

May 23, 2019

OMB Desk Officer for the Bureau of Consumer Financial Protection
Office of Management and Budget
New Executive Office Building
Room 10235
Washington, DC 20503

**Re: Joint Standards for Assessing the Diversity Policies and Practices
OMB Control Number 3170-0060**

To Whom It May Concern:

The American Financial Services Association (AFSA)¹ and its members strongly support diversity in management, employment, and business activities. We applaud the work the federal financial agencies² have done to encourage diversity and inclusion.

One step the agencies have taken, which was mandated by the Dodd-Frank Act, was to develop standards for assessing the diversity policies and practices of entities regulated by each agency. On June 10, 2015, the agencies 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” (Final Policy). Pursuant to the Final Policy, a self-assessment by an entity of its implementation of the policy is voluntary.

AFSA supports the goals of the Final Policy and agrees that implementation should be voluntary. AFSA is concerned that the voluntary nature of the self-assessment is being inadvertently modified.

On March 23, 2019, the Consumer Financial Protection Bureau (CFPB) submitted a notice with a request to the Office of Management and Budget (OMB) for approval to revise an existing information collection entitled, “Joint Standards for Assessing the Diversity Policies and Practices.” With this notice, the CFPB included a 14-page voluntary diversity self-assessment form (Form).

AFSA asks that before giving its approval to the information collection, OMB take steps to ensure that completion of the assessment Form is, in fact, voluntary. In addition, the CFPB should put the Form out for notice and comment and should ensure the confidentiality of the responses.

If the CFPB intends on sending the Form to supervised entities, completion of the Form becomes necessary. However voluntary a request from a regulator is in name, it is not voluntary in nature. In fact, the Form uses the phrase “strongly encouraged.” Our understanding is that the CFPB has already sent out certain letters to supervised entities asking for information on diversity and inclusion. Instead of sending the Form to supervised

¹ Founded in 1916, AFSA is the national trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members provide consumers with many kinds of credit, including traditional installment loans, mortgages, direct and indirect vehicle financing, payment cards, and retail sales finance.

² The federal financial regulators include the: Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Consumer Financial Protection Bureau, and Securities and Exchange Commission.

entities, the CFPB should post the Form on its website so that entities can access it easily and use it for their self-assessments, should they choose to do so.

In addition, before using the Form the CFPB should put it out for notice and comment. AFSA has identified a few concerns related to the Form itself. For example, the CFPB estimates that it will take eight hours to complete the Form. AFSA believes that the CFPB is underestimating the time that it would take an entity to complete a 14-page form. Moreover, the size threshold the CFPB sets for entities who should use the Form is too small. The Form is intended for entities with more than 100 employees. Companies with only 100 employees may not have the programs in place that the Form appears to assume. And lastly, there is no reference to the diversity in the location of the entity. If an entity is located in an area of the country that lacks diversity, it is likely that the entity will reflect that lack of diversity. The Form should acknowledge that limitation.

AFSA is also concerned with the confidentiality associated with the responses to the Form. Identifying information collected by the CFPB may be used by and disclosed to employees, contractors, agents, and others authorized by the CFPB to receive this information to assist in related activities. It is not clear how reported and identifying information may be used or shared.

We appreciate the commitment the CFPB and other agencies have made to diversity and inclusion, a commitment that AFSA shares. We hope that OMB will work the CFPB to address the concerns raised in our letter before approving the requested information collection.

If you have any questions, please do not hesitate to contact me by phone at 202-776-7300 or e-mail at cwinslow@afsamail.org.

Sincerely,



Celia Winslow

Vice President, Legal & Regulatory Affairs
American Financial Services Association