

From: [Lorraine McCormick](#)
To: [Regulatory Comments](#)
Subject: Lorraine McCormick - Comments on Proposed Interagency Policy Statement for Assessing the Diversity Policies and Practices of Regulated Entities
Date: Tuesday, December 10, 2013 4:19:50 PM

Comments submitted on behalf of AmeriCU Credit Union are:

1) Are the proposed joint standards effective and appropriate to promote diversity and inclusion? Why or why not? If not, what standards would be appropriate and why? How would such standards support or hinder the objectives of section 342?

1. Answer: No, because regulated entities with 100 or more employees are already required to file an Employer Information Report EEO-1 with Equal Employment Opportunity Commission. Therefore, for credit unions with more than 100 employees, the EEO-1 should assist in assessing diversity policies and practices. Creating an additional regulation for an entity to watch its suppliers as to what they are doing to address their diversity program, will amount to costly bureaucratic and administrative burden. In lieu of that, an entity through its EEO-1 program should enhance its program to accommodate any missing diversity issues. Granted, an entity will not be examined on this but the administrative burden is inherent.

2) Are the proposed joint standards sufficiently flexible but still effective to allow meaningful assessments of entities with a wide range of particular characteristics or circumstances (for example, asset size; number of employees; contract volume; income stream; and number of members and/or customers)? Are there other ways to approach the standards for smaller entities, such as those with small contracting dollar volumes or those not required to file EEO-1 reports? What other approaches or characteristics would be appropriate for any such alternative, modified or scaled approach? How would such modification or scaling support or hinder the objectives of section 342?

2. Answer: No, as this is just designed on the basis for self-assessment not a mandate or designed to monitor and examine entities periodically on how effective their diversity program is. The EEO-1 could be expanded to include entities with 50 employees. Instead of a new regulation, the EEO-1 should be enhanced to accommodate some elements of section 342 and hold entities that violate the regulation accountable. Creating another regulation that will not be seriously administered and monitored is nothing but a window dressing...becomes a program of no value.

3) What other factors, if any, would be useful in assessing the diversity policies and practices of the regulated entities, and why should such factors be considered? How would such factors support or hinder the objectives of section 342?

3. Answer: Again, enhance the current EEO-1 regulation to include the diversity principles as expressed under section 342, expand to include entities with 50 employees. More importantly, monitor and examine to ensure its effectiveness.

4) Is the proposed model approach to assessment effective and appropriate to promote diversity and inclusion? Why or why not? If not, what approach would be appropriate and why? How would such approach support or hinder the objectives of Section 342?

4. Answer: Not as a stand-alone regulation with no administrative power for accountability. The principles and the intent as stated under section 342 are great but they need to be included in the already established EEO-1 regulation. Credit unions are already complying with the existing regulatory requirements and there is no need to reinvent the wheel, just strengthen it.

5) Would there be potential advantages or disadvantages of the proposed model approach to assessment? If so, what would they be?

5. Answer: There are merits or advantages to the tenets of the proposal, if done right, will enhance diversity policies and practices. Instead of being a new stand-alone regulation, incorporate this into the existing EEO-1 law. Then determine ways to monitor it to ensure compliance. The proposal if passed as is, doesn't require any penalty for not complying nor will the Agencies use the examination or supervision process to enforce these proposed standards. It's also a disadvantage to expect entities to monitor suppliers as to the effectiveness of their diversity program. That will create an administrative nightmare (a luxury that CUs, big or small, cannot afford) not to mention the fact that there will be no oversight or accountability via examination process.

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