

From: [Michelle Oshinski](#)
To: [Regulatory Comments](#)
Cc: [Joe Cantu](#); [Greg Hill](#)
Subject: Comments Regarding the Proposed Diversity Standard PL_11_203 sec 342_b_2_c
Date: Wednesday, February 05, 2014 5:00:18 PM
Attachments: [image001.wmz](#)
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[image010.png](#)
[image011.png](#)
[image012.png](#)

While we believe the NCUA proposal surrounding diversity is based on good intentions, it is our position that it is redundant, unnecessary, and adds no tangible value to credit union members or our community.

The proposal would require that credit unions:

1. Include diversity and inclusion considerations in employment and contracting as an important part of its strategic plan; as well as developing a workplace profile and diversity plan that uses metrics to evaluate and assess workforce diversity and hold management accountable for such efforts.

Response:

Equal Employment Opportunity laws currently exist and are tracked and enforced for all businesses in our nation. Credit Union human resource departments and management teams are already responsible to comply and report on diversity efforts. There is no need for additional oversight in this area by another government agency. It is a wasteful redundancy of both government agency resources and credit union resources. In short, such a regulation would redirect resources to gather and track data at the cost of more wide-ranging member services. We estimate that this regulation will require at least 1,800 hours of staff time for initial implementation and another 1,200 hours annually to maintain accurate information on an on-going basis.

2. Develop a diversity policy with respect to suppliers and contractors and evaluate and assess the diversity of those entities; and make available to the public, on the website or annual communication, the diversity strategic plan, current workforce and supplier demographic profiles.

Response:

While we use minority owned suppliers, we do so because these particular providers offer the best value and use of funds. Credit unions have an obligation to be good stewards of our members' money. That means evaluating suppliers on service and the value they can bring to the membership. Credit Unions are not a government agency. We are not-for-profit businesses - restricted in how and by how much revenue can be earned – suppliers and contractors are critical in keeping credit unions profitable. If low-cost, high-value providers begin to fall to the way side to meet arbitrary set plans and standards, the industry model is at risk of no longer being functional. Adding additional responsibilities to an already arduous vendor vetting and monitoring process for the credit union staff again is a strain and waste of credit union resources that could better be used to create value for our members. Again, we seriously question any benefit from redirecting scarce credit union resources to address non-value added mandates. *PrimeWay* has just made it into the financial "black" after two years of negative earnings while contributing

the insurance fund assessment. Additional regulations like the proposed will make staying in this positive earning scenario more difficult.

As for maintaining the plans and reports on our website. Click through rates for the annual report of a membership of approximately 49,000 were less than 50 in 2013. Any member or non-affiliated person requesting information on business partners receives a direct response. The additional tracking and disclosure time and costs provide no additional benefit for members or the general public.

It is our position that this proposal should not be implemented and to force these regulations by directive is a huge disservice to our members and their financial well-being.

Sincerely,

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