

National Credit Union Administration
SUPPORTING STATEMENT

Joint Standards for Assessing the Diversity Policies and Practices
NCUA Form 15004
OMB Control No. 3133-0193

A. JUSTIFICATION.

1. Circumstances that make the collection of information necessary.

Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Act) (Pub.L. 111-203, 124 Stat. 1376, 1541; 12 U.S.C. 5452) required the Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (Board), Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), Bureau of Consumer Financial Protection (CFPB), 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 (80 FR 33016), they jointly published in the *Federal Register* the “Final Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies” (Policy Statement).

2. Purpose and Use of the Information Collection.

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 website 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.

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.

In order to facilitate the self-assessment and information collection described in the Policy Statement, the NCUA provides NCUA Form 15004, “Annual Voluntary Credit Union Diversity Self-Assessment,” to federally insured credit unions to perform their assessment and to submit information to the NCUA.

The NCUA 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 NCUA will share information with other agencies, when appropriate, to support coordination of efforts and to avoid duplication. The NCUA 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, unless the entity agrees in writing to such disclosure.

3. Use of Information Technology.

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

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), 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. In addition, the primary federal financial regulator may share information with other agencies when appropriate to support coordination of efforts and to avoid duplication.

5. Efforts to Reduce 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 NCUA will be unable to monitor progress and trends in the financial services industry with regard to diversity and inclusion in employment and contracting activities, and therefore will be unable to 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. Efforts to Consult with Persons Outside the Agency

A 60-day notice was published in the *Federal Register* on March 23, 2018, at 83 FR 12822, soliciting comments from the public. No comments were received in response to this notice.

9. Payment or Gifts to Respondents

No payments or gifts are offered.

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. Questions of a Sensitive Questions Nature

No questions of a sensitive nature are asked. Requests for personally identifiable information is limited to business contact information for key diversity and inclusion personnel within the entity (business address, phone number and fax number) and is not a mandatory requirement. The business contact information will be used for follow-up communication and will not be shared publicly or outside of the NCUA (unless required by court order to do so.)

12. Burden of Information Collection

The collection of information imposes no 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.

The NCUA estimates that it will take an FICU approximately 8 burden hours, on average, to retrieve and submit information pertaining to the entity’s self-assessment of its diversity policies and practices on NCUA 15004.

No. of Respondents	No. of Responses Per Respondent (Frequency)	Total Annual Responses	Hours per Response	Total Annual Burden
325	1	325	8	2,600

The NCUA estimates an average wage rate of \$93 per hour for a senior credit union staff member to perform this collection function. The NCUA estimates total labor cost of \$241,800.

13. Capital Start-up or On-going Operation and Maintenance Costs

There are no capital start-up or on-going maintenance costs.

14. Annualized Costs to Federal Government

It is estimated that NCUA staff will take approximately two months to aggregate the information and report it to the public in various formats. This includes analyzing, evaluating, summarizing, and reporting on the information collected. The cost to the federal government is based on a CU-14 maximum hourly pay rate \$65 x 320 hours = \$20,800.

15. Changes in Burden

The NCUA had received OMB approval for the use of the “Annual Voluntary Credit Union Diversity Self-Assessment” to provide a user-friendly tool to assess credit unions diversity policies and practices. The NCUA is revising this form at this time to:

1. Provide space for the user to identify the credit union’s Diversity and Inclusion Officer and Supplier Diversity Officer or equivalents. This information will help gauge the formality of the credit union’s diversity and inclusion program and provide direct contact information with individuals holding these positions.
2. Remove the option for a credit union to answer in the negative, only affirmative responses are requested; and removing the requirement to provide a comment if the respondent answers a question in the affirmative.
3. Converts the Self-Assessment standards from a question format to a statement format.
4. Provides space for the user to document their definition of diversity if it is broader than just minorities and women as referenced in the joint standards. Collection of this information will allow the NCUA to better understand how credit unions are defining diversity.
5. Include a table to capture the workforce profile. The table provides space for users to provide a breakdown of their workforce by gender and minority status.
6. Include a table to capture total annual procurement spend with minority- and women-owned businesses. This data will help us gauge the amount of spending credit unions are doing with minority- and women-owned businesses.

The NCUA estimates that the average response time per respondent is 8 hours. At the time of the approval of the original collection, the Agencies joint estimate of the time per response per respondent was 12 hours. The NCUA has re-evaluated its estimates and has determined that the burden on the credit union will be reduced by a total of 1,300 hours by the redesign of the form.

An adjustment in the number of respondents is also being made to reflect reduction in the number of credit unions reporting from 367 to 325; for a total adjustment of 504 burden hours.

A total of 2,600 burden hours is requested.

16. Information Collection 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, the NCUA has made no further plans with respect to the publication of the information collected via the Self-Assessment form.

17. Request Non-display the Expiration Date of the OMB Control Number

The display of the expiration date of the OMB approval may be confused with the due date this information is requested by the NCUA. A non-display of this date is requested.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

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

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection does not involve statistical methods.