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INSIGHT

One Big Beautiful Bill Act: Title V, House Committee on Financial Services

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On May 22, 2025, the House passed H.R. 1, the One Big Beautiful Bill Act, providing for budget reconciliation pursuant to H.Con.Res. 14, the budget resolution for FY2025. Title V (House Committee on Financial Services) of H.R. 1 would limit the budget of the Consumer Financial Protection Bureau (CFPB), rescind the remaining balance of the Green and Resilient Retrofit Program (GRRP), transfer the functions of the Public Company Accounting Oversight Board (PCAOB) to the Securities and Exchange Commission (SEC), and limit the budget of the Office of Financial Research (OFR).

The budget reconciliation process allows Congress to develop and consider certain legislation affecting direct spending, revenues, and/or the debt limit using expedited procedures. H.Con.Res. 14 included a reconciliation directive to the House Committee on Financial Services to develop and submit, changes in laws within its jurisdiction that would reduce the deficit by at least $1 billion over FY2025-FY2034. In total, according to estimates from the Congressional Budget Office (CBO), these provisions as reported would reduce the deficit by $5.1 billion from FY2025-FY2034.

Section 50001: Green and Resilient Retrofit Program

Section 50001 would rescind unobligated balances from GRRP, which was funded at $1 billion by the Inflation Reduction Act. Through GRRP, the Department of Housing and Urban Development (HUD) offered loans and grants to owners of certain HUD-assisted multifamily rental properties to help fund energy/water efficiency and climate resiliency upgrades. CBO estimates this recission would decrease the deficit by $138 million over 10 years.

Section 50002: Public Company Accounting Oversight Board

The Sarbanes-Oxley Act of 2002 created the PCAOB as a nonprofit corporation to provide independent oversight of audits of public companies, brokers, and dealers. The SEC currently has oversight authority over the PCAOB, including approval of its rules, standards, and budget. Section 50002 would transfer the budget and functions of the PCAOB to the SEC no later than one year from enactment.

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PCAOB's budget for 2025 is $399.7 million. It is primarily funded through fees assessed on the private entities it oversees. SEC funding is provided by the Financial Services and General Government bill but is offset through fees collected by the SEC. Section 50002 would transfer all unobligated fees collected by the PCAOB to the Treasury General Fund and removes the PCAOB funding authority as provided in Sarbanes-Oxley. Any future budgetary effects of these changes would depend on what spending levels are approved for PCAOB-related functions in future appropriations for the SEC. Shifting PCAOB-related spending to the SEC would decrease the deficit by $771 million over 10 years because, according to scoring conventions, future SEC appropriations and offsetting collections are not included in this score.

The resolution would require the PCAOB to share with the SEC any intellectual property related to its programs. This proposal would transfer all existing processes and regulations to the SEC and leave them in effect unless modified by the SEC through rulemaking. Pending enforcement and disciplinary action of the PCAOB would be transferred to the SEC or other regulators as required by law (15 U.S.C. §7215). The PCAOB chair argued that its international auditing agreements would need to be renegotiated if such authorities are transferred to the SEC.

Sections 50003 and 50004: Consumer Financial Protection Bureau

The Dodd-Frank Act (P.L. 111-203) created the CFPB and specified that the CFPB would be funded outside of appropriations through quarterly transfers from the Federal Reserve as requested by the CFPB. Section 50003 would modify the CFPB's FY2025 funding cap to $249 million, a roughly 70% decrease from the current funding cap of $823 million. In FY2024, the CFPB obligated $755 million from the "Bureau Fund." This proposal would also limit the amount of unobligated balances that the CFPB could hold in the fund to 5% of the funding cap (or $12 million if the cap were revised to $249 million) and transfer the remainder of the balance to the Treasury General Fund. As of April 2025, the Bureau Fund's unobligated balance was roughly $350 million. CBO estimates that this section would reduce the deficit by $3.9 billion over 10 years.

Section 50004 would limit payments from the Civil Penalty Fund to victims directly affected by a given enforcement action, as opposed to pooling the penalty fund money for victims of other enforcement actions or for consumer education and financial literacy. The remaining unobligated balance would be transferred to the Treasury General Fund. As of April 2025, the Civil Penalty Fund unobligated balance was $428 million. CBO estimates that this section would reduce the deficit by $9 million over 10 years.

For more information, see CRS Insight IN12551, *One Big Beautiful Bill Act: Title V, Provisions Related to CFPB Funding*.

Section 50005: Financial Research Fund

Treasury's OFR was created by the Dodd-Frank Act to support the Financial Stability Oversight Council (FSOC) through research and data collection. This office was provided an atypical, independent funding source outside of appropriations, although it is not a regulatory or adjudicatory agency. (OFR's only rulemaking and subpoena authority is pursuant to data collection.) The OFR director, in consultation with the Treasury Secretary, sets OFR's budget, and the Treasury Secretary sets FSOC's budget. Both budgets are currently funded through assessments on large banks, with receipts deposited in the Financial Research Fund (FRF), whose balances can be carried over to future years if not used.

Section 50005 would limit both these annual assessments and the FRF balance to the average FSOC budget over the previous three years, which from FY2023 to FY2025 were $16 million (assuming

FSOC's transfer to the Federal Deposit Insurance Corporation would qualify). Fund balances above the limit would be transferred to the Treasury General Fund. This compares to FSOC's and OFR's combined estimated obligations of $136 million, OFR assessments of $124 million in FY2025, and an FRF unobligated balance of $74 million as of April 2025. Thus, this section would lead to a significant decrease in annual assessments and OFR (and potentially FSOC) spending. CBO estimates that this section would decrease the deficit by $292 million over 10 years.

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