

### At a Glance

## H.R. 3009, Improving Language Access in Mortgage Servicing Act of 2021

As ordered reported by the House Committee on Financial Services on May 12, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	*	7	13
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	7	13
Spending Subject to Appropriation (Outlays)	*	2	not estimated

Statutory pay-as-you-go procedures apply?	Yes	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold

\* = between zero and \$500,000.

#### The bill would

- Require the Consumer Financial Protection Agency (CFPB) to create a standardized form to track borrowers' language preferences in the mortgage process, translate federal mortgage documents into other languages, and update their website, among other responsibilities
- Impose private-sector mandates by requiring creditors and mortgage servicers to provide consumers with access to translators and other language-based resources

#### Estimated budgetary effects would mainly stem from

- Increases in direct spending by the CFPB to implement the bill's requirements
- Increases in spending subject to appropriation for the Department of Housing and Urban Development to provide language training

**Detailed estimate begins on the next page.**

## Bill Summary

H.R. 3009 would require the Consumer Financial Protection Bureau (CFPB) to undertake several projects and activities jointly with other federal agencies—the Federal Housing Finance Agency (FHFA) and the Departments of Housing and Urban Development (HUD), Agriculture, and Veterans Affairs—as follows:

- Issue rules to establish a form that mortgage loan creditors and servicers would use to document consumers’ language preferences throughout the mortgage process,
- Translate federal documents related to residential mortgage loan transactions from English into 12 other languages,
- Report annually to the Congress on recommendations to improve the mortgage process for consumers with limited English proficiency,
- Establish and maintain a website to provide language resources for mortgage loan creditors, servicers, and consumers, and
- Update their websites to allow users to search for housing counseling agencies based on the language services they provide.

H.R. 3009 also would require the CFPB to establish a group to advise the bureau on providing foreign-language resources to mortgage consumers and would require HUD to provide language training for housing counselors, counseling agencies, and their staff.

## Estimated Federal Cost

The estimated budgetary effect of H.R. 3009 is shown in Table 1. The costs of the legislation fall within budget functions 370 (commerce and housing credit) and 600 (income security).

<b>Table 1. Estimated Budgetary Effects of H.R. 3009</b>													
	<b>By Fiscal Year, Millions of Dollars</b>										<b>2022- 2026</b>	<b>2022- 2031</b>	
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>			
	<b>Increases in Direct Spending</b>												
Estimated Budget Authority	*	3	2	1	1	1	1	1	1	1	2	7	13
Estimated Outlays	*	3	2	1	1	1	1	1	1	1	2	7	13

CFPB = Consumer Financial Protection Bureau; \* = between zero and \$500,000.

Implementing the bill also would increase spending subject to appropriation by less than \$500,000 in each year and by \$2 million over the 2022-2026 period.

## **Basis of Estimate**

CBO assumes that H.R. 3009 would be enacted near the end of 2022. CBO estimates that enacting H.R. 3009 would increase direct spending by \$13 million over the 2022-2031 period and would increase spending subject to appropriation by \$2 million over the 2022-2026 period.

### **Direct Spending**

Because the CFPB has permanent authority, not subject to annual appropriation, to spend amounts transferred from the Federal Reserve, enacting the bill would increase direct spending. Using information from the CFPB, CBO estimates that spending would increase by \$13 million over the 2022-2031 period. That amount comprises \$2 million for four employees to issue new rules over two years; \$2 million to translate documents; \$6 million for information technology and staffing to establish, maintain, and update websites; and \$3 million to establish and support the advisory group.

CBO expects that any costs to FHFA under the bill would be insignificant because the agency could implement the bill's requirements with existing staff and resources.

### **Spending Subject to Appropriation**

CBO estimates that implementing the bill would increase spending subject to appropriation by \$2 million over the 2022-2026 period, mostly for HUD to provide language training and update its website. The other departments would incur insignificant costs from consulting with the CFPB.

### **Pay-As-You-Go Considerations:**

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 1.

### **Increase in Long-Term Deficits:**

CBO estimates that enacting H.R. 3009 would not increase on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2032.



## **Mandates:**

H.R. 3009 would impose private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) by requiring creditors and mortgage servicers to provide consumers with access to translators and other language-based resources. CBO has determined that the aggregate costs of the mandates would not exceed the thresholds established in UMRA for private-sector mandates (\$170 million in 2021, adjusted annually for inflation).

H.R. 3009 contains no intergovernmental mandates as defined in UMRA.

## **Estimate Prepared By**

Federal Costs:

David Hughes (CFPB)  
Elizabeth Cove Delisle (HUD)

Mandates: Fiona Forrester

## **Estimate Reviewed By**

Justin Humphrey  
Chief, Finance, Housing, and Education Cost Estimates Unit

Kathleen FitzGerald  
Chief, Public and Private Mandates Unit

H. Samuel Papenfuss  
Deputy Director of Budget Analysis

Theresa Gullo  
Director of Budget Analysis