

H.R. 2311, Credit Union Governance Modernization Act of 2021

As ordered reported by the House Committee on Financial Services on November 16, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	*	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	0	0	0
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold
* = between zero and \$500,000.			

H.R. 2311 would add a new procedure for expelling members from a federal credit union. Under current law, federal credit unions may expel members under two circumstances: by a majority vote of the board of directors of a credit union for nonparticipation according to a policy adopted by that credit union or by a two-thirds vote of the credit union membership present at a meeting called for the purpose of expelling a member. H.R. 2311 would allow federal credit unions to expel members for cause by a two-thirds vote of the directors of the credit union. Under the bill, the National Credit Union Administration (NCUA) would be required to conduct rulemaking to establish the procedures credit unions must follow to expel members under that authority.

Using information from the NCUA, CBO estimates that implementing the bill would cost less than \$500,000 over the 2022-2031 period. However, the NCUA collects fees from federal credit unions to offset their operating costs. Both the operating costs and the fees are classified as direct spending. Thus, on net, CBO estimates that enacting H.R. 2311 would have a negligible effect on direct spending.

If the NCUA increased annual fee collections to offset the costs associated with implementing the bill, H.R. 2311 would increase the cost of an existing private-sector mandate on entities required to pay those fees. CBO estimates that the incremental cost of the mandate would be small and would fall below the threshold established in the Unfunded



Mandates Reform Act (UMRA) for private-sector mandates (\$170 million in 2021, adjusted annually for inflation).

H.R. 2311 contains no intergovernmental mandates as defined in UMRA.

The CBO staff contact for this estimate is Stephen Rabent (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.