

## H.R. 4590, Promoting New and Diverse Depository Institutions Act

As ordered reported by the House Committee on Financial Services on July 29, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	1	2	2
Revenues	*	-1	-1
Increase or Decrease (-) in the Deficit	1	3	3
Spending Subject to Appropriation (Outlays)	0	0	not estimated
Statutory pay-as-you-go procedures apply?	Yes	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold
* = between -\$500,000 and zero.			

H.R. 4590 would direct the Federal Deposit Insurance Corporate (FDIC), the National Credit Union Administration (NCUA), the Comptroller of the Currency (OCC), the Consumer Financial Protection Bureau (CFPB), and the Federal Reserve to study the challenges faced by new depository institutions seeking a charter. Those banking regulators also would be required to jointly issue a strategic plan to increase the number of entities applying for new depository institution charters.

The operating costs for the CFPB, FDIC, NCUA, and OCC are classified in the federal budget as direct spending. Using information from some of those agencies, CBO estimates that each agency would require about two employees to complete the bill's requirements over a two-year period, increasing gross direct spending by \$4 million over the 2022-2031 period. However, the NCUA and the OCC collect fees from financial institutions to offset their operating costs; those fees are treated as reductions in direct spending. Thus, on net, CBO estimates that enacting the bill would increase direct spending by \$2 million over the same 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. 4590 would decrease revenues by \$1 million over the 2022-2031 period.



If the OCC and NCUA increased annual fee collections to offset the costs associated with implementing the bill, H.R. 4590 would increase the cost of an existing private-sector mandate on entities required to pay those fees. CBO estimates that the incremental cost of the mandate would be small and would fall below the thresholds established in the Unfunded Mandates Reform Act (UMRA) for private-sector mandates (\$170 million in 2021, adjusted annually for inflation).

H.R. 4590 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 Fiona Forrester (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.