

P.L. 119-21, the FY2025 Reconciliation Law, Title III: Committee on Banking, Housing, and Urban Affairs

Updated July 16, 2025

On July 3, 2025, Congress passed H.R. 1, commonly known as the One Big Beautiful Bill Act (OBBA), which the President signed into law on July 4, 2025 (P.L. 119-21). The act was a reconciliation bill pursuant to directives included in the FY2025 budget resolution (H.Con.Res. 14). Title III, originally authored by the Senate Committee on Banking, Housing, and Urban Affairs, had four distinct sections, discussed in greater detail below.

The [original text](#) of this title, released on June 6, 2025, by Chairman Tim Scott, included eight distinct sections. The [Senate Parliamentarian reportedly advised](#) that four of the sections did not comply with the Senate's [Byrd rule](#), however. [In response, Chairman Scott](#) removed three of these sections and revised one on the Consumer Financial Protection Bureau (CFPB) funding. Chairman Scott removed one additional section that would have delayed [implementation of Section 1071](#) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (P.L. 111-203). According to estimates from the [Congressional Budget Office \(CBO\)](#), the provisions as passed in Title III will reduce the deficit by \$1.7 billion over 10 years. H.Con.Res. 14 directed the Senate Banking Committee to reduce the deficit by at least \$1 billion over 10 years.

On May 22, 2025, the House passed H.R. 1 containing provisions [submitted by the House Committee on Financial Services](#). For additional information on changes originally passed by the House, see CRS Insight IN12552, *One Big Beautiful Bill Act: Title V, House Committee on Financial Services*, coordinated by Karl E. Schneider.

Section 30001: Consumer Financial Protection Bureau

[Section 30001](#) revised the CFPB funding cap, reducing the 12% figure in current law to 6.5% of the Federal Reserve FY2009 operating expenses. Unlike the prior version that passed the House in May 2025, this cap enacted into law accounted for the prior employment cost indexes (meaning the cap grew by roughly 38% from FY2013 to FY2025). Similar to the House proposal, it would continue to be adjusted for future years using the employment cost index. In FY2025, this funding cap is estimated to be roughly

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IN12579

\$446 million, as compared to \$823 million using the original funding formula from Dodd-Frank. [CBO estimated](#) that this provision will decrease the deficit by \$2 billion over 10 years.

During Senate consideration of H.R. 1, an amendment (S.Amdt. 2414) was offered to strike Section 30001, which would have kept the CFPB funding cap to that enacted under Dodd-Frank. The amendment fell on a point of order raised pursuant to Section 302(f) of the Congressional Budget Act of 1974 (codified at 2 U.S.C. §633(f)) after a motion to waive the point of order (requiring the support of three-fifths of Senators) [failed](#).

For more on this section, see CRS Insight IN12578, *P.L. 119-21, the FY2025 Reconciliation Law, Provisions Related to CFPB Funding*, by Karl E. Schneider and Baird Webel, and for more generally on the CFPB budget, see CRS Report R48295, *The Consumer Financial Protection Bureau Budget: Background, Trends, and Policy Options*, coordinated by Karl E. Schneider.

Section 30002: Green and Resilient Retrofit Program

[Section 30002](#) rescinded unobligated balances from the Green and Resilient Retrofit Program (GRRP), which was funded at \$1 billion by P.L. 117-169, commonly referred to as the [Inflation Reduction Act of 2022](#). 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 estimated](#) that this will decrease the deficit by \$138 million over 10 years.

For more on GRRP, see the relevant section in CRS Report R47628, *Housing Issues in the 118th Congress*, coordinated by Katie Jones.

Section 30003: Securities and Exchange Commission Reserve Fund

[Section 30003](#) terminated the Securities and Exchange Commission (SEC) [Reserve Fund](#) and transferred remaining balances to the Treasury General Fund. The Dodd-Frank Act created the fund to be used as the SEC “determines is necessary to carry out the functions of the Commission” and not subject to annual appropriation or apportionment. The SEC could previously deposit \$50 million into it annually, and the total amount could not exceed \$100 million. The fund was often used to cover technology and operational enhancement projects. The fund’s total budgetary resources were [\\$56 million](#) as of September 30, 2024, and [CBO estimated that this provision](#) will save \$448 million over 10 years.

For more on the SEC more generally see CRS In Focus IF11714, *Introduction to Financial Services: The Securities and Exchange Commission (SEC)*, by Eva Su.

Section 30004: Defense Production Act

[Section 30004](#) appropriated an additional \$1 billion for [Defense Production Act](#) (DPA) activities. The funds will be available through FY2027. This appropriation is an increase relative to [FY2025 appropriations of \\$463 million](#) and the Department of Defense’s [FY2026 budget request of \\$237 million](#). The DPA provides the President a [broad set of authorities to influence domestic industry in the interest of national defense](#). Those include the authority to require businesses to prioritize and accept contracts for materials and services and the authority to provide financial incentives to firms to expand the production and supply of critical materials and goods. Such incentives are generally paid for from the Defense

Production Act Fund, for which Congress provides appropriations, often in annual defense appropriation bills.

Section 30004 does not specify how its DPA appropriations would be used. During Senate consideration of H.R. 1, an amendment (S.Amdt. 2772) was offered to require congressional approval of the specific DPA projects. The amendment fell on a point of order raised pursuant to Section 313(b)(1)(A) of the Congressional Budget Act of 1974 (codified at 2 U.S.C. §644(b)(1)(A)) after a motion to waive the point of order (requiring the support of three-fifths of Senators) [failed](#).

For more on the DPA more generally see CRS Testimony TE10112, *Evaluating the Defense Production Act*, by Adam G. Levin.

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