



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

April 3, 2015

H.R. 1195
Bureau of Consumer Financial Protection Advisory Boards Act
As ordered reported by the House Committee on Financial Services on March 26, 2015

SUMMARY

H.R. 1195 would amend current law to establish three groups to provide advice to the Bureau of Consumer Financial Protection (CFPB). The boards would provide information to the CFPB about the practices of small businesses, credit unions, and community banks that offer financial products to consumers.

CBO estimates that implementing H.R. 1195 would increase direct spending by \$9 million over the 2015-2025 period; therefore, pay-as-you-go procedures apply. CBO estimates that enacting the bill would not affect revenues. Implementing H.R. 1195 would not affect discretionary spending because the CFPB is permanently authorized to spend amounts transferred from the Federal Reserve System.

H.R. 1195 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 estimated budgetary effect of H.R. 1195 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By Fiscal Year, in Millions of Dollars										2016-	2016-
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2020	2025
CHANGES IN DIRECT SPENDING												
Estimated Budget Authority	1	1	1	1	1	1	1	1	1	1	4	9
Estimated Outlays	1	1	1	1	1	1	1	1	1	1	4	9

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

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 1195 will be enacted near the end of fiscal year 2015 and that spending will follow historical patterns for similar activities. The CFPB is permanently authorized to spend amounts transferred from the Federal Reserve System; because such spending is not subject to appropriation, CFPB expenditures are recorded in the budget as direct spending.

H.R. 1195 would amend current law to establish three groups to provide advice to the CFPB:

- The Small Business Advisory Board would provide information on the practices of small businesses that offer financial products and services;
- The Credit Union Advisory Council would provide advice to the agency on financial products or services that affect credit unions; and
- The Community Bank Advisory Council would provide advice on financial products or services that affect community banks.

Based on information from the CFPB, CBO estimates that the agency would spend about \$200,000 annually for each new advisory group for compensation, travel, and support of board meetings. In addition, CBO expects the CFPB would add two staff positions to provide ongoing administrative support for the boards at an annual cost of about \$250,000. In total, CBO estimates that enacting H.R. 1195 would increase direct spending by about \$850,000 each year or about \$9 million over the 2016-2025 period.

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. 1195, as ordered reported by the House Committee on Financial Services on March 26, 2015

	By Fiscal Year, in Millions of Dollars											2015-	2015-
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2020	2025
NET INCREASE OR DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	1	1	1	1	1	1	1	1	1	1	4	9

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

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1195 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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