



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

August 19, 2014

**H.R. 3389
Ensuring Harmed Consumers Receive Compensation Act**

As ordered reported by the House Committee on Financial Services on June 11, 2014

Under current law, the Bureau of Consumer Financial Protection (CFPB) deposits all civil penalties received for violations of consumer financial protection laws into the Consumer Financial Civil Penalty Fund. Amounts in the fund are available to be spent for payments to victims of the violations for which the penalties were paid. To the extent that such victims cannot be identified, the CFPB may use those amounts for consumer education and financial literacy programs. H.R. 3389 would limit payments from the Consumer Financial Civil Penalty Fund to victims of the violations that gave rise to the penalties. Because the authority to spend money from the fund is available to the CFPB without further appropriation action, such a change in its authority would affect direct spending.

Based on information from the CFPB, CBO estimates that enacting H.R. 3389 would reduce direct spending by \$8 million over the 2015-2024 period. That amount represents what CBO expects would be spent from the penalty fund, under current law, for financial literacy programs. Because enacting H.R. 3389 would affect direct spending, pay-as-you-go procedures apply. CBO estimates that enacting H.R. 3389 would not affect penalty collections (which are recorded in the budget as revenues) or spending subject to appropriation.

H.R. 3389 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Susan Willie. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.