119TH CONGRESS
2D SESSION

S. _____

To amend the Consumer Financial Protection Act of 2010 to enhance rulemaking requirements for the Bureau of Consumer Financial Protection, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. KENNEDY (for himself and Ms. LUMMIS) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Consumer Financial Protection Act of 2010 to enhance rulemaking requirements for the Bureau of Consumer Financial Protection, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Transparency in CFPB Cost-Benefit Analysis Act''.

SEC. 2. TRANSPARENCY IN COST-BENEFIT ANALYSIS.

Section 1022(b) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5512(b)) is amended by adding at the end the following:

"(5) ADDITIONAL RULEMAKING REQUIREMENTS.—

"(A) IN GENERAL.—Each notice of proposed rulemaking issued by the Bureau shall be published in its entirety in the Federal Register and shall include—

"(i) a statement of the need for the proposed regulation;

"(ii) an examination of why the Bureau must undertake the proposed regulation and why the private market, State, local, or tribal authorities cannot adequately address the problem;

"(iii) an examination of whether the proposed regulation is duplicative, inconsistent, or incompatible with other Federal regulations and orders;

"(iv) if the proposed regulation is found to be duplicative, inconsistent, or incompatible with other Federal regulations and orders, a discussion of—

"(I) why the proposed regulation is justified;

''(II) how the proposed regulation can coexist with the existing regulations; and

''(III) how the Bureau plans to reduce the regulatory burden associated with the duplicative, inconsistent, or incompatible proposed regulation;

''(v) a quantitative and qualitative assessment of all anticipated direct and indirect costs and benefits of the proposed regulation, including—

''(I) compliance costs for all regulated entities, including small businesses;

''(II) effects on economic activity, efficiency, competition and capital formation;

''(III) regulatory and administrative costs of implementation; and

''(IV) costs imposed on State, local and tribal entities;

''(vi) an identification of reasonable alternatives to the regulation, including modification of an existing regulation;

"(vii) an analysis of the costs and benefits, both quantitative and qualitative, of any alternative identified pursuant to clause (v);

"(viii) if the Bureau determines the proposed regulation would increase costs for small businesses, then the Bureau shall consult the Office of Advocacy within the Small Business Administration to determine ways to minimize the effect of direct and indirect costs imposed on small businesses by the proposed regulation;

"(ix) if quantified net benefits of the proposed action do not outweigh the quantified net benefits of the alternatives, a justification of the regulation;

"(x) if quantified benefits identified pursuant to clause (iv) do not outweigh the quantified costs of the regulation, a justification of the regulation;

"(xi) an assessment of how the burden imposed by the regulation will be distributed; including whether consumers, or small businesses will be disproportionately burdened; and

''(xii) when feasible, and using appropriate statistical techniques, a probability distribution of the relevant outcomes of the proposed regulation.

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

''(i) a discussion of underlying assumptions used as a basis for such information; and

''(ii) a description of any studies or data used in preparing such information, and whether such studies were peer-reviewed.''.