

H.R. 4256, Investing in Main Street Act of 2021

As passed by the House of Representatives on November 2, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between -\$500,000 and \$500,000.			

H.R. 4256 would increase the amount that certain banks and savings associations may invest in Small Business Investment Companies (SBICs) from 5 percent to 15 percent, subject to the approval of the appropriate federal banking agency. SBICs are privately owned and managed investment funds, licensed and regulated by the Small Business Administration (SBA), that use debt guaranteed by the SBA and private capital to make investments in qualifying small businesses. Using information from the SBA, CBO estimates that implementing the act would have an insignificant effect on the administrative costs of operating the SBIC program because of the limited number of banks that would probably be affected; any additional spending for administrative costs would be subject to the availability of appropriations.

Enacting H.R. 4256 would increase administrative costs for approving proposed investments that exceed 5 percent of the capital and surpluses of certain banks and savings associations. Costs for the Federal Deposit Insurance Corporation (FDIC) and the Office of the Comptroller of the Currency (OCC) are recorded as increases in direct spending and costs for the Federal Reserve are recorded as reductions in revenue. CBO estimates that those effects would be insignificant.

The CBO staff contacts for this estimate are David Hughes (for the SBA), Stephen Rabent (for the FDIC and the OCC), and Nathaniel Frentz (for the Federal Reserve). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.