

**SUPPORTING STATEMENT
FOR THE OCC’S PAPERWORK REDUCTION ACT SUBMISSION FOR A
REVISED INFORMATION COLLECTION**

**“Joint Standards for Assessing the Diversity Policies and Practices of Regulated Entities”
OMB Control No. 1557-0334**

A. JUSTIFICATION.

1. Legal and Administrative Requirements

Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Act) required the Office of the Comptroller of the Currency (OCC) and other Federal financial regulators (together, Agencies and separately, Agency) each to establish an Office of Minority and Women Inclusion (OMWI) to be responsible for all Agency matters relating to diversity in management, employment, and business activities. The Act also instructed each Agency’s OMWI Director to develop standards for assessing the diversity policies and practices of entities regulated by that Agency. The Agencies worked together to develop joint standards (Joint Standards) and on June 10, 2015, they jointly published the “Final Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies” (Policy Statement). See 80 Fed. Reg. 33016.

The Joint Standards contain information collections that fall within the scope of the Paperwork Reduction Act of 1995 (PRA). First, the Joint Standards include “Practices to Promote Transparency of Organizational Diversity and Inclusion,” which contemplate that a regulated entity makes certain information available to the public annually on its Web sites or through other appropriate communications methods, in a manner reflective of the entity’s size and other characteristics. The specific information referenced in these standards is (a) the entity’s diversity and inclusion strategic plan; (b) its policy on its commitment to diversity and inclusion; (c) its progress toward achieving diversity and inclusion in its workforce and procurement activities; and (d) opportunities available at the entity that promote diversity.

Second, the Joint Standards address “Entities’ Self-Assessments,” which contemplate that a regulated entity, in a manner reflective of its size and other characteristics, (a) conducts an annual, voluntary self-assessment of its diversity policies and practices; (b) monitors and evaluates its performance under its diversity policies and practices on an ongoing basis; (c) provides information pertaining to its self-assessment to the OMWI Director of its primary federal financial regulator; and (d) publishes information pertaining to its efforts with respect to the Joint Standards.

In compliance with PRA, the Agencies received approval from the Office of Management and Budget (OMB) on the collection of information described above. (The associated OMB control number is 1557-0334.)

In order to facilitate the self-assessment and information collection described in the

“Entities’ Self-Assessment” Joint Standards discussed above, the OCC has developed the “Diversity Self-Assessment Template for OCC-Regulated Entities” (Template). The Template would replace the previously-approved information collection associated with the Entities’ Self-Assessment Joint Standards. (The collection associated with the “Practices to Promote Transparency of Organizational Diversity and Inclusion” Joint Standards remains unchanged.)

On Aug. 25, 2016, the OCC published a Federal Register notice and requested comment on the revised collection. See 81 Fed. Reg. 58553. The comment period on this notice closed on October 24, 2016, and the OCC received one comment which is discussed below. The OCC is now seeking OMB approval for this revised collection and, as part of the process, publishing a second notice in the Federal Register for a 30-day comment period.

2. Purpose and Use of the Information Collection

The OCC will use the information collected from the Template for the same purposes and in the same manner as it described in the original information collection: the OCC will use the information provided to it to monitor progress and trends in the financial services industry with regard to diversity and inclusion in employment and contracting activities, as well as to identify and highlight those policies and practices that have been successful. The OCC will share information with the other Agencies, when appropriate, to support coordination of efforts and to avoid duplication. The OCC may publish information disclosed to it, such as best practices, in any form that does not identify a particular entity or individual or disclose confidential business information.

3. Consideration Given to Information Technology

An entity may use any available automated, electronic, mechanical or other technological collection technique to submit information to the OCC.

4. Duplication of Information

The regulated entities to which the Joint Standards apply are subject to certain recordkeeping and reporting requirements, such as those required by the Equal Employment Opportunity Commission (EEOC) and the Office of Federal Contract Compliance Programs (OFCCP). These entities currently collect and maintain data and supporting documentation that may assist in evaluating and assessing their policies and practices related to workforce diversity and inclusion. The entities also are encouraged to use other analytical tools that they may find helpful. In addition, the OCC will share information with other Agencies, when appropriate, to support coordination of efforts and to avoid duplication.

5. Reducing the Burden on Small Entities

The Template is a tool that can be used by a regulated entity to undertake the information collection described in the Entities’ Self-Assessment Joint Standards. When drafting the Joint Standards, the Agencies focused primarily on institutions with

more than 100 employees in an effort to minimize the impact on smaller entities. In addition, in order to make clear how the standards are relevant to and may be used by small entities, the Policy Statement encourages each entity to use the standards in a manner appropriate to its size and unique characteristics. This also should minimize burden on smaller institutions. Finally, we note that the standards are voluntary.

6. Consequences of Not Conducting Collection

A regulated entity can use the Template to provide information pertaining to its annual self-assessment of its diversity policies and practices. If this information is not collected or is collected less frequently, the OCC may not be able to monitor progress and trends in the financial services industry with regard to diversity and inclusion in employment and contracting activities or identify and highlight those policies and practices that have been successful.

7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)

The information is collected in a manner consistent with 5 CFR 1320.5(d)(2).

8. Consultations Outside the Agency

In a Federal Register notice published on August 25, 2016, the OCC requested comments on the revised information collection. In response, the OCC received one comment letter from an individual.¹

First, the commenter stated that use of the Template would not reduce a regulated entity's collection burden. We believe, however, that the structured format and layout of the Template is easy to use and thereby simplifies the information collection. We expect that this will reduce the time it takes to complete a self-assessment based on the Joint Standards. Furthermore, similar information, currently provided in response to required EEOC and OFCCP annual reports can be easily recorded on the self-assessment Template.

Second, the commenter stated that the OCC's publication of a Template creates the impression that the Policy Statement and Template set out mandatory, not voluntary, standards. The OCC does not intend to create this impression and notes that the Template itself states that "a self-assessment by the organization is voluntary." The Policy Statement itself also makes the voluntary nature of a self-assessment clear.

Third, the commenter asserted that the Template's yes/no structure is overly simplistic. The OCC notes, however, that while an entity's self-assessment of each standard begins with a yes/no response, the entity also is asked about the relevant successes and/or challenges associated with each standard. In addition, at the end of the Template, respondents are invited

¹ See letter from Sandra A. Holly dated August 30, 2016.

to provide any “other important information or comments regarding the self-assessment of their diversity and inclusion policies and practices.”

Finally, the commenter asserted that by publishing the Template, the OCC has effectively foreclosed the possibility of someone designing a better self-assessment framework. The OCC notes that the Template invites a regulated entity to “utilize this Template or its own assessment tool.” In addition, the OCC specifically asked the public in its 60-day notice for “[w]ays to enhance the quality, utility, and clarity of the information to be collected” and asks this same question again in the second Federal Register notice. We welcome the public to share with us, and with other regulated entities, any framework or tool that facilitates a regulated entity’s diversity self-assessment.

9. Payment or Gift to Respondents

Not applicable.

10. Assurance of Confidentiality

The Policy Statement explains that the Agencies may publish information disclosed to them provided they do not identify a particular entity or individual or disclose confidential business information in an effort to balance concerns about confidentiality of information with the importance of sharing information. Any entities submitting information may designate such information as confidential, as appropriate, and the Agencies will keep this information private to the extent allowed by law.

11. Sensitive Questions

Not applicable: no sensitive information is collected.

12. Estimate of Information Collection Burden

The OCC originally estimated that the information collection in the Joint Standards associated with (a) “Practices to Promote Transparency of Organizational Diversity and Inclusion” and (b) “Entities’ Self-Assessment” would take a total of 12 hours per respondent. The OCC now estimates that the information collection in the Joint Standards associated (a) and (b) will take a total of 8 hours per respondent. This decrease is attributable to the OCC’s belief that the Template will facilitate the information collection associated with “Entities’ Self-Assessment” and accordingly reduce the time needed to complete it, as discussed above in response to question 8.

The OCC estimates the new total burden for OCC-regulated entities:

Estimated Number of Respondents: 215.

Frequency of Collection: Annual.

Average Annual Response Time per Respondent: 8 hours.

Estimated Total Annual Burden Hours: 1,720 hours.

Cost of Hour Burden: \$184,040.

To estimate average hourly wages, we reviewed data from May 2015 (released in March 2016) for wages (by industry and occupation) from the U.S. Bureau of Labor Statistics (BLS) for depository credit intermediation (NAICS 522100). To estimate compensation costs, we use \$107 per hour. This is based on the average of the 90th percentile for seven occupations² adjusted for inflation (2 percent), plus an additional 30 percent to cover private sector benefits. Thirty percent represents the average private sector costs of employee benefits.

13. Estimate of Total Annualized Cost Burden

Not applicable.

14. Estimate of Cost to Federal Government

None.

15. Explanation of Changes in Burden

The OCC revised its burden estimate from 12 burden hours per respondent to 8 burden hours per respondent to reflect its belief that the Template will make the information collection associated with the “Entities’ Self-Assessment” easier and, therefore, take less time, as discussed above in response to question 8.

16. Information Collections Planned for Statistical Purposes

As stated in the Policy Statement, the OCC may publish information disclosed to it, such as best practices, in any form that does not identify a particular entity or individual or disclose confidential business information. At the current time, no further plans have been made with respect to publication.

17. Display of OMB Expiration Date

The OCC does not seek approval to not display the expiration date for OMB approval for the information collection. The OMB control number and expiration date will be displayed on

² The occupations are accountants and auditors, compliance officers, financial analysts, lawyers, management occupations, software developers, and statisticians.

the Federal government's electronic PRA docket at www.reginfo.gov.

18. Exceptions to Certification

The OCC certifies that this collection of information is consistent with the requirements of 5 C.F.R. 1320.9 and the related provisions of 5 C.F.R. 1320.8(b)(3), and it is not seeking an exemption to these certification requirements.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS.

Not applicable.