



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

March 14, 2018

H.R. 4566
Alleviating Stress Test Burdens to Help Investors Act

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

H.R. 4566 would exempt certain nonbank financial firms from requirements to conduct assessments of their ability to withstand financial stress. It would also remove the Federal Reserve's authority to conduct stress tests at nonbank financial companies more often than once per year.

Because the Federal Reserve currently does not conduct stress tests on nonbank financial firms, enacting the bill would have a negligible effect on its spending in the near term. Although some types of stress testing may begin under current law at some point over the 2018-2027 period, CBO anticipates that those activities probably would not be affected by the restrictions in this bill. In addition, based on information from the Federal Reserve, CBO estimates that provisions in the bill that may exempt some financial companies from certain capital planning requirements would have no significant effect on the operating costs of the Federal Reserve. As a result, CBO estimates that implementing the bill would have no significant effect on Federal Reserve remittances to the U.S. Treasury, which are recorded in the budget as revenues.

Because enacting H.R. 4566 would affect revenues, pay-as-you-go procedures apply. Enacting the bill would not affect direct spending.

CBO estimates that enacting H.R. 4566 would not significantly increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 4566 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Nathaniel Frentz. The estimate was approved by John McClelland, Assistant Director for Tax Analysis, and Theresa Gullo, Assistant Director for Budget Analysis.