



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 2, 2018

### **H.R. 5082** **Practice of Law Technical Clarification Act of 2018**

*As ordered reported by the House Committee on Financial Services on March 21, 2018*

Under current law, the Consumer Financial Protection Bureau (CFPB) and the Federal Trade Commission (FTC) share enforcement authority over the Fair Debt Collection Practices Act (FDCPA). The CFPB retains supervisory and rulemaking authority under that act. For the purposes of the FDCPA, H.R. 5082 would exempt law firms and licensed attorneys from being defined as “debt collectors” when they are engaged in certain litigation activities connected to collecting debt on behalf of a client.

Using information from the affected agencies, CBO estimates that implementing H.R. 5082 would have an insignificant effect on costs for the FTC and would cost the CFPB less than \$500,000 to make required changes to a planned rulemaking. The costs for the CFPB are treated as direct spending in the budget.

CBO also estimates that implementing H.R. 5082 could reduce the CFPB’s and FTC’s collections of civil penalties, which are recorded in the budget as revenues, by slightly limiting the scope of enforcement cases that the agencies may pursue. Because the CFPB can spend the penalties it collects, the reduction in penalties would also reduce the subsequent direct spending of those funds. However, CBO estimates that the effects on revenues and direct spending would not be significant over the 2018-2028 period.

Because enacting the bill would affect direct spending and revenues, pay-as-you-go procedures apply.

CBO estimates that enacting H.R. 5082 would not significantly increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 5082 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 reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.