



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 19, 2014

H.R. 4811 **Bureau Guidance Transparency Act**

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

SUMMARY

H.R. 4811 would require the Bureau of Consumer Financial Protection (CFPB) to provide notice to the public and to establish a period for comment before issuing a guidance document in final form. Further, the bill would direct the CFPB to make available all studies, data, and other information that was used in preparing and issuing a guidance document.

The CFPB is permanently authorized to spend amounts transferred from the Federal Reserve System; because that funding is not subject to appropriation, the CFPB's expenditures are recorded in the budget as direct spending.

CBO estimates that implementing the bill's requirements would cost the CFBP \$49 million over the 2015-2024 period, thus increasing direct spending by that amount; therefore, pay-as-you-go procedures apply. Enacting H.R. 4811 would not affect revenues and implementing the bill would not affect spending subject to appropriation.

H.R. 4811 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 impact of H.R. 4811 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 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2015-2019 | 2015-2024 |
| CHANGES IN DIRECT SPENDING | | | | | | | | | | | | |
| Estimated Budget Authority | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 25 | 50 |
| Estimated Outlays | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 24 | 49 |

BASIS OF ESTIMATE

H.R. 4811 would require the CFPB to notify the public and allow time for public comment before it can publish a guidance document in its final form. The bill also would require the CFPB to publish all studies, data, and other analyses that were used to produce the guidance document. Finally, the bill would void a guidance document published by the CFPB that relates to loans offered by certain auto dealers. However, H.R. 4811 would not prevent the bureau from reissuing the guidance as long as it follows the procedures set out in the bill.

Based on information from the CFPB, CBO expects the bureau will publish about 15 guidance documents annually and that it would spend an additional \$250,000 for each publication to manage the public comment process and to incorporate comments in the final product. Further, CBO expects the bureau would spend an additional \$80,000 per guidance document to ensure that the studies, data, and other analyses used to produce the guidance are included with the publication. CBO estimates that enacting H.R. 4811 would increase direct spending by about \$5 million per year on average and by \$49 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 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. 4811, as ordered reported by the House Committee on Financial Services on June 11, 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 Impact | 0 | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 24 | 49 | |

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 4811 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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