CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

January 18, 2018

H.R. 3978
TRID Improvement Act of 2017

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

Under current law, the Consumer Financial Protection Bureau (CFPB) requires mortgage lenders to disclose certain information regarding home loan terms and costs to consumers at the beginning and closing of mortgage transactions. H.R. 3978 would direct the CFPB to require mortgage lenders to disclose discounted rates that are available to consumers for title insurance premiums and to itemize all actual charges imposed on borrowers in the closing documents for mortgages.

Using information from the CFPB, CBO estimates that enacting H.R. 3978 would increase direct spending by less than $500,000 for the agency to issue a rule to implement the changes to the disclosure requirements.

Because enacting H.R. 3978 would affect direct spending, pay-as-you-go procedures apply. Enacting the bill would not affect revenues.

CBO estimates that enacting H.R. 3978 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 3978 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA).

The disclosures required by the bill would be private-sector mandates as defined in UMRA. However, CBO estimates that the costs to mortgage lenders to meet the disclosure requirements would be small and would not exceed the threshold established in UMRA for private-sector mandates ($156 million in 2017, adjusted for inflation).

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