



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

January 26, 2018

### **H.R. 2255 HOME Act**

*As ordered reported by the House Committee on Financial Services on January 18, 2018*

Under current law, mortgage lenders are required to compensate property appraisers at a customary and reasonable rate for performing appraisal services. H.R. 2255 would deem appraisal services donated to an organization that is eligible to receive tax-deductible charitable contributions to be customary and reasonable for purposes of that requirement.

Using information from the Consumer Financial Protection Bureau (CFPB), CBO estimates that enacting H.R. 2255 would cost \$1 million over the 2018-2020 period for several agencies to prepare an interagency rule amending their regulations to reflect the new appraisal requirements.

Costs incurred by the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Federal Housing Finance Agency are recorded in the budget as increases in direct spending. Those agencies are authorized to collect premiums and fees from the financial institutions they regulate to fully cover such administrative expenses. The CFPB is permanently authorized to spend amounts transferred from the Federal Reserve. Because that activity is not subject to appropriation, the CFPB's expenditures are recorded in the budget as direct spending. In total, CBO estimates that enacting H.R. 2255 would increase net direct spending by less than \$500,000 over the 2018-2020 period.

Costs to the Federal Reserve System reduce remittances to the Treasury, which are recorded in the budget as revenues. CBO estimates that enacting H.R. 2255 would decrease such revenues by less than \$500,000 over the 2018-2020 period.

The net effect on the deficit would be insignificant. Because enacting H.R. 2255 would affect direct spending and revenues, pay-as-you-go procedures apply.

CBO estimates that enacting H.R. 2255 would not significantly increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 2255 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

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