

**From:** [Beverley Rutherford](#)  
**To:** [Regulatory Comments](#)  
**Subject:** VACU Comments on Proposed Interagency Policy Statement Establishing Joint Standards (Diversity)  
**Date:** Monday, December 23, 2013 4:03:42 PM

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Thank you for the opportunity to comment on your proposed statement establishing joint standards for assessing the diversity policies and practices of regulated entities. I am responding on behalf of a state-chartered credit union located in Virginia with over 2.5 billion in assets and over 229,000 members.

In summary, while we believe it is reasonable to promote and encourage participation in organizations such as professional women's groups and market to a wide variety of select employee groups and businesses that could potentially become valued suppliers we are concerned these standards are excessive, given the nature of the financial services industry.

Under current NCUA regulations, we are obligated to ensure our vendors comply with policies for privacy and confidentiality. Many of our contracts are for highly technical services. We use trade organizations, conferences and referrals to seek out suppliers, and look for the best candidates based on services and costs. As mentioned in the proposal, there are few resources to easily determine if a company is a woman or minority owned business and that should not be a significant factor in identifying a pool of potential providers. A further concern would be that attempting to comply with these standards more qualified vendors could be excluded.

Additionally, it would not be an efficient use of resources, nor do we have the data needed to assess, evaluate and increase supplier diversity, by :

- attempting to modify our vendors' contracts to include diversity objectives
- policing whether our contractors are using diverse subcontractors
- paying for advertising of procurement opportunities
- tracking spending or percentage of contracts with women- or minority-owned businesses. And we may not always know when a business' ownership changes.

Vendor management programs are typically risk-based, according to regulators' guidance. Therefore new tracking programs would have to be created for vendors that fall outside this scope, and new attributes set up and monitored. This would be overly burdensome and very subjective and divert resources from our main mission of serving our members.

If the standards are adopted, however, we do believe a clearer definition of "annual contract spend" or "contracting dollar volumes" is needed. Would we really be expected to include everything from outsourced debit/credit card processing, to audit/consulting services, office supplies, and landscapers?

Thank you for the opportunity to comment. Please feel free to contact me should you have any questions.

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