



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

December 19, 2018

H.R. 5534 **GUIDE Compliance Act**

*As ordered reported by the House Committee on Financial Services
on September 13, 2018*

H.R. 5534 would require the Consumer Financial Protection Bureau (CFPB) to issue guidance to facilitate compliance with federal consumer financial laws. The agency would be required to issue rules that define various types of guidance; establish a procedure for issuing, amending, and revoking guidance; and develop a process for receiving public input on guidance. H.R. 5534 also would require the CFPB to establish guidelines to determine the size of civil monetary penalties imposed by the agency.

Using information from the CFPB, CBO estimates that enacting the bill would require the agency to hire four employees to handle the preparation of the additional guidance that the agency would be required to issue and to implement new procedures for issuing guidance. CBO estimates those efforts would cost \$1 million annually, beginning in 2021. In addition, CBO estimates that it would cost the agency about \$1 million to issue the required rules under the bill. (Spending by the CFPB is considered direct spending.) Over the 2019-2028 period, CBO estimates that implementing the bill would increase direct spending by \$9 million.

Under H.R. 5534, the CFPB also would be required to issue a rule to establish new guidelines for determining the size of the civil monetary penalties it issues and to align those guidelines with those published by other financial regulators. CBO estimates that amending current agency penalty guidelines would affect civil penalties collected by the CFPB (which are recorded in the budget as revenues) and the subsequent direct spending of those penalties. However, because any changes would be dependent on the outcome of future agency rules, CBO has no basis to determine whether future civil monetary penalties would be higher or lower than under current law.

Because enacting H.R. 5534 would affect direct spending and revenues, pay-as-you-go procedures apply.

CBO estimates that enacting H.R. 5534 would not increase net direct spending or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2029.

H.R. 5534 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.