Congressional Budget Office
Cost Estimate

January 13, 2020

H.R. 4458, Cybersecurity and Financial System Resilience Act of 2019

As ordered reported by the House Committee on Financial Services on October 31, 2019

By Fiscal Year, Millions of Dollars	2020	2020-2024	2020-2029
Direct Spending (Outlays)	*	*	*
Revenues	*	-1	-1
Increase or Decrease (-) in the Deficit	*	1	1
Spending Subject to Appropriation (Outlays)	0	0	[not estimated]

Statutory pay-as-you-go procedures apply?	**Yes**	**Mandate Effects**	
		Contains intergovernmental mandate?	**No**
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	**< $5 billion**	Contains private-sector mandate?	**Yes, Under Threshold**

* = between -$500,000 and $500,000.

H.R. 4458 would direct the Federal Reserve, Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), and Office of the Comptroller of the Currency (OCC) to report annually on their internal efforts to strengthen cybersecurity. That report would present analyses of the policies, procedures, and activities undertaken to protect those agencies against cyberattacks and to avert current and emerging threats to the agencies and the entities they regulate. The reporting requirement would end seven years after enactment.

The operating costs for the FDIC, NCUA, and OCC are classified in the federal budget as direct spending. Using information from the affected agencies, CBO estimates that implementing the bill would cost less than $500,000 annually and would increase gross direct spending by $1 million over the 2020-2029 period. However, the NCUA and OCC collect fees from financial institutions to offset operating costs. Because those fees are treated as reductions in direct spending, CBO estimates that the net effect on direct spending would be insignificant over the period.

Costs incurred by the Federal Reserve reduce remittances to the Treasury, which are recorded in the budget as revenues. CBO estimates that enacting H.R. 4458 would decrease revenues by $1 million over the 2020-2029 period.

See also *CBO's Cost Estimates Explained*, www.cbo.gov/publication/54437;
How CBO Prepares Cost Estimates, www.cbo.gov/publication/53519; and *Glossary*, www.cbo.gov/publication/42904.

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 are subject to those pay-as-you-go procedures are shown in Table 1.

Table 1.
CBO's Estimate of the Statutory Pay-As-You-Go Effects of H.R. 4458, the Cybersecurity and Financial System Resilience Act of 2019, as Ordered Reported by the House Committee on Financial Services on October 31, 2019

	By Fiscal Year, Millions of Dollars											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-2024	2020-2029
	Net Increase in the Deficit											
Pay-As-You-Go Effect	0	0	0	0	0	0	0	0	0	0	1	1

If the federal financial regulators increased fees to offset the costs associated with implementing the bill, H.R. 4458 would increase the cost of an existing mandate on financial institutions that are required to pay those assessments. CBO estimates that the cost of the mandate would be small and below the annual threshold established in the Unfunded Mandates Reform Act (UMRA) for the private sector ($164 million in 2019, adjusted annually for inflation).

H.R. 4458 contains no intergovernmental mandates as defined in UMRA.

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