



H.R. 4607: Comprehensive Regulatory Review Act (Rep. Loudermilk, R-GA)

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FLOOR SCHEDULE:

Expected to be considered March 6, 2018, under a [closed rule](#).

The rule would consider as adopted an [amendment](#) that is meant to offset the cost of the bill.

The rule also provided for consideration of H.R. 4296, To place requirements on operational risk capital requirements for banking organizations established by an appropriate Federal banking agency.

TOPLINE SUMMARY:

[H.R. 4607](#) would ensure that a required review of regulations by financial regulatory agencies is conducted more frequently.

COST:

The [Congressional Budget Office](#) (CBO) estimates that “enacting H.R. 4607 would increase direct spending by \$3 million over the 2018-2027 period for the CFPB to hire three additional employees to conduct the required reviews and analyses. The CFPB is permanently authorized to spend amounts transferred from the Federal Reserve. In addition, CBO estimates that enacting those provisions would increase costs for the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the National Credit Union Administration to complete additional analyses and to do so more frequently. Costs incurred by those agencies are recorded in the budget as increases in direct spending, but they are authorized to collect premiums and fees from the financial institutions they regulate to cover such administrative expenses. Thus, CBO estimates that enacting H.R. 4607 would have no significant net effect on direct spending over the 2018-2027 period. Costs incurred by the Federal Reserve System for the same purposes would reduce remittances to the Treasury, which are recorded in the budget as revenues. CBO estimates that enacting H.R. 4607 would decrease revenues by less than \$500,000 over the 2018-2027 period.”

The rule considers as adopted an [amendment](#) that would reduce the limitation on the Federal Reserve Surplus Fund by \$4,285,715 (from \$7.5 billion to \$7,495,714,285). Any amounts of the Surplus Fund that exceed the limit are required to be transferred to the General Fund of the Treasury. This amendment is meant to offset the cost of the bill. However, some conservatives may be concerned that transfers from the Federal Reserve Surplus Fund can be considered a budget gimmick. According to the [Committee for a Responsible Federal Budget](#), this type of transfer “results in one-time savings on paper but no actual change in the amount of revenue the Treasury would receive over the long term.” [Section 5111](#) of the FY 2018 Budget Resolution prohibits the use of the Federal Reserve Surplus Fund from being counted as an offset in the House of Representatives.

CONSERVATIVE CONCERNS:

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

DETAILED SUMMARY AND ANALYSIS:

According to the [Committee Report](#), the Economic Growth and Regulatory Paperwork Reduction Act of 1996 requires the Federal Financial Institutions Examination Council (FFIEC), together with the Board of Governors of the Federal Reserve System (Federal Reserve), the Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC) to conduct a joint review of existing regulations every 10 years to determine whether any rules are outdated, unnecessary, or unduly burdensome, and consider how to reduce regulatory burden while, at the same time, ensuring the safety and soundness and the safety and soundness of the financial system.

H.R. 4607 would require the regulatory review to be conducted not less frequently than every seven years. The bill would require the Bureau of Consumer Financial Protection and the National Credit Union Administration Board to participate. The bill would also require regulators to tailor regulations related to persons that offer consumer financial products “in a manner that limits the regulatory compliance impact, cost, liability risk, and other burdens, unless otherwise determined by the Council or the appropriate Federal financial regulator.”

COMMITTEE ACTION:

H.R. 4607 was introduced on December 11, 2017, and referred to the Committee on Financial Services. The Committee marked up and reported the bill by a 38 – 17 vote on January 18, 2018.

ADMINISTRATION POSITION:

No Statement of Administration Policy is available at this time.

CONSTITUTIONAL AUTHORITY:

“Congress has the power to enact this legislation pursuant to the following: Article I, Section 8 of the Constitution.” No specific enumerating clause was cited.

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