CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

January 11, 2018

H.R. 3299
Protecting Consumers' Access to Credit Act of 2017

As ordered reported by the House Committee on Financial Services on November 15, 2017

H.R. 3299 would overturn a decision of the Second Circuit Court of appeals and permit nonbank financial institutions to charge interest rates that exceed certain state caps if a bank makes a valid loan and then sells or transfers the loan to a nonbank. The bill would not affect the operations or actions of federal financial regulators. As a result, CBO estimates that enacting H.R. 3299 would have no effect on the federal budget.

Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting H.R. 3299 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 3299 would preempt state usury laws that set interest rate caps and that regulate the validity of loans sold, assigned, or transferred to a third party. Such loans would retain their maximum rate of interest as set by the loan's originator regardless of whether the loan is sold, assigned, or transferred to a third party located in a different state. That preemption would be a mandate as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates that the preemption would impose no costs on state governments. Although it would limit the application of state laws, it would impose no duty on states that would result in additional spending.

H.R. 3299 contains no private-sector mandates as defined in UMRA.

The CBO staff contacts for this estimate are Sarah Puro (for federal costs) and Rachel Austin (for mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.