

SUPPORTING STATEMENT

Joint Standards for Assessing the Diversity Policies and Practices of Regulated Entities by the Agencies and Diversity Self-Assessment Template for Entities Regulated by the OCC

OMB Control No. 1557-0334

A. Justification.

1. Circumstances that make the collection necessary:

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 order to facilitate the self-assessment and information collection described in the "Entities' Self-Assessment" Joint Standards discussed above, the OCC developed the "Diversity

Self-Assessment Template for OCC-Regulated Entities” (Template).

2. *Use of the information:*

The OCC uses 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 shares 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 of the use of improved information technology:*

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

4. *Efforts to identify duplication:*

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 and the Office of Federal Contract Compliance Programs. 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 to the Federal program if the collection were conducted less frequently:*

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. *Special circumstances that would cause an information collection to be conducted in a manner inconsistent with 5 CFR Part 1320:*

The information is collected in a manner consistent with 5 CFR part 1320.

8. *Efforts to consult with persons outside the agency:*

On September 4, 2019, the OCC issued a notice for 60 days of comment concerning the renewal of this collection, 84 FR 46604. No comments were received.

9. *Payment or gift to respondents:*

Not applicable.

10. *Any 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. *Justification for questions of a sensitive nature:*

Not applicable: no sensitive information is collected.

12. *Burden Estimate:*

The OCC estimates 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” using the Template will take 8 hours to complete.

Estimated Number of Respondents: 110.

Frequency of Collection: Annual.

Average Annual Response Time per Respondent: 8 hours.

Estimated Total Annual Burden Hours: 880 hours.

Cost of Hour Burden: \$100,320.

To estimate wages the OCC reviewed May 2018 data for wages (by industry and occupation) from the U.S. Bureau of Labor Statistics (BLS) for credit intermediation and related activities excluding nondepository credit intermediaries (NAICS 5220A1). To estimate compensation costs associated with the rule, the OCC uses \$114 per hour, which is based on the average of the 90th percentile for nine occupations adjusted for inflation (2.8 percent as of Q1 2019 according to the BLS), plus an additional 33.2 percent for benefits (based on the percent of total compensation allocated to benefits as of Q4 2018 for NAICS 522: credit intermediation and related activities).

13. *Estimate of total annual costs to respondents (excluding cost of hour burden in Item #12):*

Not applicable.

14. Estimate of Cost to Federal Government

None.

15. *Explanation of Changes in Burden:*

The burden decreased by 840 hours due to [availability of better estimates/fewer filings/etc?]

16. *Information regarding collections whose results are to be published for statistical use:*

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. *Reasons for Not Displaying 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 the Federal government's electronic PRA docket at www.reginfo.gov.

18. *Exceptions to Certification Statement:*

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. Collections of Information Employing Statistical Methods.

Not applicable.