

From: [Ashley DeStefano](#)
To: [Regulatory Comments](#)
Subject: Comments on Proposed Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Regulated Entities
Date: Friday, February 07, 2014 1:54:22 PM

February 7, 2014

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

Sent VIA E-Mail: 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 organizational diversity and employment practices. As an employer, one of our goals is to fill available positions with the most qualified candidates without regard to gender, race, ethnicity or any other factors. We actively recruit for talented individuals to serve our members and provide back office support for our organization through a variety of channels.

One obstacle that we currently face is the creditworthiness of some candidates. Because employees are in positions with access to financial resources, part of our hiring process includes credit checks and we often turn applicants away because of their financial history. The recent amendments to Regulation Z concerning loan originator compensation also address credit and background checks in addition to “character” examinations for employees who serve as loan originators for certain home secured products. With current regulatory requirements it can be difficult to fill some positions and increased diversity requirements could impact our ability to run our organization if we do not have the necessary response volume for a vacancy. The standards also discuss diversity in our board. Every year we issue a call for volunteers across our entire membership and every year we barely receive enough applications to fill the current positions. In addition to the training requirements and fiduciary responsibilities we impose on our directors, the proposed standards would have us adding another layer to our requirements when we currently have minimal interest in this unpaid position.

An additional obstacle we face is that of limited resources. In a competitive low interest rate environment an organization has to focus on efficiency and operating cost reduction. During the past few years we have refocused our priorities and resized our institution so that we can continue to provide our members with low cost quality financial services. With this reduction in force, employees took on additional responsibilities and the new proposed standards would create a greater burden, especially on those in the human resources function and the “C” level executive who would now have to oversee diversity in addition to all of their other duties. The proposal does indicate that the standards can be tailored to an institutions size and individual characteristics, but examiners may not always factor this into their assessments or there can be differing opinions on what is appropriate for an institution of any size or complexity.

Under the proposed standards, we would need to develop a diversity and inclusion strategic plan and publish our progress in achieving diversity and inclusion in our workforce and vendor procurement. This would only increase the burden of our reporting requirements and also open the doors for potential litigation regarding employment practices and standards.

Currently we do not ask potential employees to self-disclose information on our applications. A candidate could be passed over because of experience or credit however they might view this as not being hired because of their gender or race and bring suit against the Credit Union for failure to hire. While we try to be inclusive and reach out to all segments of the population, our efforts may not be considered sufficient by some.

While this is an important and sensitive topic, our concern is that the standards will increase our regulatory burden and create an environment where we cannot operate an efficient business. Thank you for the opportunity to comment.

Sincerely,

Regards,
Ashley DeStefano
General Counsel/VP of Compliance
First Credit Union | 480.786.2484 | Chandler Corporate Plaza

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