



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

August 20, 2014

**H.R. 4804**  
**Bureau Examination Fairness Act**

*As ordered reported by the House Committee on Financial Services on June 11, 2014*

**SUMMARY**

H.R. 4804 would set deadlines for the Bureau of Consumer Financial Protection (CFPB) to meet when examining institutions regulated by the bureau. The bill also would limit simultaneous examinations of the same entity by the CFPB and establish new rules for how the bureau requests data from institutions under examination.

CBO estimates that enacting H.R. 4804 would increase direct spending by \$178 million over the 2015-2024 period; therefore, pay-as-you-go procedures apply. Enacting H.R. 4804 would not affect revenues or discretionary spending.

H.R. 4804 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA), and would not affect the budgets of state, local, or tribal governments.

**ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary effect of H.R. 4804 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By Fiscal Year, in Millions of Dollars											2015- 2019	2015- 2024
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024			
<b>CHANGES IN DIRECT SPENDING</b>													
Estimated Budget Authority	8	16	18	18	19	19	20	20	21	21	79	180	
Estimated Outlays	7	15	18	18	19	19	20	20	21	21	77	178	

## BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 4804 will be enacted early in fiscal year 2015 and that spending for the new activities will follow historical patterns for activities carried out by the CFPB. The bureau is permanently authorized to spend amounts transferred from the Federal Reserve System; because that spending is not subject to appropriation, CFPB expenditures are recorded in the budget as direct spending.

H.R. 4804 would direct the CFPB to complete field work within 60 days of beginning an examination (such work takes about 80 days under current practice) and to produce a report or supervisory letter within 180 days of completing the examination (similar to current practice). With regard to requests for data, H.R. 4804 would, among other things, require different divisions within the bureau to coordinate before the request is made and direct the bureau to provide information about how it intends to use the data.

The CFPB projects that it will start about 140 examinations in calendar year 2014 with a staff of about 400 examiners. (Under current law, the bureau plans to increase that staff to about 500 examiners in 2015.) Based on information from the CFPB, CBO expects that the bureau would eventually need 110 additional staff positions, mostly examiners, to meet the accelerated deadlines for completing field work and reports and for other additional responsibilities under the bill. Those additional positions would represent a 20 percent increase in the CFPB's expected staffing level of 500 examiners in 2015. As a result, CBO estimates that enacting H.R. 4804 would increase direct spending by \$178 million over the 2015-2024 period.

## 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 changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

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**CBO Estimate of Pay-As-You-Go Effects for H.R. 4804, as ordered reported by the House Committee on Financial Services on June 11, 2014**

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	By Fiscal Year, in Millions of Dollars												2014-	2014-
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2019	2024	
<b>NET INCREASE IN THE DEFICIT</b>														
Statutory Pay-As-You-Go Impact	0	7	15	18	18	19	19	20	20	21	21	77	178	

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## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

H.R. 4804 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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