

**SUPPORTING STATEMENT
JOINT STANDARDS FOR ASSESSING THE DIVERSITY POLICIES AND
PRACTICES
(OMB Control No. 3064-0200)**

INTRODUCTION

The FDIC is requesting OMB approval to the revision of the currently approved information collection entitled “Joint Standards for Assessing the Diversity Policies and Practices” (OMB Control No. 3064-0200) which expires on February 28, 2019. The revision adds a form to the information collection entitled “Diversity Self-Assessment of Financial Institutions Regulated by the FDIC.” The use of the form is voluntary and is intended to reduce the average response time by four (4) hours per respondent with a corresponding reduction in the estimated total annual burden for this collection of information of 1,594 hours from 4,788 hours to 3,184 hours.

A. JUSTIFICATION.

1. Legal and Administrative Requirements

Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Act) required the Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (Board), Federal Deposit Insurance Corporation (FDIC), Bureau of Consumer Financial Protection (CFPB), National Credit Union Administration (NCUA), and Securities and Exchange Commission (SEC) (together, Agencies and separately, Agency) each to establish an Office of Minority and Women Inclusion (OMWI) to be responsible for all matters of the Agency relating to diversity in management, employment, and business activities. The Act also instructed each OMWI Director to develop standards for assessing the diversity policies and practices of entities regulated by the Agency. The Agencies worked together to develop joint standards (Joint Standards) and, on June 10, 2015, they jointly published in the Federal Register¹ the “Final Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies” (Policy Statement).²

The Policy Statement contains a “collection of information” within the meaning of the Paperwork Reduction Act of 1995 (PRA). The Policy Statement includes Joint Standards that cover “Practices to Promote Transparency of Organizational Diversity and Inclusion.” These Joint Standards contemplate that a regulated entity is transparent about its diversity and inclusion activities by making 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

¹ 80 Fed. Reg. 33016.

² The National Credit Union Administration (NCUA) joined the Agencies in issuing the Policy Statement. However, the NCUA has not joined in this request for approval under the PRA of the information collection contained in the Policy Statement. NCUA intends to submit a separate request for PRA approval.

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.

In addition, the Policy Statement includes Joint Standards that address "Entities' Self-Assessment." The Joint Standards for Entities' Self-Assessment envision that a regulated entity, in a manner reflective of its size and other characteristics, (a) conducts annually a 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.

This revision to the previously approved collection adds a form entitled "Diversity Self-Assessment of Financial Institutions Regulated by the FDIC" intended to facilitate responders' self-assessment process.

2. Purpose and Use of the Information Collection

The Agencies will use the information provided to them 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 primary federal financial regulator will share information with other agencies, when appropriate, to support coordination of efforts and to avoid duplication. The Agencies may publish information disclosed to them, 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 provide the required information to the public and to its primary federal financial regulator.

4. Duplication of Information

Entities that are subject to certain recordkeeping and reporting requirements, such as those required by the Equal Employment Opportunity Commission and the Office of Federal Contract Compliance Programs, 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. Entities also are encouraged to use other analytical tools that they may find helpful. In addition, the primary federal financial regulator will share information with other agencies, when appropriate, to support coordination of efforts and to avoid duplication.

5. Reducing the Burden on Small Entities

When drafting these 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

If the information is not collected or is collected less frequently, the Agencies 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

A first Federal Register notice of the proposed revision was published on August 24, 2016 (81 FR 57908). No comments were received.

9. Payment or Gift to Respondents

Not applicable.

10. Assurance of Confidentiality

The Policy Statement states 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 collection of information contemplated by the Joint Standards imposes no new recordkeeping burdens as regulated entities will only publish or provide information pertaining to diversity policies and practices that they maintain during the normal course of business.

This revision to the previously approved collection adds a form entitled “Diversity Self-Assessment of Financial Institutions Regulated by the FDIC” intended to facilitate responders’ self-assessment process. The FDIC estimates that the use of the form will result in a reduction in the average response time per respondent from 12 hours to 8 hours with a corresponding reduction in the estimated total annual burden hours for this collection of information from 4,778 hours to 3,184 hours.

The FDIC estimates the total burden for its regulated entities as follows:

Estimated Number of Respondents: 398

Frequency of Collection: Annual.

Average Response Time per Respondent: 8 hours.

Estimated Total Annual Burden Hours: 3,184 hours

13. Estimate of Total Annualized Cost Burden

None.

14. Estimate of Cost to Federal Government

None.

15. Explanation of Changes in Burden

The change in burden is due to the introduction of the “Diversity Self-Assessment of Financial Institutions Regulated by the FDIC” form intended to facilitate responders’ self-assessment process. The FDIC estimates that the use of the form will result in a reduction in the average response time per respondent from 12 hours to 8 hours with a corresponding reduction in the estimated total annual burden hours for this collection of information of 1,594 hours from 4,788 hours to 3,184 hours.

16. Information Collections Planned for Statistical Purposes

As stated in the Policy Statement, the Agencies may publish information disclosed to them, 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 Agencies do 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 the Federal government's electronic PRA docket at www.reginfo.gov.

18. Exceptions to Certification

None.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.