

H.R. 1500, Consumers First Act

As ordered reported by the House Committee on Financial Services on March 28, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	9	19
Revenues	0	0	0
Deficit Effect	0	9	19
Spending Subject to Appropriation (Outlays)	0	0	0
Pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

H.R. 1500 would impose several requirements on the Consumer Financial Protection Bureau (CFPB). Specifically, the bill would:

- Make fair lending supervision and enforcement by the CFPB’s Office of Fair Lending and Equal Opportunity (OFLEO) a statutory requirement;
- Require the CFPB to establish an Office of Students and Young Consumers (OSYC) that would provide direct assistance to the agency’s units responsible for supervising, enforcing, and regulating the nonfederal student loan market;
- Require the director to appoint at least 25 members to the agency’s Consumer Advisory Board; and
- Require the agency to report to the Congress on matters such as changes to agency memorandums of understanding and the number of political appointees at the agency.

The estimated budgetary effect is shown in Table 1. The costs of the legislation fall within budget function 370 (commerce and housing credit).

Table 1.
Estimated Increases in Direct Spending Under H.R. 1500

	By Fiscal Year, Millions of Dollars											2019-2024	2019-2029
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029		
	Increases in Direct Spending												
Estimated Budget Authority	0	2	2	2	2	2	2	2	2	2	2	10	20
Estimated Outlays	0	1	2	2	2	2	2	2	2	2	2	9	19



Using information from the CFPB about staffing levels prior to 2018, CBO estimates that enacting H.R. 1500 would require additional staff and would increase direct spending by \$19 million over the 2020-2029 period. The CFPB is permanently authorized to request and receive funding from the Federal Reserve in an amount necessary to carry out its operations.

Under H.R. 1500, CBO expects that OFLEO would carry out more fair lending supervision and enforcement activities compared to current practice, which would require additional staff and lead to increased litigation costs. CBO estimates that the CFPB would need two additional full-time staff for the OFLEO activities. CBO also estimates that the CFPB would hire five additional full-time staff to operate the newly created OSYC. CBO expects that OSYC would assist in all supervisory, enforcement, and regulatory activities related to student loans.

CBO estimates that the initial annual cost for each additional employee would be \$200,000. After accounting for anticipated inflation CBO estimates that hiring additional staff would cost \$16 million over the 2020-2029 period—\$5 million for the OFLEO and \$11 million for the OSYC.

Under the bill, the Director of the CFPB would be required to appoint 16 additional members to the Consumer Advisory Board. Currently, the board has 9 members. CBO estimates that supporting the additional board members would cost \$3 million over the 2020-2029 period assuming support costs for the current board are expanded proportionally. Based on the costs of similar tasks, CBO estimates that the new reporting requirements to the Congress and other administrative costs under the bill would cost \$1 million over the same period.

The CFPB's costs under H.R. 1500 could be higher or lower than CBO's estimates. Under H.R. 1500, the CFPB would still have considerable discretion about the level of resources it chooses to commit to individual responsibilities.

The CBO staff contact for this estimate is David Hughes. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.