



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 2, 2014

H.R. 2672 **Helping Expand Lending Practices in Rural Communities Act**

As ordered reported by the House Committee on Financial Services on March 14, 2014

H.R. 2672 would direct the Consumer Financial Protection Bureau (CFPB) to develop a process to designate certain counties as rural areas for purposes of enforcing regulations under its authority. The CFPB is permanently authorized to spend amounts transferred from the Federal Reserve; because such spending is not subject to appropriation, CFPB expenditures are recorded in the budget as direct spending. CBO estimates that enacting H.R. 2672 would increase direct spending by \$3 million over the 2014-2024 period; therefore, pay-as-you-go procedures apply.

CBO estimates that enacting the bill would not affect revenues and that implementing the bill would not affect discretionary costs. H.R. 2672 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CFPB has defined the term “rural” in accordance with Urban Influence Codes (UICs), developed by the Department of Agriculture; those codes form a classification system that distinguishes metropolitan and nonmetropolitan counties. H.R. 2672 would require the CFPB to create a process that would allow individuals to apply to have certain counties—those that do not meet the UIC definition of rural—designated as rural areas. The bill enumerates the criteria the CFPB should consider in evaluating an application, would require applications to be made available for public comment, and would direct the agency to approve or deny applications within 90 days of the end of the comment periods. CBO estimates that those tasks would increase the agency’s costs by less than \$500,000 in most years, by about \$1 million in 2016, and by a total of \$3 million over the 2015-2024 period.

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 the following table.

CBO Estimate of Pay-As-You-Go Effects for H.R. 2672, as ordered reported by the House Committee on Financial Services on March 14, 2014

	By Fiscal Year, in Millions of Dollars												2014-	2014-
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2019	2024	
NET INCREASE IN THE DEFICIT														
Statutory Pay-As-You-Go Effects	0	0	1	0	0	0	0	0	0	0	0	2	3	

Note: Components may not sum to totals because of rounding.

The CBO staff contact for this estimate is Susan Willie. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.