Summary of the
Financial Regulatory Responsibility Act of 2011

The "Financial Regulatory Responsibility Act of 2011" holds financial regulators accountable for rigorous, consistent economic analysis on every new rule they propose. It requires them to provide clear justification for the rules, and to determine the economic impacts of proposed rulemakings, including their effects on growth and net job creation. If the costs of a rule outweigh its benefits, regulators will be prohibited from adopting the rule. This bill also improves the transparency and accountability of the regulatory process and reduces the burdens of existing regulations. The U.S. Chamber of Commerce, among others, supports the bill.

Highlights of the Financial Regulatory Responsibility Act include:

- **Enhancing the rigor of economic analysis.** For every proposed rulemaking, this bill will require agencies to conduct an economic analysis that includes, at a minimum, twelve elements.
- **Stopping rules that produce more costs than benefits.** This bill would prevent regulators from finalizing a rule if the costs of the rule would outweigh its benefits.
- **Enhancing the consistency of economic analysis.** This bill will create a Chief Economist Council consisting of the chief economist of each agency and require the chief economists to submit an annual report to Congress on their activities.
- **Improving the transparency of the regulatory process.** For every final rulemaking, this bill will require agencies to identify regulatory objectives and specify criteria on which the effectiveness and efficiency of the rule will be judged.
- **Improving the accountability of the regulatory process.** This bill will require agencies to examine the economic impact of every regulation within five years of the regulation being published in the Federal Register.
- **Reducing the burden of existing regulations.** This bill will require agencies to develop plans to modify, streamline, expand, or repeal existing regulations so as to make the agency's regulatory program more effective or less burdensome in achieving the regulatory objectives.
- **Encouraging public participation.** This bill will require agencies to incorporate data and analyses provided by commenters during the public comment period or explain why the data and analyses are not being incorporated.
- **Extending the reforms to Self-Regulatory Organizations (SROs).** This bill will require the Securities and Exchange Commission (SEC) and Commodity Futures Trading Commission (CFTC) to develop a plan for requiring SROs under their jurisdictions to apply the reforms in this bill to their rulemaking process.