CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

November 1, 2017

H.R. 3911
Risk-Based Credit Examination Act

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

Under current law, the Office of Credit Ratings (OCR) within the Securities and Exchange Commission (SEC) conducts an annual examination of nationally recognized statistical rating organizations (NRSROs) in eight specified review areas and produces an annual report on its findings. H.R. 3911 would authorize the OCR to include the results from any or all of those examinations in its annual reviews.

Based on an analysis of information from the SEC, CBO estimates that implementing H.R. 3911 would not significantly affect the costs for the SEC to produce its annual reviews of NRSROs. Moreover, the SEC is authorized to collect fees sufficient to offset its annual appropriation; therefore, assuming appropriation actions consistent with that authority, CBO estimates that the net effect of the bill on discretionary spending would be negligible.

Enacting H.R. 3911 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 3911 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 3911 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.