

Estimated Budgetary Effects of H.R. 3564, the Middle Class Borrower Protection Act of 2023, as amended by Amendment 14

As posted on the website of the House Committee on Rules on June 20, 2023

<https://rules.house.gov/bill/118/hr-3564>

	By Fiscal Year, Millions of Dollars											2023-2028	2023-2033
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
Increases or Decreases (-) in Direct Spending													
Sections 1 through 6													
Estimated Budget Authority	0	900	900	0	0	0	0	0	0	0	0	1,800	1,800
Estimated Outlays	0	900	900	0	0	0	0	0	0	0	0	1,800	1,800
Section 7, as added by Amendment 14													
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	-5,000	0	-5,000
Estimated Outlays	0	0	0	0	0	0	0	0	0	0	-5,000	0	-5,000
Total Changes in Direct Spending													
Estimated Budget Authority	0	900	900	0	0	0	0	0	0	0	-5,000	1,800	-3,200
Estimated Outlays	0	900	900	0	0	0	0	0	0	0	-5,000	1,800	-3,200

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Section 1 through Section 6

The first six sections of H.R. 3564 would repeal the structure of upfront fees related to mortgages that was instituted by the government-sponsored enterprises (GSEs), Fannie Mae and Freddie Mac, on May 1, 2023, and reinstate the fee structure that was in place prior to that date through the end of 2025. CBO estimates that enacting the bill would increase direct spending by \$900 million in each of fiscal years 2024 and 2025. That increase in spending would occur because the amount of fees paid under the fee structure that was in place before May 1, 2023, would be less than under the existing structure.

Beginning in 2026, CBO expects that Federal Housing Finance Agency would institute an updated fee structure, based on an assessment by the Government Accountability Office (GAO), that would be broadly consistent with our current baseline projections. The actual fees could be higher or lower than those projections.

Section 7, as added by Amendment 14

Section 7 would extend by one year, to 2033, the increase of 10 basis-points on the guaranteed fees assessed by the GSEs on loans included in mortgage-backed securities. That

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)

increase is scheduled to end in 2032 under current law. CBO estimates that extending this fee for that additional year would decrease direct spending by \$5 billion in 2033.

Spending Subject to Appropriation

CBO estimates that the cost for GAO to complete its study would be less than \$500,000. Any spending would be subject to the availability of appropriated funds.

Previous CBO Estimate

On June 20, 2023, CBO transmitted a [cost estimate for H.R. 3564](#), the Middle Class Borrower Protection Act of 2023, as reported by the House Committee on Financial Services on June 7, 2023. The language in the first six sections in that version of the bill is the same as in the amended version and the estimated budgetary effects for those provisions are the same in both estimates.



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