



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 10, 2018

H.R. 3746 **Business of Insurance Regulatory Reform Act of 2017**

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

Under current law, the Consumer Financial Protection Bureau (CFPB) enforces federal consumer financial protection laws except when enforcement would involve entities that are subject to state insurance regulation. That prohibition does not apply, however, for those entities' transactions involving consumer financial products or services or to the extent that an entity is subject to consumer financial protection laws.

H.R. 3746 would clarify that the CFPB cannot enforce consumer financial protection laws on entities to the extent that they are engaged in the business of insurance, whether or not those entities offer products or services that are subject to consumer financial protection laws. Other lines of business for those entities would continue to be subject to CFPB enforcement.

Using information from the CFPB, CBO estimates that enacting H.R. 3746 would have no significant effect on the agency's costs or operations because the bill would primarily codify current agency enforcement practices.

CBO estimates that implementing H.R. 3746 could reduce civil penalties collected by the CFPB (which are recorded in the budget as revenues) and the subsequent direct spending of those penalties by slightly limiting the scope of enforcement cases the agency may pursue. Therefore, pay-as-you-go procedures apply. However, CBO estimates that those effects would not be significant over the 2018-2028 period.

CBO estimates that enacting H.R. 3746 would not increase net direct spending or significantly increase on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 3746 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.