

**SUPPORTING STATEMENT FOR  
JOINT STANDARDS AND CFPB STANDARDS FOR ASSESSING THE  
DIVERSITY POLICIES AND PRACTICES  
OMB CONTROL NO.: 3170-0060**

**A. JUSTIFICATION**

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

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), Consumer Financial Protection Bureau (CFPB or the Bureau), and Securities and Exchange Commission (SEC) (collectively: Agencies; individually: 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 they jointly published<sup>1</sup> the “Final Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies” (Policy Statement).<sup>2</sup>

Section 342 of the Act also required the Agencies to assess whether entities that do business with the Agencies, including contractors, make a good faith effort (GFE) to diversify their organizations and to report that information to the Agencies.

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:

- the entity’s diversity and inclusion strategic plan;
- its policy on its commitment to diversity and inclusion;

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<sup>1</sup> 80 FR 33016 (6/10/2015).

<sup>2</sup> 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.

- its progress toward achieving diversity and inclusion in its workforce and procurement activities; and
- opportunities available at the entity that promote diversity.

The CFPB's GFE Policy includes the process to review and evaluate contractors, and as applicable, subcontractors to ensure the fair inclusion of women and minorities in their workforce. The implementation of the CFPB's GFE process consists of the inclusion of the GFE clause in all market research, solicitations, requests for information, requests for proposals, and contracts, the specific information referenced in the clause is documentation demonstrating contractor efforts to address all six evaluation criteria encompassing the CFPB's GFE which are:

- Diversity Strategy;
- Diversity Policies;
- Recruitment;
- Succession Planning;
- Outreach; and
- Supplier – Subcontractor Diversity.

The GFE clause within contractor agreements with the CFPB require that contractors and others that do business with the CFPB provide information related to their internal diversity and inclusion efforts, the contractor self-assessment.

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:

- conducts annually a voluntary self-assessment of its diversity policies and practices;
- monitors and evaluates its performance under its diversity policies and practices on an ongoing basis;
- provides information pertaining to its self-assessment to the OMWI Director of its primary federal financial regulator; and
- publishes information pertaining to its efforts with respect to the Joint Standards.

**2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

The CFPB will use the information provided to them to monitor progress and trends in the financial services industry regarding diversity and inclusion in employment and contracting activities and 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 CFPB has and will continue to publish information disclosed to them (e.g. best practices) in any form that does not identify a particular entity or individual or disclose confidential business information.

The CFPB will use the information from its mandatory contractor self-assessment through the GFE Clause to ensure (to the maximum extent possible) the fair inclusion of minorities and women in the workforce of its contractors and (as applicable subcontractors) in each new contract award.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.**

An entity and contractor(s) may use any available automated, electronic, mechanical or other technological collection technique to submit information to the Agencies and CFPB.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item A.2 above.**

CFPB's 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. Additionally, the primary federal financial regulator will share information with other agencies (when appropriate) to support coordination of efforts and to avoid duplication.

The Bureau will focus on its larger value contracts to reduce the administrative burden on contractors and subcontractors with smaller awards. Currently, contractors are subject to recordkeeping and reporting requirements to demonstrate they have made good faith efforts to remove identified barriers, to expand employment opportunities, and to produce measurable results<sup>3</sup>, and to develop and maintain a written program (which describes the policies, practices, and procedures that the contractor uses to ensure that applicants and employees receive equal opportunities for employment and advancement)<sup>4</sup>. In lieu of developing a separate workforce inclusion plan, a contractor is permitted to submit its existing written program (e.g. affirmative action plan or AAP) prescribed by the EO 11246 regulations as part of the documentation that demonstrates the contractor's good faith efforts to ensure fair inclusion of minorities and women in its workforce.

**5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.**

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<sup>3</sup> EO 11246, 41 CFR 60-1.7.

<sup>4</sup> 41 CFR Part 60-2.

The Agencies focused primarily on institutions with more than 100 employees to minimize the impact on smaller entities. Additionally, 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. Finally, we note that the standards are voluntary. Fewer questions will be asked of regulated entities with fewer than 100 employees that submit an assessment reducing the burden for these entities.

For smaller contractors with less than 100 employees who wish to do business with the CFPB, data collection is required. However, fewer questions will be asked of all contractors which will also reduce the burden on smaller entities.

**6. Describe the consequence to federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

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.

If the information is not collected for contractors, the CFPB will not be able to ensure diverse representation of its contractor workforce nor will the Bureau meet its mandatory GFE collection requirement within Section 342 of the Act.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner:**

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has**

**instituted procedures to protect the information's confidentiality to the extent permitted by law.**

This information collection complies with applicable guidelines contained in 5 CFR 1320.5(d)(2).

**8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

**Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

**Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection-of-information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

In accordance with 5 CFR 1320.8(d)(1), the CFPB has published a notice in Federal Register that provides the public 60 calendar days to comment on the extension of reporting requirements contained within OMB Control No. 3170-0060.<sup>5</sup> No comments were received during the comment period.

Also, in accordance with 5 CFR 1320.5(a)(1)(iv), the CFPB has also published a notice in the Federal Register providing the public 30 days to comment on reporting requirements contained within this information collection request.<sup>6</sup>

**9. Explain any decision to provide any payments or gifts to respondents, other than remuneration of contractors or grantees.**

No payments or gifts are provided to respondents.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

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<sup>5</sup> 87 FR 33473 (published on 6/2/2022).

<sup>6</sup> 87 FR 49583 (published on 8/11/2022; comment period ends on 9/12/2022).

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 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.

The CFPB will report to Congress as required by Section 342 on contractor good faith efforts to diversify their workforces to be more reflective of American consumers. There are no plans to publicize specific vendor information beyond what is allowable through existing policies and procedures that govern entities doing business with the federal government.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

No such sensitive information will be collected.

**12. Provide estimates of the hour burden of the collection of information. The statement should:**

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. General, estimates should not include burden hours for customary and usual business practices.**
- **If this request for approval covers more than one form, provide separate hour burden estimates for each form.**
- **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**

### Joint Standards

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.

To estimate average hourly wages for entities regulated by the Bureau, we reviewed data from May 2021 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/hour. This is based on the average of the 90th percentile for seven occupations<sup>7</sup> adjusted for inflation (at 2%), plus an additional 30% to cover private sector benefits (30% represents the average private sector costs of employee benefits).

### CFPB Standards

The time estimated to complete the Contractor Self-Assessment is approximately 45 minutes. Since the information that is requested is required by federal procurement regulation and readily available to the contractor/respondent, the hourly burden should be the same and consistent for most vendors. A wage rate of \$65.67<sup>8</sup> assumed completion by a Human Resources Manager or similar profession.

Collection of Information	Number of Respondents	Frequency	Number of Responses	Response Time (Hours)	Burden (Hours)
Publication of diversity policy and submission of Self-Assessment form	750	1	750	12	9,000
Contractor Self-Assessment	500	1	500	0.75	375
<b>TOTAL</b>	1,250		1,250		9,375

### **13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).**

There are no additional materials costs for this information collection.

<sup>7</sup> The occupations are accountants and auditors, compliance officers, financial analysts, lawyers, management occupations, software developers, and statisticians, [https://www.bls.gov/oes/current/naics4\\_5220A1.htm](https://www.bls.gov/oes/current/naics4_5220A1.htm).

<sup>8</sup> Bureau of Labor Statistics, <https://www.bls.gov/oes/current/oes113121.htm>

**14. Provide estimates of the annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 into a single table.**

There are no additional costs to the Federal Government.

**15. Explain the reasons for any program changes or adjustments.**

Additional questions have been added to address the self-assessment for CFPB contractors. To ensure the fair inclusion of minorities and women in the workforce of CFPB contractors (and, as applicable, subcontractors), the GFE and contractor self-assessment requirements are included in the solicitation package and contract clause as part of the contractor’s no-cost deliverable.

Additionally, OMWI changed a field name from “Vendor DUNS” to “Vendor ID”. This action is necessary to comply with the federal adoption of the unique entity identifier (UEI) numbering system which replaces the DUNS system for use in Federal Procurement.

ICR Summary of Burden					
	Requested	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Previously Approved
Annual Number of Responses	1,250	0	500	0	750
Annual Time Burden (Hours)	9,375	0	375	0	9,000
Annual Cost Burden (\$)	0	0	0	0	0

**16. For collections of information whose results will be published, outline plans for tabulations, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

As stated in the Policy Statement, the Agencies may publish information disclosed to them (e.g. best practices) in any form that does not identify a particular entity or individual or disclose confidential business information. The Bureau may consider recognizing specific entity accomplishments by publishing the names of entities and

outlining specific programming or impressive progress towards diversity, equity and inclusion however not before notifying an entity in advance and gaining approval to do so.

The Bureau may publish contractor self-assessment 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 Bureau may consider recognizing specific entity accomplishments by publishing the names of entities and outlining specific programming or impressive progress towards diversity and inclusion however not before notifying an entity in advance and gaining approval to do so.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

The information collection is not collected in a manner that allows the display of the current expiration date. However, the expiration date can be found under the “Information Collections under Review” section of [www.reginfo.gov](http://www.reginfo.gov) (<https://www.reginfo.gov/public/do/PRAMain>).

**18. Explain each exception to the certification statement.**

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**

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