CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

March 28, 2018

H.R. 2683
Protecting Veterans Credit Act of 2018

As ordered reported by the House Committee on Financial Services on March 21, 2018

SUMMARY

H.R. 2683 would require consumer reporting agencies to verify whether medical debt attributed to a veteran is in fact the responsibility of the Department of Veterans Affairs (VA) and require VA to establish a database of information on veterans' medical debt.

CBO estimates that implementing the bill would cost $15 million over the 2019-2022 period, assuming appropriation of the estimated amounts.

In addition, CBO estimates that enacting H.R. 2683 would increase direct spending by $2 million over the 2019-2027 period for the Consumer Financial Protection Bureau (CFPB) to update its rules and expand its supervision of consumer reporting agencies. Because enacting the bill would affect direct spending, pay-as-you-go procedures apply. Enacting the bill would not affect revenues.

CBO estimates that enacting H.R. 2683 would not increase net direct spending by more than $2.5 billion or on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2028.

H.R. 2683 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA).

The bill would impose a private-sector mandate by requiring credit-reporting agencies to exclude some medical debt incurred by veterans from their credit reports. CBO estimates that the incremental cost to comply with the mandate would be minimal and would fall well below the annual threshold established in UMRA for private-sector mandates ($156 million in 2017, adjusted for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 2683 is shown in the following table. The costs of the legislation fall within budget functions 370 (advancement of commerce) and 700 (veterans benefits and services).

	By Fiscal Year, in Millions of Dollars					
	2018	2019	2020	2021	2022	2018-2022
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	0	5	5	3	3	16
Estimated Outlays	0	4	5	3	3	15

CBO also estimates that enacting H.R. 2683 would increase direct spending by the Consumer Financial Protection Bureau by less than $500,000 in each year over 2018-2027 period. Those costs would total $1 million over the 2018-2022 period and $2 million over the 2018-2027 period.

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 2683 will be enacted near the end of 2018, that the estimated amounts will be appropriated each year, and that outlays will follow historical spending patterns for the affected agencies.

Spending Subject to Appropriation

H.R. 2683 would modify the Fair Credit Reporting Act by requiring consumer reporting agencies to verify whether medical debt attributed to a veteran is the responsibility of VA. Not later than one year after enactment, VA would be required to establish a database to provide those agencies with timely access to information on veterans' medical debt that is related to care authorized or provided by VA.

Using information from VA, CBO estimates that establishing such a database would cost $9 million over the 2019-2020 period and that providing ongoing technical support would cost $6 million over the 2021-2022 period. As a result, CBO estimates that implementing the bill would cost $15 million over the 2019-2022 period; such spending would be subject to the availability of appropriated funds.

Direct Spending

The CFPB generally has the authority to issue regulations under the Fair Credit Reporting Act and has the authority to supervise consumer reporting agencies. Using information from the CFPB, CBO estimates that implementing H.R. 2683 would cost $2 million over the 2019-2027 period for the agency to update its rules and expand its supervision of credit-reporting agencies.

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. CBO estimates that enacting the bill would increase direct spending by $2 million over the 2018-2027 period. Enacting the bill would not affect revenues.

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting H.R. 2683 would not increase net direct spending by more than $2.5 billion or on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2028.

MANDATES

H.R. 2683 contains no intergovernmental mandates as defined in UMRA.

The bill would impose a private-sector mandate by requiring credit-reporting agencies to exclude some medical debt incurred by veterans from their credit reports. Such medical debt would not be allowed to be included in a credit report until one year had passed from the time the medical service had been provided. Credit-reporting agencies already have a six-month waiting period to report medical debt for any person. Therefore, CBO estimates that the incremental cost to comply with the mandate would be minimal and would fall well below the annual threshold established in UMRA for private-sector mandates ($156 million in 2017, adjusted for inflation).

PREVIOUS CBO ESTIMATE

On March 5, 2018, CBO transmitted a cost estimate for S. 2155, the Economic Growth, Regulatory Relief, and Consumer Protection Act, as reported by the Senate Committee on

Banking, Housing, and Urban Affairs on December 18, 2017. Provisions in S. 2155 are similar to H.R. 2863 and CBO's estimates of the budgetary effects of those provisions are the same.

ESTIMATE PREPARED BY

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