CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

September 8, 2017

H.R. 2874
21st Century Flood Reform Act

As ordered reported by the House Committee on Financial Services on June 15, 2017

SUMMARY

H.R. 2874 would authorize the National Flood Insurance Program (NFIP), which is administered by the Federal Emergency Management Agency (FEMA), to enter into and renew flood insurance policies through fiscal year 2022. Under current law, that authority will expire after December 8, 2017.

The legislation also would make a number of changes to the NFIP aimed at improving the financial status of the program and encouraging the growth of a private market for flood insurance. CBO estimates that the changes made by this legislation would increase collections from NFIP policyholders but would reduce the number of property owners who purchase insurance through the NFIP. On net, CBO estimates that the changes made by H.R. 2874 would reduce direct spending by $187 million over the 2018-2027 period. CBO also estimates that enacting H.R. 2874 would increase revenues by about $4 million over the 2018-2027 period.

H.R. 2874 also would authorize FEMA to perform activities related to the flood insurance program, such as making grants for flood mitigation, administering a state affordability program, updating the process for appealing flood map information, implementing an independent actuarial review of the program, operating a flood insurance clearinghouse, and starting a pilot program for offering community-based flood insurance. The cost of some of those activities would be offset by fees paid by policyholders; however, CBO estimates that implementing other provisions would cost $75 million over the 2018-2022 period, subject to the appropriation of the authorized and necessary amounts.

Pay-as-you-go procedures apply because enacting the legislation would affect direct spending and revenues.

CBO estimates that enacting H.R. 2874 would not increase net direct spending or on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2028.

H.R. 2874 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The budgetary impact of H.R. 2874 would fall within budget function 450, community and regional development (see Table 1).

TABLE 1. SUMMARY OF ESTIMATED BUDGETARY EFFECTS OF H.R. 2874

	By Fiscal Year, in Millions of Dollars												
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2017-2022	2017-2027
INCREASES OR DECREASES (-) IN DIRECT SPENDING [a]													
Estimated Budget Authority	0	*	-37	-74	-64	-46	-26	-8	10	23	36	-221	-187
Estimated Outlays	0	*	-37	-74	-64	-46	-26	-8	10	23	36	-221	-187
INCREASES IN SPENDING SUBJECT TO APPROPRIATION													
Estimated Authorization Level	0	21	14	14	13	13	13	13	13	13	13	75	140
Estimated Outlays	0	21	14	14	13	13	13	13	13	13	13	75	140

Notes: * = between -$500,000 and zero; components may not sum to totals because of rounding.

a. CBO estimates that enacting H.R. 2874 also would increase revenues by $4 million over the 2018-2027 period.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted by the end of fiscal year 2017, that changes in NFIP premiums will begin to go into effect for new and renewed policies in the spring of 2018, and that the authorized and necessary amounts will be appropriated for each fiscal year.

Background

The NFIP was established to encourage property owners to purchase flood insurance if they are located in communities that adopt minimum guidelines for floodplain management and that enforce building codes designed to mitigate damage from floods.

Terms for Coverage. Owners of properties that are located within an area designated as having at least a 1 percent chance of being flooded in any year (known as a Special Flood

Hazard Area, or SFHA) and that are financed by a federally regulated lending institution, a government-sponsored enterprise for housing, or a federal lender are required to carry flood insurance. Property owners not receiving financing from those entities or located outside an SFHA may purchase flood insurance at their discretion. Under current law, FEMA is authorized to underwrite the sale and renewal of flood insurance policies through December 8, 2017.

Premiums. Property owners who buy coverage through the NFIP pay annual premiums, which are deposited into the National Flood Insurance Fund (NFIF) and are used to pay flood damage claims submitted by policyholders. Most properties, about 80 percent, are charged a premium based on FEMA's estimate of the expected cost to insure those properties against damage that the property will incur from flooding in an average year (known as actuarial premiums).

The remaining 20 percent of properties insured by the program are charged premiums that are lower than the expected cost of flood damage (known as subsidized premiums). Throughout the program's history, FEMA has charged premiums that are well below actuarial premiums for properties that were built before a community's Flood Insurance Rate Map (FIRM) was completed, or before 1975, whichever was later. FEMA estimates that the owners of those properties, known as pre-FIRM properties, pay average premiums that are about 60 percent to 65 percent of what the actuarial premiums would be. Pre-FIRM properties make up the majority of subsidized properties. A few post-FIRM properties also receive discounted premiums under current law. Certain properties that have been newly mapped into SFHAs are charged lower rates for one year and some other properties located near structures designed to mitigate flooding (such as levees) that are not functional are charged rates as if the structure is fully effective.

Other property owners receive cross-subsidies from other policyholders who are charged premiums above their expected cost.[1] If cross-subsidies completely balance out, they do not create financial risk for taxpayers. CBO estimates that only those policies that are explicitly subsidized will generate insufficient receipts to cover the cost of expected claims and related expenses.

In 2016, premium collections from roughly 5 million policyholders totaled about $3.5 billion.

Additional Collections From Policyholders. All policyholders also pay two additional fees: a reserve fund assessment equal to 15 percent of their premiums and a surcharge equal to $25 for policies on primary residences and $250 for policies on nonprimary

1. For details about premiums, see Congressional Budget Office, *The National Flood Insurance Program: Factors Affecting Actuarial Soundness* (November 2009), www.cbo.gov/publication/41313 and *The National Flood Insurance Program: Financial Soundness and Affordability* (September 2017), www.cbo.gov/publication/53028.

residences or commercial properties. Collections from both the assessment and the surcharge are deposited into the NFIP Reserve Fund and are available to pay policyholders' claims.

In 2016, a total of $919 million from those fees was deposited into the NFIP Reserve Fund.

The NFIP's Ability to Pay Claims and Other Expenses. In addition to policyholders' payments of premiums and fees, the NFIF and the NFIP Reserve Fund are credited with annual appropriations from the Treasury, interest earned on fund balances, and amounts borrowed from the Treasury. For fiscal year 2017, the Congress appropriated $182 million to the NFIF. In addition the NFIP borrowed and spent $1.6 billion from the U.S. Treasury in 2017.

The majority of the NFIP's expenses consist of payments for claims resulting from coverage in force. On the basis of the number of subsidized policies, historical experience, and the current level of coverage in force (about $1.2 trillion), CBO estimates that payments for claims in 2017 will total about 122 percent of the program's receipts (or about $5.8 billion).[2] Historically, actual expenses for claims, however, have varied widely by year, ranging from less than 10 percent to almost 800 percent of the premiums collected in a calendar year.

Because of the large subsidy that exists for many policies, CBO estimates that annual expenses will—on average—exceed annual income. In most years since the program began operations, annual appropriations along with premiums and fees have been sufficient to cover the NFIP's annual expenses. Before 2005, the program occasionally had to borrow from the Treasury to meet expenses in years when losses were greater than average; the amounts borrowed were relatively small (less than $1 billion) and were repaid with interest. The differential grew in the aftermath of Hurricanes Katrina, Rita, and Wilma in 2005 and Superstorm Sandy in 2012. Largely because of borrowing to pay for losses in those storms, the NFIP's current debt to the Treasury stands at $24.6 billion.

Direct Spending

Section 109 would provide FEMA with the authority to continue selling and renewing policies through fiscal year 2022. Although that authority would otherwise expire at the end of fiscal year 2017, CBO's baseline projections of spending (consistent with the rules governing baseline projections specified in the Balanced Budget and Emergency Deficit Control Act of 1985) assumes that the program continues. Thus, extending the NFIP's authority to continue its operations under current law would have no effect on direct

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2. CBO's baseline estimates for the NFIP were prepared in the spring of 2017. CBO has not yet updated those baseline estimates to account for the hurricanes that made landfall in August and September of 2017.

spending relative to CBO's baseline estimates. Relative to that baseline, CBO estimates that enacting the other changes in H.R. 2874 would reduce net direct spending by the NFIP by $187 million over the 2018-2027 period.

In addition to extending the NFIP's authority to continue to provide insurance, H.R. 2874 would make several changes to the program. Six of those changes would affect direct spending by either adjusting the premiums paid by policyholders or reducing the number of NFIP policies purchased (see Table 2).

TABLE 2. ESTIMATED CHANGES IN DIRECT SPENDING UNDER H.R. 2874

	By Fiscal Year, in Millions of Dollars											
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-2022	2018-2027
INCREASES OR DECREASES (-) IN DIRECT SPENDING												
Premium Increases for Pre-FIRM Properties												
Estimated Budget Authority	0	-11	-25	-43	-61	-84	-111	-142	-179	-221	-140	-877
Estimated Outlays	0	-11	-25	-43	-61	-84	-111	-142	-179	-221	-140	-877
Surcharge Adjustments												
Estimated Budget Authority	*	-21	-43	-43	-42	-41	-41	-40	-40	-40	-148	-350
Estimated Outlays	*	-21	-43	-43	-42	-41	-41	-40	-40	-40	-148	-350
Premiums for Subsidized Properties with Multiple Losses												
Estimated Budget Authority	0	*	*	*	-1	-1	-1	-2	-2	-2	-2	-10
Estimated Outlays	0	*	*	*	-1	-1	-1	-2	-2	-2	-2	-10
Reducing Payments to WYO Companies												
Estimated Budget Authority	0	-5	-11	-15	-14	-13	-12	-11	-10	-8	-43	-97
Estimated Outlays	0	-5	-11	-15	-14	-13	-12	-11	-10	-8	-43	-97
Eliminating WYO Companies' Noncompete Agreement and Making NFIP Data Available to the Public												
Estimated Budget Authority	0	1	5	12	21	35	50	69	88	112	39	393
Estimated Outlays	0	1	5	12	21	35	50	69	88	112	39	393
Barring Owners of Certain Properties From Buying NFIP Coverage												
Estimated Budget Authority	0	0	0	24	50	78	107	136	165	195	74	754
Estimated Outlays	0	0	0	24	50	78	107	136	165	195	74	754
Total Changes												
Estimated Budget Authority	0	-37	-74	-64	-46	-26	-8	10	23	36	-221	-187
Estimated Outlays	0	-37	-74	-64	-46	-26	-8	10	23	36	-221	-187

Notes: FIRM = Flood Insurance Rate Map; WYO = Write Your Own; NFIP = National Flood Insurance Program.

* = between -$500,000 and zero; components may not sum to totals because of rounding.

Some changes would effectively increase the premiums that policyholders pay and thus reduce direct spending. Specifically, those changes would:

- Increase premiums for some pre-FIRM policyholders;
- Adjust the NFIP's surcharge;
- Adjust premiums for subsidized properties that suffer multiple flood losses; and
- Reduce the maximum amount paid to insurers in FEMA's Write Your Own (WYO) program. (Under the program, private insurance companies sell and service NFIP policies.)

Other changes would reduce the number of NFIP policies purchased by property owners and would increase direct spending. Specifically, those changes would:

- Bar owners of certain properties from buying insurance through the NFIP;
- Require FEMA to make certain NFIP data publicly available; and
- Eliminate the noncompete requirement for private insurers currently participating in the NFIP's WYO program.

The remaining changes in the bill would affect the amount of premiums collected and the amount of flood insurance coverage purchased, but would have no net effect on direct spending. Specifically, those changes would:

- Create a flood insurance affordability program;
- Create an option for certain policyholders to pay annual premiums in monthly installments; and
- Eliminate certain cross-subsidies among policyholders in the program.

Changes Affecting NFIP Premiums. CBO estimates that the four provisions that would affect the premiums charged to NFIP policyholders would reduce net direct spending by about $1.3 billion over the 2018-2027 period. The estimate for each of those policies is based on enacting all of the policies proposed in H.R. 2874 as a comprehensive package.

Premium Increases for Pre-FIRM Properties. Section 101 would require FEMA to increase NFIP premiums for pre-FIRM properties that are primary residences by at least 8 percent each year until the rates are equal to what an actuarial premium would be. Under current law, those premiums are required to increase by at least 5 percent a year until they reach that level. In 2017, policyholders with single-family homes as their primary residence saw premium increases of about 5 percent, and policyholders with multifamily structures as their primary residence saw increases of about 8 percent. Therefore, CBO anticipates that under the bill, single-family primary residences would have higher annual premium increases than under current law.

Based on housing data and current policy information obtained from FEMA, CBO estimates that under the bill, about 330,000 policies would initially be subject to those premium increases. Those policyholders currently pay an average premium of about $1,800 per year. Under the bill, once subsidies are completely phased out, annual premiums for those policies would be, on average, about 1.5 times greater than those under current law, CBO estimates. Although some policyholders probably would reduce or eliminate coverage because of the increases, any resulting decrease in premium receipts would, in CBO's estimation, be more than offset by the increased premiums from properties that remained in the program. Therefore, CBO estimates that this provision would, on net, increase NFIP collections (premiums and fees) by $877 million over the 2018-2027 period.

Surcharge Adjustments. Under H.R. 2874, surcharges for NFIP policies would increase from $25 to $40 for primary residences; for commercial properties the surcharge could increase or decrease depending on whether the property is eligible for what FEMA terms a preferred risk policy. Eligible properties would be those that are not in an SFHA and that have had fewer than three NFIP claims in the preceding 10-year period. Under the bill, nonprimary residences that are eligible for a preferred risk policy would have surcharges lowered to $125, and such residences that are not eligible would have surcharges raised to $275.

Those changes would affect all NFIP policies, which CBO estimates will total about 5.1 million in 2018. On the basis of the types and numbers of residences in each category, CBO estimates that about 93 percent of policies would face increased surcharges and that those increases would lead to additional net collections of $350 million over the 2018-2027 period.

Premiums for Subsidized Properties with Multiple Losses. Section 504 would create a new category for NFIP-insured properties that have received claims payments for losses from two or more flood events, termed multiple-loss properties.

The bill would require that premiums for any multiple-loss property that is also a pre-FIRM property be increased by at least 15 percent each year until the premiums equal the actuarial premium or until a flood loss generates a claim payment, at which point the property owner would be charged the actuarial premium. Considering the schedule for phasing out subsidies under current law, CBO estimates that increasing premiums for subsidized properties with multiple losses would, on net, increase NFIP collections by $10 million over the 2018-2027 period.

Reducing Payments to WYO Companies. Under current law, private insurance companies partner with FEMA through the NFIP's WYO program to sell and service policies in return for a per-policy commission that is used to pay the companies' insurance agents and cover administrative costs. In 2017, the base amount paid to WYO companies was 30.9 percent of the premiums charged to NFIP policyholders. That amount is built into the premiums charged to NFIP policyholders, such that property owners with actuarial policies are charged premiums sufficient to cover the expected cost of any claims plus the amount needed to pay the WYO companies for writing and servicing policies. CBO estimates that, under current law, total payments to WYO companies in 2017 will be about $1.2 billion.

H.R. 2874 would reduce payments to WYO companies from 30.9 percent to 27.9 percent of the premiums charged to NFIP policyholders. CBO expects that policyholders currently paying actuarial rates would see their premiums slightly reduced. That reduction in the cost of insurance would lead to a small increase in purchases of flood insurance and to existing policyholders retaining their policies longer. That boost in the number of actuarial policies would increase collections from reserve fund assessments and surcharges, which would generate income above the amount expected to be required for the NFIP to pay claims for the policies.

Furthermore, under the bill, pre-FIRM policyholders being charged subsidized rates would not see a change in their premiums because of this policy. For those policyholders, the decrease in payments to WYO companies would be retained by the NFIF and effectively reduce the government's costs for the policies.

On the basis of information from FEMA and some WYO companies, CBO expects that, under H.R. 2874, some of the smaller WYO companies would choose to leave the program because of the reduction in payments but that most would remain. Policies written and serviced by companies that left the program would be transferred to either other WYO companies or to the NFIP's direct program, which FEMA operates through contractors that write and service policies. According to FEMA, a secondary effect of companies' departure from the WYO program would be the lost marketing opportunities they provide, which could slow purchases of NFIP policies.

Accounting for those varying effects—the reduction in payments to WYO companies, and the corresponding slight increase in purchases and retention of actuarial policies; the lower subsidy for pre-FIRM policies; and slowed purchases of policies—CBO estimates that this provision would reduce spending by $97 million over the 2018-2027.

Changes That Would Reduce the Number of NFIP Policies Purchased. According to CBO's estimates, provisions of H.R. 2874 that would affect the number of policies purchased through the NFIP would reduce the number in force by about 5.2 million over the 2018-2027 period.[3] Fewer than 1 percent (or about 40,000) of those policies would be subsidized. The decline in subsidized policies would contribute to the actuarial soundness of the fund because those policies have expected costs that are greater than the premiums paid. However, the decline in all policies also would eliminate the associated reserve fund assessments and surcharges. Under current law, the average reserve fund assessment is about $140 per policy, and surcharges are $25 for primary residence policies and $250 for commercial or nonprimary residence policies. On balance, CBO estimates, the provisions that would reduce the number of NFIP policies purchased, by reducing the amount of funds collected in reserve fund assessments and surcharges, would increase the program's borrowing to pay claims, a form of direct spending, by about $1.2 billion over the 2018-2027 period.

Eliminating WYO Companies' Noncompete Agreement and Making NFIP Data Available to the Public. Sections 201 and 202 would eliminate the "noncompete agreement" that WYO companies must adhere to and would require FEMA to make available to the public the information it uses to assess the flood risk to properties. Under current law, insurance companies participating in the WYO program cannot simultaneously sell private flood insurance. Eliminating that restriction would allow WYO companies to use their access to the NFIP's data on premiums for policies on particular properties to set their own rates for those properties and compete with the NFIP. In addition, allowing public access to the NFIP's data would allow other private insurance companies to make use of the information to develop their rates and perhaps offer more competitive plans.

On the basis of information from private insurance providers that have expressed interest in entering the flood insurance market, CBO expects that those provisions would increase the growth of the private flood insurance market. In the agency's estimation, private insurers would compete with the NFIP for properties eligible for preferred risk policies and other properties located outside of SFHAs, and they would probably show interest in some properties located in SFHAs as well. Under the bill, CBO estimates that holders of about 690,000 policies that would have been purchased through the NFIP under current law over the 2018-2027 period would instead choose to buy private flood insurance. No property owners who are subsidized by the NFIP would be expected to be among those leaving the program.

Barring Owners of Certain Properties From Buying NFIP Coverage. Sections 505 and 506 would bar certain property owners from purchasing NFIP insurance. Section 505 would deny coverage for any structure for which lifetime losses (beginning after the

3. Polices are purchased through the NFIP on an annual basis. In this estimate, CBO refers to the number of policies purchased as one policy for each year of coverage. Thus, the number of policies purchased over a 10 year span is a different measure from the number of properties covered by the NFIP in any particular year.

law's enactment) are more than two times its replacement value. On the basis of an analysis of information from FEMA about the likelihood of such losses, CBO estimates that this provision would not significantly reduce the number of NFIP policies over the 2018-2027 period.

Section 506 would bar owners of certain newly constructed properties from the NFIP if FEMA can certify that private flood insurance is available to them. Beginning in 2021, that restriction would apply to properties located in an SFHA as well as single-family and multifamily properties with a replacement value of greater than $1 million per dwelling within the structure, adjusted for inflation every five years. If private insurance options could not be verified, property owners could purchase insurance through the NFIP, but premiums would be subject to a 10 percent surcharge. On average, that surcharge would be about $60 in 2021, CBO estimates. Using a database of current NFIP policies and housing information from Fannie Mae and Freddie Mac and adjusting for anticipated inflation, CBO estimates that section 506 could affect about 240,000 properties in 2021 that otherwise would have NFIP coverage under current law. The majority (or about 65 percent) of those properties would be newly constructed buildings in SFHAs.

According to multiple insurance companies that have expressed interest in entering the private flood insurance market, companies are most interested in selling flood insurance policies to owners of properties that are outside of SFHAs. Although the companies indicate that they may be interested in providing flood insurance for newly constructed properties in SFHAs, CBO expects that the risk of damage from flooding for many locations is too great for such companies to offer such private insurance over the 2021-2027 period. On balance, CBO estimates that approximately 60,000 (or 25 percent) of all the properties that would be affected by this provision would lack a private flood insurance provider and the owners would continue to purchase their insurance through the NFIP.

CBO estimates that the remaining 180,000 properties that would be affected by section 506 and barred from the NFIP starting in 2021 would either purchase flood insurance through a private provider or would forgo coverage. Over the 2021-2027 period, this provision would eliminate about 4.5 million NFIP polices that would otherwise exist under current law.

Other Provisions. CBO expects that three other provisions of H.R. 2874 would affect the amount of NFIP coverage purchased and the amount of premiums collected but would not affect net direct spending.

Flood Insurance Affordability Program. Section 102 would direct FEMA to implement a state-run affordability program. The program would allow a state to identify households participating in the NFIP that are below certain income thresholds and submit a list of those households to FEMA. The agency would then either cap the premiums charged to those households or limit their annual premium increases. FEMA would then place a surcharge on all other NFIP policies in the state to recoup the funding lost through any subsidies. Because FEMA would have the authority to set the surcharge at any amount, which CBO expects would be relatively small, CBO estimates that enacting this section would have no significant effect on the total NFIP collections from each state.

Monthly Installment of Premiums. Under current law, FEMA must provide certain NFIP policyholders (those who are not required to pay their premiums and fees for flood insurance through an escrow account) the option to pay premiums on either an annual or monthly basis. Because regulations implementing this requirement have not been issued, all such NFIP policyholders currently pay premiums annually.

Section 105 would direct FEMA to allow the policyholders eligible to pay premiums in monthly installments to do so before implementing regulations exist. Under current law, the possibility of paying monthly payments exists for only a small number of policies because most properties are subject to mortgages with a lending institution that requires insurance payments to be paid through escrow accounts. Enacting H.R. 2874 would not change that situation.

The bill would allow FEMA to charge a fee of up to $50 for each policy each year for policyholders who opt to pay their premiums on a monthly basis. The fee would be used to offset any administrative costs associated with collecting, storing, and processing payments at that interval. Because few policyholders are eligible to pay premiums in monthly installments, CBO estimates this provision would have no significant effect on net direct spending.

Certain Cross-Subsidies. Section 506 would require that certain NFIP cross-subsidies be phased out. Those cross-subsidies allow some properties to be charged premiums that are treated as if they were actuarial but are actually lower than actuarial rates. Because eliminating those cross-subsidies would simultaneously lower premiums for policies that are currently charged higher than actuarial rates and raise premiums for policies that are currently charged lower than actuarial rates, CBO estimates that phasing out those subsidies would have no significant effect on net direct spending.

Revenues

Section 508 would increase, from $2,000 to $5,000 per violation, the civil penalty charged to lending institutions for not enforcing the NFIP’s mandatory purchase requirement. Based on an analysis of information provided by FEMA about the number of penalties imposed, CBO estimates that enacting H.R. 2874 would increase those penalties by $4 million over the 2018-2027 period. Those penalties would be recorded in the budget as revenues and would be available to be spent by the NFIP without further appropriation.

Spending Subject to Appropriation

CBO estimates that, over the 2018-2022 period, implementing H.R. 2874 would cost $75 million for administrative costs to operate the NFIP, assuming appropriation of the necessary amounts.

Flood Mitigation Assistance. The bill would authorize the appropriation of $225 million for each fiscal year for FEMA to provide flood mitigation grants to NFIP policyholders. Under the bill, all such spending would be subject to additional fees charged to NFIP policyholders. Consequently, CBO estimates that, subject to appropriation of the authorized amounts, all spending from this provision would be offset by collections from NFIP policyholders.

Other Changes in Discretionary Spending. H.R. 2874 would make a number of other changes that would affect discretionary spending, including updating the flood map appeals process, implementing an independent actuarial review process, having FEMA establish and run a flood insurance clearinghouse, and implementing a pilot program for community-based flood insurance. In addition, administrative costs for the NFIP affordability program would be paid with annual appropriations. Based on an analysis of information provided by FEMA, CBO estimates implementing those provisions would cost $75 million over the 2018-2022 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 and revenues that would be subject to those procedures under H.R. 2874 are shown in Table 3.

Table 3. CBO Estimate of Pay-As-You-Go Effects for H.R. 2874 as ordered reported by the House Committee on Financial Services on May 17, 2011

	By Fiscal Year, in Millions of Dollars												
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2017-2022	2017-2027
NET INCREASE OR DECREASE (-) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	0	-37	-74	-64	-46	-26	-8	10	23	36	-223	-191
Memorandum:													
Changes in Outlays	0	0	-37	-74	-64	-46	-26	-8	10	23	36	-221	-187
Changes in Revenues	0	0	0	0	0	0	0	0	0	0	0	2	4

INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO estimates that enacting H.R. 2874 would not increase net direct spending or on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2028.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2874 contains no intergovernmental or private-sector mandates as defined in UMRA.

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