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January 2, 2014

Mr. Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Re: Comments on Proposed Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Regulated Entities

Dear Mr. Poliquin:

On behalf of the management and Board of Michigan First Credit Union, I would like to take this opportunity to comment in response to the proposed Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Regulated Entities.

Michigan First Credit Union has enjoyed a long tradition of supporting diversity in the workplace and remains committed to providing a work environment where every person regardless of race, gender, ethnicity or sexual orientation has an equal opportunity to succeed. However, we have serious reservations about the joint standards as currently proposed.

While we recognize that the proposed policy statement is in response to a requirement set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), it is our view that the joint standards prescribed in this proposed policy statement go much too far, represent duplicative efforts for most regulated entities, do nothing to strengthen and promote safety and soundness, will unquestionably result in additional compliance costs and will do very little to achieve greater diversity.

We do not object to the notion that successful organizations should take proactive and affirmative steps to ensure a commitment to diversity and inclusion. Most credit unions, in our view, share this commitment and do a good job of trying to bring it about. Although a noble goal, whether or not an organization has achieved sufficient diversity is too often in the eye of the beholder. The joint standards as proposed unfortunately do not do a whole lot to change this fact.

In fact, we see these joint standards as unnecessary in view of existing anti-discrimination statutes in place at the federal and state level. The fact that some additional duplicative requirements are mandated by an extremely overreaching provision of the Dodd-Frank Act does not serve make them more appropriate or necessary than they would otherwise be – which is not necessary at all because of current law and legal precedent well established in this area.

We are convinced that, because this is not a safety and soundness issue and has no impact whatsoever on the financial stability of the financial institutions the financial regulatory agencies such as NCUA are charged with ensuring, it is little more than posturing by the agencies issuing

these joint standards. There is no substantive positive effect in ensuring diversity in the workplace that will result from these standards above those that can come by enforcement of existing anti-discrimination statutes and regulations.

Rather, these joint standards create nothing but costly process and extends the authority of federal governmental agencies responsible primarily for safety and soundness well beyond those very appropriate bounds and into the inappropriate arena of attempting to influence the hiring/management of institutional staff as well as the purchasing processes of a regulated institution – regardless of the record of the institution or its previously demonstrated commitment to diversity. These standards reflect, in our view, a prime example of excessive and unnecessary – rather than effective and needed – regulatory action.

In addition to the comments above about our broad based concerns about the proposal, we hereby also offer the following specific comments to the joint standards as proposed;

(1) Organizational Commitment to Diversity and Inclusion

As stated before, we believe it is good practice for credit unions to take proactive steps to ensure diversity in the workplace. We do not object to the requirement of having a board approved policy that is intended to promote greater diversity and inclusion in the workplace.

That said, we believe credit unions and other regulated entities are more than capable of drafting appropriate policies that sufficiently address this issue without mandating what should be included in the policy as suggested by the proposed joint standards. For example, whether the credit union wants to include diversity and inclusion considerations in their strategic plan should be left to the board and management to decide. Likewise, requiring the credit union to designate a Chief Diversity Officer seems to be both unnecessary and overreaching, in our view. Again, this should be a decision for the board and management of the credit union. Simply stated, we believe the regulator should stay out of hiring decisions and the assignment of job duties among staff.

(2) Workforce Profile and Employment Practices

The joint standards proposed in this section of the policy statement are duplicative of regulatory and statutory requirements that are already in place for many credit unions and could be easily addressed in a broad diversification and inclusion policy approved by the board as discussed above. As a credit union that holds itself out as an equal opportunity employer, it would appear that the proposed joint standards are simply unnecessary.

(3) Procurement and Business Practices – Supplier Diversity

This is perhaps the most troubling of the proposed joint standards. We are concerned that the proposed standards may impose undue hardship on regulated entities that could potentially result in the restriction of fair and open competition. Additionally, we are concerned that in certain situations implementation of the proposed standards could make it difficult for a regulated entity to hire or engage the most qualified firm or supplier. To require a regulated entity to ensure that its suppliers and their sub-contractors are *sufficiently* diverse is not a realistic expectation in our view. While Michigan First Credit Union strives to make every effort to promote diversity among its suppliers we do not believe it should be our responsibility to ensure they are compliant with their individual efforts toward diversity and inclusion. In short, we should be able to shop for the most competitive pricing for qualified outside suppliers and

services without adding another unnecessary layer of subjective analysis that will do little to promote diversity. To require such an "assessment" will increase compliance costs significantly and will likely result in missed opportunities and reduced service for our members. Absent the presence of a significant safety and soundness issue, we can see no reason at all as to why a regulator should be involved in the day to day purchasing decisions of a credit union. Therefore, we urge the Agencies to remove this category of joint standards in their entirety.

(4) Practice to Promote Transparency of Organizational Diversity and Inclusion

We have no objection of making it publicly known through our website and other means that Michigan First is committed to diversity and inclusion. Again, we believe this can be accomplished easily and can be addressed in a broad diversity and inclusion policy. We question the necessity of including specific details of efforts and activities undertaken by the regulated entity to bring diversity about.

Proposed Approach to Assessment

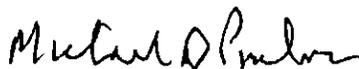
Again, we understand that this proposed policy statement is being issued in response to a requirement set forth in the Dodd-Frank Act. However, the approach contemplated by the Agencies relative to the assessment of these joint standards begs the question of their necessity. Perhaps it is time for the Agencies involved to go to Congress and state that they already have sufficient authority in this regard and encourage this overreaching provision of Dodd-Frank to be repealed.

The proposal indicates that the Agencies will not use the examination or supervision process in connection with the proposed standards. While we agree these proposed standards should not be included in the examination and supervision process, we are perplexed as to – if not to be a part of the examination and supervision process, specifically how the Agencies intend to use the assessments provided or how they will defend their failure to do so. If the mandate of Dodd-Frank is considered so strong that these unnecessary standards are being promulgated through the rulemaking process by the Agencies, what is the assurance that the future will not bring about examination and supervisory actions to accompany these mandated standards in order to validate their existence under Dodd-Frank?

At the end of the day, we fail to see the need for the joint standards and would instead recommend that each regulated entity be required simply to have a board approved policy that sufficiently demonstrates the entity's commitment to diversity and inclusion based on its size and structure. Then, allow existing anti-discrimination statutes and regulations to ensure that this commitment is real and not being abused.

Again, thank you for the opportunity to comment on this important matter.

Sincerely,



Michael D. Poulos
President/CEO