# CONGRESSIONAL BUDGET OFFICE
# COST ESTIMATE

February 13, 2018

## H.R. 4725
### Community Bank Reporting Relief Act

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

H.R. 4725 would permit banks and credit unions with assets of less than $5 billion to reduce, from quarterly to semiannually, the number of times each year they must file information about their balance sheets with federal regulators. Those institutions account for about 95 percent of financial institutions but hold roughly 10 percent of industry assets. The bill would require the federal banking regulators to write regulations to implement the provision.

Using information from those regulators, CBO expects that the provisions of H.R. 4725 would not significantly affect the risk that the affected institutions would fail. As a result, CBO estimates that enacting the bill would not significantly affect outlays of the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA), which incur costs when banks or credit unions fail. Costs incurred by those entities are recorded in the budget as direct spending.

Additional regulations developed under H.R. 4725 could impose costs on the FDIC, the NCUA, the Office of the Comptroller of the Currency (OCC), and the Federal Reserve. However, CBO estimates that the cost to complete the regulations would not be significant. Administrative costs incurred by the FDIC, the NCUA, and the OCC are recorded in the budget as increases in direct spending, but those agencies are authorized to collect premiums and fees from insured depository institutions to cover administrative expenses. Thus, CBO expects that the net effect on direct spending would be negligible. Administrative costs to the Federal Reserve are reflected in the federal budget as a reduction in remittances to the Treasury (which are recorded in the budget as revenues).

Because enacting H.R. 4725 could affect direct spending and revenues, pay-as-you-go procedures apply. However as discussed above, any such impacts would not be significant.

CBO estimates that enacting H.R. 4725 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 4725 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

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