CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

November 30, 2017

H.R. 2396
Privacy Notification Technical Clarification Act

As ordered reported by the House Committee on Financial Services on October 12, 2017

Once each year, under current law, financial institutions are required to disclose to all customers their policies and practices regarding the collection of customers' private personal information and the disclosure of such information to affiliates and third parties. The Consumer Financial Protection Bureau (CFPB), Securities and Exchange Commission (SEC), Commodity Futures Trading Commission (CFTC), and Federal Trade Commission (FTC) are authorized to promulgate rules to enforce those requirements.

H.R. 2396 would exempt financial institutions from that annual disclosure requirement, if they:

- Have not changed their policies and practices related to the disclosure of private personal information since their most recent disclosure;
- Make those policies available online and upon request through the mail or over the telephone; and
- Periodically notify customers of the availability of information on those policies and practices.

Using information from the FTC, CBO estimates that implementing H.R. 2396 would cost less than $500,000 for the FTC and CFTC to update agency guidance documents related to the disclosure of customer information. That spending would be subject to the availability of appropriated funds. The SEC also would incur costs of less than $500,000. However, because the SEC is authorized to collect fees sufficient to offset its annual appropriation, CBO estimates that the net effect of the bill on discretionary spending by the SEC would be negligible, assuming appropriation actions that are consistent with that authority.

Using information from CFPB, CBO estimates that enacting H.R. 2396 would increase direct spending by less than $500,000 for the agency to update its guidance documents. Because H.R. 2396 would affect direct spending, pay-as-you-go procedures apply. Enacting the bill would not affect revenues.

CBO estimates that enacting H.R. 2396 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 2396 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 approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.