

**From:** [Ashley DeStefano](#)  
**To:** [Regulatory Comments](#)  
**Subject:** Ashley DeStefano "Comments on Proposed Interagency Policy Statement Establishing Joint Standards For Assessing the Diversity Policies and Practices of Regulated Entities"  
**Date:** Tuesday, January 07, 2014 7:31:18 PM

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January 7, 2014

Mr. Gerard Poliquin  
Secretary of the Board  
National Credit Union Administration

Sent VIA E-Mail: [regcomments@ncua.gov](mailto:regcomments@ncua.gov)

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

Dear Mr. Poliquin:

In response to the Proposed Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies of Regulated Entities, I submit the following comments regarding supplier diversity. As a small to mid-size financial institution, First Credit Union faces many challenges in today's market. To remain competitive, we need to offer the products and services that our members need and this often involves contracting with third party vendors. In addition to due diligence and vendor management requirements, we also have price constraints and service needs that factor into our decisions regarding supplier selection. By adding the additional requirement of minority/women inclusion, I fear that the pool of available vendors will constrict as opposed to increasing our choices.

Currently this policy statement applies to regulated financial service entities and not to the market in general. Outside suppliers may not have implemented diversity plans and therefore they could be removed from consideration when they may otherwise offer valuable services at affordable prices. Additionally, in some instances there may be a market leader for a product and if they do not have the appropriate policies in place, the Credit Union may be excluded from contracting with this company and may end up with substandard products and agreements.

With a plethora of new rules and regulations, the additional burden to due diligence requirements could hinder new business opportunities as opposed to creating the robust environment that the standards are hoping to achieve. As the proposed standards recognize, there is sometimes limited information available on various businesses and the additional requirement of tracking down diversity plans and subcontractor hiring standards would create an additional and difficult burden for smaller to mid-sized institutions. Furthermore, institutions would have to add another layer of monitoring/tracking to ensure that vendors are following their diversity plans and actively recruiting women and minorities in addition to maintaining service levels, financial solvency, safety and soundness practices, and any other requirements deemed necessary by our regulators.

In addition to the concerns noted above, the proposed standards create additional confusion as they are still nebulous as to what is actually required. While I understand the need to tailor standards to institution size and complexity, this could create additional problems from a regulatory enforcement or plaintiff's counsel point of view. What one institution may view as sufficient in terms of policy or inclusion efforts; may not be considered enough in the eyes of an examiner or attorney. Institutions could open themselves up to potential litigation because they did not select a certain vendor or failed to actively recruit a significantly diverse pool of suppliers.

As a woman, I understand the importance of diversity and inclusion; however I believe that the standards set forth in this proposal will create an extra burden for regulated entities without producing the benefits of competitive advantage through an enhanced selection of suppliers. Thank you for the opportunity to comment.

Sincerely,

*Ashley DeStefano*

General Counsel/VP of Compliance

First Credit Union

25 S. Arizona Place

Chandler, AZ 85225

P: 480.786.2484

F: 480.786.2367

[ashley.destefano@firstcu.net](mailto:ashley.destefano@firstcu.net)