



February 6, 2014

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

Sent via E-mail to: [regcomments@ncua.gov](mailto:regcomments@ncua.gov)

Re: Red Crown Federal Credit Union comments on Proposed Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Regulated Entities

Dear Mr. Poliquin:

This comment letter is submitted on behalf of the management and board members of Red Crown Federal Credit Union. Red Crown serves over 19,000 members in the Tulsa, Oklahoma metropolitan area and for over 75 years of existence has practiced employment diversity.

We support the spirit of the proposed policy statement on diversity, however, are extremely opposed to the additional compliance and reporting burden that it would place upon our credit union. While Section 342 of the Dodd-Frank Act does require NCUA and other financial institution regulatory agencies to propose standards for assessing diversity policies and practices, it does not require credit unions to implement specific diversity related policies or practices. This proposal has no relevance to the safety and soundness of credit unions and is unnecessary.

When it comes to rules and regulations, NCUA has stated its goal is to place the "least possible burden on credit unions". So I have a difficult time understanding the breath of this proposal. The NCUA website has a helpful video with tips on the best way to comment on proposed regulations. In the video, Chairman Matz states that the federal rulemaking process is about striking the fairest possible balance between: 1) the requirements of law; 2) NCUA's mission to protect safety and soundness; and 3) NCUA's effort to minimize adverse impact on credit unions. The proposed policy statement on diversity is a contradiction to this statement – it is not required by law, it doesn't protect safety and soundness and it has an adverse effect on credit unions.

Our compliance burden is becoming very difficult to manage. With only 50 employees, we struggle to deal with the growing plethora of regulations. It has also been a challenge for our credit union to maintain a healthy capital ratio because of member deposit growth over the past several years. Under the proposed NCUA Risk-Based Capital Requirements, our credit union would decline from the "Well-Capitalized" category to "Adequately Capitalized". Our board and management team needs to focus on enhancing earnings and managing our credit union to strengthen capital. The proposed policy statement on diversity will not only take valuable time and resources away from this task, it will also add to the already growing cost of compliance.

We are most strongly opposed to the proposed requirement that credit unions assess diversity practices in their relationships with their suppliers and contractors. When we select a supplier or vendor, we need to be looking at competitive pricing, financial stability, ability to provide uninterrupted service and commitment to protecting our member information. While we certainly would avoid a supplier or vendor who discriminates, it should not be our burden to assess its employment practices. I am unsure what would compel a vendor to even share that information.

There are existing laws already in place to prevent discriminatory employment practices, especially for entities with 100 or more employees. We would urge that if new standards for diversity are implemented by NCUA, the agency would at least follow the same threshold of 100 employees.

We are not opposed to a board policy on workplace diversity and sharing that policy with the public.

Thank you for considering these comments. If there should be any questions regarding these comments or the impact of the proposal on our credit union please contact me at 918-477-3202 or [mschmidt@redcrown.org](mailto:mschmidt@redcrown.org).

Respectfully submitted,



Marsha Schmidt  
President/CEO

Cc: Suzanne Yashewski, SVP  
Cornerstone Credit Union League