expenditures would be offset by income from annual fees or deposit insurance premiums. The budgetary effects on the Federal Reserve would be recorded as changes in revenues, and CBO estimates that such changes would reduce revenues by less than \$500,000 a year. Enacting the bill would have a negligible net effect on direct spending.

H.R. 4043 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Kathleen Gramp. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.