September 21, 2020

CBO's Estimate of the Statutory Pay-As-You-Go Effects of H.R. 5322, The Ensuring Diversity in Community Banking Act of 2019, as Posted on the Website of the Clerk of the House on September 20, 2020

https://docs.house.gov/billsthisweek/20200921/BILLS-116hr5322-SUSv2.pdf

	By Fiscal Year, Millions of Dollars												
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2020-2025	2020-2030
	Net Increase or Decrease (-) in the Deficit												
Pay-As-You-Go Effects	**0**	**5**	2	647	457	277	2	2	2	3	-1,397	1,388	**0**
Memorandum:													
Changes in Outlays	0	**2**	1	646	456	276	1	1	1	1	1	1,381	**1,386**
Changes in Revenues	0	**-3**	-1	-1	-1	-1	-1	-1	-1	-2	1,398	**-7**	**1,386**

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 procedures are shown here.

Estimates are relative to CBO's March 2020 baseline; enactment assumed near the end of fiscal year 2020.

H.R. 5322 would establish a program under which certain minority depository institutions or newly designated impact banks may receive deposits from accounts established in and controlled by the Department of the Treasury that are expected to maintain a balance of at least $200 million over a two-year period. CBO estimates that about $1.4 billion would be deposited at qualifying financial institutions under the program, which would be recorded as an increase in direct spending.

H.R. 5322 also would direct the Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation (FDIC), and Board of Governors of the Federal Reserve System to jointly issue rules to allow new minority depository institutions or impact banks to have three years to meet capital requirements, direct them to establish an impact bank program, require those agencies and the National Credit Union Administration to each establish minority depositories advisory committees, and direct the FDIC to develop a system to streamline the application and certification process for banks to be designated as a community development financial institution. The financing structure of those agencies vary and their costs are recorded in the budget as changes in either direct spending or revenues. CBO estimates that enacting the bill would increase net costs at those agencies by about $30 million over the 2020-2030 period.

Finally, H.R. 5322 would reduce the maximum allowable size of the Federal Reserve Surplus fund by $1.4 billion in 2030, thereby increasing remittances from the Federal Reserve in that year, which are recorded as increases in revenues.

CBO estimates that enacting H.R. 5322 would have no significant net effect on the deficit over the 2020-2030 period.

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