

**[DISCUSSION DRAFT]**

119<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R.** \_\_\_\_\_

To enhance rulemaking requirements for the Bureau of Consumer Financial Protection, and for other purposes.

---

IN THE HOUSE OF REPRESENTATIVES

Mr. LOUDERMILK introduced the following bill; which was referred to the Committee on \_\_\_\_\_

---

**A BILL**

To enhance rulemaking requirements for the Bureau of Consumer Financial Protection, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Transparency in  
5 CFPB Cost-Benefit Analysis Act”.

6 **SEC. 2. TRANSPARENCY IN COST-BENEFIT ANALYSIS.**

7 Section 1022(b) of the Consumer Financial Protec-  
8 tion Act of 2010 (12 U.S.C. 5512(b)) is amended by add-  
9 ing at the end the following:

1           “(5) ADDITIONAL RULEMAKING REQUIRE-  
2           MENTS.—

3           “(A) IN GENERAL.—Each notice of pro-  
4           posed rulemaking issued by the Bureau shall be  
5           published in its entirety in the Federal Register  
6           and shall include—

7                   “(i) a statement of the need for the  
8                   proposed regulation;

9                   “(ii) an examination of why the Bu-  
10                  reau must undertake the proposed regula-  
11                  tion and why the private market, State,  
12                  local, or tribal authorities cannot ade-  
13                  quately address the problem;

14                  “(iii) an examination of whether the  
15                  proposed regulation is duplicative, incon-  
16                  sistent, or incompatible with other Federal  
17                  regulations and orders;

18                  “(iv) if the proposed regulation is  
19                  found to be duplicative, inconsistent, or in-  
20                  compatible with other Federal regulations  
21                  and orders, a discussion of—

22                           “(I) why the proposed regulation  
23                           is justified;

1                   “(II) how the proposed regulation  
2                   can coexist with the existing regula-  
3                   tions; and

4                   “(III) how the Bureau plans to  
5                   reduce the regulatory burden associ-  
6                   ated with the duplicative, inconsistent,  
7                   or incompatible proposed regulation;

8                   “(v) a quantitative and qualitative as-  
9                   sessment of all anticipated direct and indi-  
10                  rect costs and benefits of the proposed reg-  
11                  ulation, including—

12                  “(I) compliance costs for all reg-  
13                  ulated entities, including small busi-  
14                  nesses;

15                  “(II) effects on economic activity,  
16                  efficiency, competition and capital for-  
17                  mation;

18                  “(III) regulatory and administra-  
19                  tive costs of implementation; and

20                  “(IV) costs imposed on State,  
21                  local and tribal entities;

22                  “(vi) an identification of reasonable  
23                  alternatives to the regulation, including  
24                  modification of an existing regulation;

1           “(vii) an analysis of the costs and  
2           benefits, both quantitative and qualitative,  
3           of any alternative identified pursuant to  
4           clause (v);

5           “(viii) if the Bureau determines the  
6           proposed regulation would increase costs  
7           for small businesses, then the Bureau shall  
8           consult the Office of Advocacy within the  
9           Small Business Administration to deter-  
10          mine ways to minimize the effect of direct  
11          and indirect costs imposed on small busi-  
12          nesses by the proposed regulation;

13          “(ix) if quantified net benefits of the  
14          proposed action do not outweigh the quan-  
15          tified net benefits of the alternatives, a jus-  
16          tification of the regulation;

17          “(x) if quantified benefits identified  
18          pursuant to clause (iv) do not outweigh the  
19          quantified costs of the regulation, a jus-  
20          tification of the regulation;

21          “(xi) an assessment of how the bur-  
22          den imposed by the regulation will be dis-  
23          tributed; including whether consumers, or  
24          small businesses will be disproportionately  
25          burdened; and

1                   “(xii) when feasible, and using appro-  
2                   priate statistical techniques, a probability  
3                   distribution of the relevant outcomes of the  
4                   proposed regulation.

5                   “(B) ASSUMPTIONS AND STUDIES USED.—  
6                   With respect to the information required to be  
7                   included under subparagraph (A), the Bureau  
8                   will include—

9                   “(i) a discussion of underlying as-  
10                  sumptions used as a basis for such infor-  
11                  mation; and

12                  “(ii) a description of any studies or  
13                  data used in preparing such information,  
14                  and whether such studies were peer-re-  
15                  viewed.”.