

National Credit Union Administration  
**SUPPORTING STATEMENT**

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

**A. JUSTIFICATION.**

In 2018, the OMB granted the NCUA temporary clearance of this form based on the following terms:

1. **OMB TERM OF CLEARANCE:** Clearance is granted for one year, during which OMB will work with the agencies conducting similar assessments in order to promote better standardization. NCUA and these other agencies will reach out to OMB in advance of seeking renewal to coordinate these approvals.
2. Because of the small number of responses and convenience sample of respondents, NCUA agrees to take care not to generalize findings when presenting results of this collection and to provide an appropriate discussion of limitations in any reports or publications.

Regarding the first term, the NCUA consulted with the other agencies who collect diversity self-assessments in order to promote better standardization. The agencies use the same standards and collect similar data; however, the NCUA decided to continue to use a separate form and is seeking separate clearance for our Annual Voluntary Credit Union Diversity Self-Assessment form for the following reasons:

- The NCUA is concerned that converting to a generic common form would result in a lower response rate for this voluntary collection.
- The NCUA began collecting self-assessments in 2016, before any other agency. The NCUA has consistently used the same format and numbering system to track trends over the last three years. The numbering system of the proposed common form is different from the NCUA's numbering system. Converting to the common form would complicate the NCUA's data collection, trending and reporting processes and unnecessarily burden credit unions.
- The NCUA built a data collection platform to consolidate and generate reports based on the self-assessment submissions. Changing to the common form will require major revisions to the platform.
- Several of the other agencies who use diversity self-assessment forms regulate many different types of financial institutions, thus their self-assessment is more generic in nature. The NCUA only regulates credit unions and desires to use a self-assessment form that uses language specifically tailored to credit unions.

As for the second term, the NCUA will continue to take care not to generalize findings when presenting results of this collection and to provide appropriate discussion of limitations in

reporting and publications.

## **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 11, 2019, at 84 FR 8766, 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**

This is an extension of the currently approved collection. There are no changes or adjustments to the collection.

**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.