Congressional Budget Office
Cost Estimate

July 17, 2024

H.R. 4116, Systemic Risk Authority Transparency Act

As ordered reported by the House Committee on Financial Services on April 17, 2024

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	*

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2035?	*	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 2035?	*	Contains private-sector mandate?	Yes, Under Threshold

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

H.R. 4116 would require several federal agencies to report to the Congress if federal banking regulators invoke an emergency determination known as the systemic risk exception. Systemic risk is the possibility that the failure of a financial business, market, or product could trigger severe financial instability in the economy. The bill would require the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve, the Government Accountability Office (GAO), and the Office of the Comptroller of the Currency (OCC) to submit information about bank supervision, regulation, management, and recommendations to improve the safety and soundness of the industry.

Enacting H.R. 4116 would increase administrative costs for those agencies to meet the additional reporting requirements. CBO estimates that the total cost across all four agencies would be less than $500,000 over the 2024-2034 period. The budgetary treatment for those four agencies is described below:

- The operating costs for the FDIC and the OCC are classified as direct spending. The OCC collects fees from financial institutions to offset its operating costs; those fees are recorded as offsetting receipts, that is, as reductions in direct spending. CBO estimates that enacting the bill would, on net, increase direct spending by less than $500,000 over the 2024-2034 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. 4116 would decrease revenues by less than $500,000 over the 2024-2034 period.
- GAO's funding is provided in annual appropriation acts. CBO estimates that implementing the bill would cost less than $500,000 over the 2024-2029 period; any related spending would be subject to the availability of appropriated funds.

If federal financial regulators increase annual fees to offset the costs of implementing the bill, H.R. 4116 would increase the costs 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 well below the annual threshold established in the Unfunded Mandates Reform Act (UMRA) for private-sector mandates ($200 million in 2024, adjusted annually for inflation).

The bill contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Julia Aman (for the Federal Deposit Insurance Company and the Office of the Comptroller of the Currency), Nathaniel Frentz (for the Federal Reserve), and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

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