

H.R. 4586, Risk-Based Credit Examination Act

As ordered reported by the House Committee on Financial Services on June 22, 2022

By Fiscal Year, Millions of Dollars	2022	2022-2027	2022-2032
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	*	not estimated
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2033?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between -\$500,000 and \$500,000.			

H.R. 4586 would provide additional discretion to the Securities and Exchange Commission (SEC) in its review of data from the national credit ratings agencies. Under current law, the Office of Credit Ratings (OCR) within the SEC must conduct an annual examination of nationally recognized statistical rating organizations (NRSROs) in eight specified review areas and produce an annual report on its findings. The bill would authorize the OCR to include the results from any or all of the eight examinations that it deems appropriate in its annual reviews.

Using information from the SEC, CBO estimates that implementing H.R. 4586 would not significantly affect the costs for the SEC to produce its annual reviews of NRSROs. Because the SEC is authorized to collect fees each year to offset its annual appropriation, CBO expects that the net effect on discretionary spending over the 2022-2027 period would be negligible, assuming appropriation actions consistent with that authority.

The CBO staff contact for this estimate is David Hughes. The estimate was reviewed by Leo Lex, Deputy Director of Budget Analysis.