



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

February 6, 2014

**H.R. 2571**  
**Consumer Right to Financial Privacy Act of 2013**  
*As ordered reported by the House Committee on Financial Services on November 21, 2013*

**SUMMARY**

H.R. 2571 would require the Consumer Financial Protection Bureau (CFPB), in its efforts to monitor risks in markets for consumer financial products, to notify and obtain permission from individuals before collecting or using their personal information. The bill also would extend that requirement to businesses hired by the CFPB if the information is being collected on the agency’s behalf.

CBO estimates that enacting H.R. 2571 would increase direct spending by \$8 million over the 2014-2024 period; therefore, pay-as-you go procedures apply. Enacting H.R. 2571 would not affect revenues, and implementing the bill would not affect spending subject to appropriation.

H.R. 2571 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. 2571 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 |      |      |      |      |      |      |      |      |      |      |   | 2014-<br>2019 | 2014-<br>2024 |
|-----------------------------------|--|------|------|------|------|------|------|------|------|------|------|---|---------------|---------------|
|                                   | 2014                                   | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |   |               |               |
| <b>CHANGES IN DIRECT SPENDING</b> |  |      |      |      |      |      |      |      |      |      |      |   |               |               |
| Estimated Budget Authority        | 3                                      | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1 | 6             | 9             |
| Estimated Outlays                 | *                                      | 3    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1 | 5             | 8             |

Note: Components may not sum to totals because of rounding; \* = less than \$500,000.

## BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted near the middle of fiscal year 2014 and that spending will follow historical patterns for the CFPB. The CFPB is permanently authorized to spend amounts transferred from the Federal Reserve; because that activity is not subject to appropriation, CFPB expenditures are recorded in the budget as direct spending.

Under current law, the CFPB may obtain certain financial information about an individual from businesses that offer financial products to consumers under certain conditions. H.R. 2571 would require the bureau (and any entities collecting information for the bureau) to inform consumers of the information that is being sought and receive permission from the affected individuals before gathering such information.

CBO estimates that it would cost \$8 million over the 2014-2024 period to implement a system to monitor requests made to individuals. Information from the CFPB indicates that the bulk of the data maintained by the bureau to monitor risks to consumers of financial products does not contain information that allows individual consumers to be identified. However, based on information from the CFPB, CBO expects that the bureau would develop a system to monitor requests made to individuals when the agency does use information that is individually identifiable. CBO estimates the CFPB would spend about \$3 million soon after enactment for system development costs, and less than \$1 million per year thereafter for ongoing use and maintenance costs.

## 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.

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**CBO Estimate of Pay-As-You-Go Effects for H.R. 2571, as ordered reported by the House Committee on Financial Services on November 21, 2013**

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|                                    | By Fiscal Year, in Millions of Dollars |      |      |      |      |      |      |      |      |      |      |           |           |
|------------------------------------|--|------|------|------|------|------|------|------|------|------|------|-----------|-----------|
|                                    | 2014                                   | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2014-2019 | 2014-2024 |
| <b>NET INCREASE IN THE DEFICIT</b> |  |      |      |      |      |      |      |      |      |      |      |           |           |
| Statutory Pay-As-You-Go Impact     | 0                                      | 3    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 5         | 8         |

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

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

H.R. 2571 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

### **ESTIMATE PREPARED BY:**

Federal Costs: Susan Willie

Impact on State, Local, and Tribal Governments: Melissa Merrell

Impact on the Private Sector: Paige Piper/Bach

### **ESTIMATE APPROVED BY:**

Theresa Gullo

Deputy Assistant Director for Budget Analysis