



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 11, 2018

H.R. 1264

Community Financial Institution Exemption Act

As ordered reported by the House Committee on Financial Services on January 18, 2018

The Consumer Financial Protection Bureau (CFPB) enforces federal consumer financial protection laws but may exempt classes of institutions, service providers, or consumer financial products or services from its rules.

H.R. 1264 would require the CFPB to exempt insured depository institutions and credit unions with less than \$50 billion in assets from all rules and regulations the agency issues or modifies after the date of the bill's enactment. The bill would authorize CFPB to revoke the exemption from a specific rule for a specific class of institutions under certain circumstances. The agency also could modify existing rules and regulations for insured depository institutions and credit unions with less than \$50 billion in assets if the modification would expand a current exemption or reduce the cost and regulatory burden of compliance.

Using information from the CFPB, CBO estimates that enacting H.R. 1264 would require the equivalent one additional employee to expand the CFPB's current analyses of the effects of new or modified rules and regulations. Assuming the CFPB hired an additional employee to do that work the bill would increase direct spending by \$2 million over the 2019-2028 period. Because enacting H.R. 1264 could affect direct spending, pay-as-you-go procedures apply. Enacting the bill would not affect revenues.

CBO estimates that enacting H.R. 1264 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 1264 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Stephen Rabent. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.