



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 6, 2015

H.R. 1259

Helping Expand Lending Practices in Rural Communities Act

As ordered reported by the House Committee on Financial Services on March 26, 2015

H.R. 1259 would direct the Bureau of Consumer Financial Protection (CFPB) to develop a temporary program to designate certain counties as rural areas for purposes of enforcing regulations under its authority. The agency has defined the term “rural” in accordance with the Urban Influence Codes (UICs), developed by the Department of Agriculture; those codes form a classification system that distinguishes metropolitan and nonmetropolitan counties. H.R. 1259 would direct the CFPB to allow individuals to apply to have certain counties—those that do not meet the UIC definition—designated as rural areas. The bill would limit the term of the program to the two-year period starting on the date of enactment; it also would require applications to be made available for public comment and would direct the agency to approve or deny applications within 90 days of the end of the comment periods.

Based on information from the CFPB, CBO estimates that enacting H.R. 1259 would increase direct spending by about \$1 million over the 2015-2025 period; therefore, pay-as-you-go procedures apply. We expect the agency would hire additional staff over the two-year period of the program at a total cost of about \$700,000 and incur additional costs of about \$250,000 to develop a system to accept and process applications. CBO estimates that enacting the bill would not affect revenues. Implementing the bill would not affect discretionary costs because the CFPB is permanently authorized to spend amounts transferred from the Federal Reserve System.

H.R. 1259 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Susan Willie. The estimate was approved by Theresa Gullo, Assistant Director for Budget Analysis.