



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

August 13, 2014

**H.R. 4881**

**A bill to place a one-year moratorium on the authority of the Financial Stability Oversight Council to make financial stability determinations**

*As ordered reported by the House Committee on Financial Services  
on June 20, 2014*

H.R. 4881 would place a one-year moratorium on any determination by the Financial Stability Oversight Council (FSOC) that would subject a nonbank financial company to supervision by the Federal Reserve. Pay-as-you-go procedures apply because enacting H.R. 4881 could affect direct spending and revenues; however, CBO estimates that the legislation would have no significant effect on the budget, including discretionary spending, over the next 10 years.

Under current law, the Federal Reserve may subject a nonbank financial company to certain prudential standards if the FSOC determines that the company, poses a threat to financial stability. To date, three companies—American International Group, General Electric Capital Corporation, and Prudential Financial—have received such a determination.

H.R. 4881 would place a one-year moratorium on any FSOC meetings or inquiries related to the determinations described above. The resulting decrease in supervision could increase the risk of failure of a nonbank financial company, potentially triggering spending from the government's Orderly Liquidation Fund. However, given the brief duration of the moratorium, CBO does not expect that nonbank financial institutions' probability of failure would increase significantly under the bill.

H.R. 4881 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contacts for this estimate are Daniel Hoople and Susan Willie. The estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.