

H.R. 4841, Prudential Regulator Oversight Act

As ordered reported by the House Committee on Financial Services on October 31, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2024	2020-2029
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	0	0	not estimated
Statutory 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?	Yes, Under Threshold
* = between -\$500,000 and \$500,000.			

H.R. 4841 would direct the Federal Reserve, Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), and Office of the Comptroller of the Currency (OCC) to report twice each year on their supervision and regulation of banking entities. Those agencies also would be required to testify before the Congress concerning those reports.

The operating costs for the FDIC, NCUA, and OCC are classified in the federal budget as direct spending. Using information from the affected agencies, CBO estimates that because those agencies already produce much of the required information, implementing H.R. 4841 would cost less than \$500,000 annually and would increase gross direct spending by \$1 million over the 2020-2029 period. However, the NCUA and OCC collect fees from financial institutions to offset their operating costs. Because those fees are treated as reductions in direct spending, CBO estimates that the net effect on direct spending would be insignificant over the period.

Costs incurred by the Federal Reserve reduce remittances to the Treasury, which are recorded in the budget as revenues. CBO estimates that enacting H.R. 4841 would decrease revenues by less than \$500,000 over the 2020-2029 period.

If the federal financial regulators increased fees to offset the costs associated with implementing the bill, H.R. 4841 would increase the cost of an existing mandate on financial



institutions that are required to pay those assessments. CBO estimates that the mandate's cost would be small and below the annual threshold established in the Unfunded Mandates Reform Act (UMRA) for the private sector (\$164 million in 2019, adjusted annually for inflation).

H.R. 4841 contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Stephen Rabent (for federal costs and revenues) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.