

At a Glance

Financial Services Legislation

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

On April 17, 2024, the House Committee on Financial Services ordered reported seven bills and six joint resolutions. This document provides estimates for three of those resolutions, each of which would void the same final rule related to financial risk management guidance.

- H.J. Res. 124, a joint resolution providing for Congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Office of the Comptroller of the Currency relating to “Principles for Climate-Related Financial Risk Management for Large Institutions”
- H.J. Res. 125, a joint resolution providing for Congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Board of Governors of the Federal Reserve System relating to “Principles for Climate-Related Financial Risk Management for Large Institutions”
- H.J. Res. 126, a joint resolution providing for Congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Federal Deposit Insurance Corporation relating to “Principles for Climate-Related Financial Risk Management for Large Institutions”

CBO has made the following determinations for those resolutions:

- All three resolutions would have an insignificant effect on direct spending or revenues; thus, pay-as-you-go procedures apply
- None of the resolutions would affect spending subject to appropriation
- None of the resolutions would increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2035
- None of the resolutions would impose intergovernmental or private-sector mandates

Details of the estimated costs of each bill are discussed in the text.

Bill	Net Increase or Decrease (-) in the Deficit Over the 2024-2034 Period (Millions of Dollars)	Changes in Spending Subject to Appropriation Over the 2024-2029 Period (Outlays, Millions of Dollars)	Mandate Effects?
H.J. Res. 124	*	0	No
H.J. Res. 125	*	0	No
H.J. Res. 126	*	0	No

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

Detailed estimate begins on the next page.

Summary of Legislation

On April 17, 2024, the House Committee on Financial Services ordered reported seven bills and six joint resolutions.

This document provides estimates for three of those joint resolutions: H.J. Res. 124, H.J. Res. 125, and H.J. Res. 126.

Each joint resolution would disapprove a rule published jointly in October 2023 by the Office of the Comptroller of the Currency (OCC), the Federal Reserve System, and the Federal Deposit Insurance Corporation (FDIC).¹ By invoking a legislative process established in the Congressional Review Act, each joint resolution would repeal the rule and prohibit each agency from issuing the same or any similar rule in the future.

The rule establishes principles for managing risks related to climate change that would apply to financial institutions with more than \$100 billion in total consolidated assets. The rule contains guidance related to those institutions' management, policies and procedures, data, reporting, and scenario analysis designed to help those institutions understand and manage various kinds of risks related to climate change.

Basis of Estimate

CBO estimates that enacting any of the three resolutions—H.J. Res. 124, H.J. Res. 125, or H.J. Res. 126—would reduce administrative costs for the affected agencies by an insignificant amount. The OCC's and FDIC's operating costs are classified as direct spending. The OCC collects fees from financial institutions to offset its operating costs, which are recorded as offsetting receipts (that is, as reductions in direct spending). Costs incurred by the Federal Reserve reduce remittances to the Treasury, which are recorded in the budget as revenues.

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



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1. Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, and Federal Deposit Insurance Corporation, "Principles for Climate-Related Financial Risk Management for Large Financial Institutions," Final Rule, 88 *Fed. Reg.* 74183 (October 30, 2023), <https://tinyurl.com/m68rxv5c>.

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)