

**BUREAU OF CONSUMER FINANCIAL PROTECTION
PAPERWORK REDUCTION ACT SUBMISSION
INFORMATION COLLECTION REQUEST**

SUPPORTING STATEMENT PART A

**JOINT STANDARDS FOR ASSESSING THE DIVERSITY POLICIES AND
PRACTICES
OMB CONTROL NUMBER 3170-0060**

OMB TERMS OF CLEARANCE:

Not applicable. The Office of Management and Budget (OMB) did not provide Terms of Clearance when approved this information collection on February 17, 2016.

ABSTRACT:

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 (BCFP) 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 Register the “Final Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies” (Policy Statement). The Agencies 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.

JUSTIFICATION.

1. Circumstances Necessitating the Data Collection

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 (BCFP), 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 Register*¹ 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 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.

2. Use of the Information

The Bureau 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

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.

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 Bureau 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. The information collected is voluntary and will not be used for supervisory, investigative, or enforcement actions.

3. Use of Information Technology

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

4. Efforts to Identify Duplication

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. Efforts to Minimize Burdens 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 Less Frequent Collection and Obstacles to Burden Reduction

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. Circumstances Requiring Special Information Collection

Not applicable. The collections of information in Regulation P are consistent with the applicable guidelines contained in 5 CFR § 1320.5(d)(2).

8. Consultation Outside the Agency

In accordance with 5 CFR §1320.8(d)(1), the Bureau has published a notice in the *Federal Register* allowing the public 60 days to comment on the proposed extension (renewal) of this currently approved collection of information. The Bureau received no comments in response to this notice. Additionally, in accordance with 5 CFR §1320.5(a)(1)(iv) the Bureau published a notice in the *Federal Register* allowing the public 30 days to comment on the submission of this information collection request to the Office of Management and Budget.

9. Payments or Gifts to Respondents

No payments or gifts are provided to respondents.

10. Assurances 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. Justification for 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.

The Agencies estimate that it will take a regulated entity approximately 12 burden hours, on average, to (a) to publish annually information pertaining to diversity policies and practices on the entity's Web site or in other appropriate communications and (b) to retrieve and submit information pertaining to the entity's self-assessment of its diversity policies and practices to its primary federal financial regulator.

The Bureau estimates the Burden for its regulated entities as follows:

Exhibit 1: Burden Hour Summary

Information Collection Requirement	No. of Respondents	Frequency	Annual Responses	Average Response Time	Annual Burden Hours	Hourly Rate	Hourly Costs
Publication of diversity policy and submission of Self- Assessment form	750	Yearly	750	12	9,000	\$109	980,000
Totals:	750	//////////	750	//////////	9,000	////////	\$980,000

To estimate average hourly wages for entities regulated by the Bureau, we reviewed data from May 2017 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 associated with the collection of information under the Joint Standards, we use \$109 per hour. This is based on the average of the 90th percentile for seven occupations³ adjusted for inflation (at 2 percent), plus an additional 30 percent to cover private sector benefits (30 percent represents the average private sector costs of employee benefits).

13. Estimated Total Annual Cost Burden to Respondents or Recordkeepers

There are no additional materials costs for this regulation.

14. Estimated Cost to the Federal Government

As the Bureau does not collect any information, there are no additional costs to the Federal Government.

³ The occupations are accountants and auditors, compliance officers, financial analysts, lawyers, management occupations, software developers, and statisticians.

15. Program Changes or Adjustments

Exhibit 3: Summary of Burden Changes table

	Total Respondents	Annual Responses	Burden Hours	Cost Burden (O & M)
Total Requested	750	750	9,000	0
Current OMB Inventory	750	750	9,000	\$0
Difference (+/-)	0	0	0	\$0
Program Change	0	0	0	\$0
Discretionary	0	0	0	\$0
Due to New Statute	0	0	0	\$0
Violation	0	0	0	\$0
Adjustment	0	0	0	\$0

There are no changes in the burden for this collection

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 Self-Assessment form as well as in Federal government’s electronic PRA docket at www.reginfo.gov.

18. Exceptions to Certification

The Agencies certify 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 they are not seeking an exemption to these certification requirements.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable. This collection of information does not involve the use of statistical methods.