



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 31, 2017

H.R. 2706 **Financial Institution Customer Protection Act of 2017**

As ordered reported by the House Committee on Financial Services on October 12, 2017

H.R. 2706 would prohibit federal banking regulators—the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), the Office of the Comptroller of the Currency (OCC), and the Federal Reserve—from requesting or requiring that a depository institution terminate certain customer accounts except in specific circumstances affecting national security. The bill also would require each federal banking regulator to report annually on the number of requests to terminate customer accounts that any of those agencies has made to a bank.

On the basis of information from the federal banking regulators, CBO expects that the prohibitions in H.R. 2706 would not alter the actions those regulators take under current law. However, the additional reporting requirement in the bill would impose costs on those agencies. Administrative costs incurred by the FDIC, the OCC, and the NCUA are recorded in the budget as an increase in direct spending. CBO estimates that the cost to complete the annual reports would not be significant. Moreover, those agencies are authorized to collect premiums and fees from insured depository institutions to cover administrative expenses. Thus, CBO expects that the net effect on the federal budget would be negligible. Administrative costs to the Federal Reserve are reflected in the federal budget as a reduction in remittances to the Treasury (which are recorded in the budget as revenues). CBO expects that any additional administrative costs to the Federal Reserve under the bill also would be insignificant.

Because enacting H.R. 2706 would affect direct spending and revenues, pay-as-you-go procedures apply.

CBO estimates that enacting H.R. 2706 would not significantly affect net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 2706 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Sarah Puro. The estimate was approved by H. Samuel Papenfuss, Deputy Director for Budget Analysis.