Fact Sheet:

Final Standards for Assessing Diversity Policies and Practices

BACKGROUND INFO

- Section 342 of Dodd-Frank required various agencies (the Federal Reserve Board, CFPB, FDIC, NCUA, SEC, and OCC) to establish “Offices of Minority and Women Inclusion,” (OMWI), tasked with establishing standards for assessing diversity and inclusion policies among the lenders that they regulate (entities).

- On June 9, 2015 these OMWIs jointly announced a set of Final Standards after receiving more than 200 comments and other feedback on the proposed standards in 2013. Comments were received from stakeholders on both the consumer side and lender side.

- The announcement clarifies that these are standards, not requirements. They are intended to provide recommendations and guidelines for lenders, but create no additional legal burden.

- The Final Standards also clarify that:
  - These standards are intended to apply only to companies with 100 employees or greater;
  - “Diversity” is defined as minorities (as defined in Dodd-Frank language) and women;
  - These standards are only intended to apply to business activity in the U.S.

- These standards are effective from the time they are published in the Federal Register (forthcoming).

- As required by the Paperwork Reduction Act, The agencies will still seek comment on the information collection practices used to obtain this new data. Comments will be due 60 days after the Final Standards are published in the Federal Register.

- The joint press release can be found [here](#).

- The *Federal Register* notice can be found [here](#).
SUMMARY OF STANDARDS

Under the Final Standards announced June 9, 2015, the following are some of the procedures lenders are advised to implement:

1. Organizational Commitment to Diversity and Inclusion
   - The entity includes diversity and inclusion considerations in both employment and contracting as an important part of its strategic plan for recruiting, hiring, retention, and promotion
   - The entity has a diversity and inclusion policy that is approved and supported by senior leadership
   - The entity regularly conducts training and provides educational opportunities on equal employment opportunity and on diversity and inclusion
   - The entity has a senior level official who oversees and directs the entity’s diversity and inclusion efforts (for example, an executive-level Diversity Officer)

2. Workforce Profile and Employment Practices
   - The entity utilizes both quantitative and qualitative measurements to assess its workforce diversity and inclusion efforts. These efforts may be reflected, for example, in applicant tracking, hiring, promotions, separations (voluntary and involuntary), career development, and retention across all levels and occupations of the entity, including the executive and managerial ranks
   - The entity holds management at all levels accountable for diversity and inclusion efforts.

3. Procurement and Business Practices - Supplier Diversity
   - The entity has a supplier diversity policy that provides for a fair opportunity for minority-owned and women-owned businesses to compete for procurement of business goods and services
   - The entity has methods to evaluate its supplier diversity
   - The entity has practices to promote a diverse supplier pool.

4. Practices to Promote Transparency of Organizational Diversity and Inclusion
   - Entity should make the following information available to the public annually through its website or other appropriate communication method:
     - The entity’s policy on its commitment to diversity and inclusion
     - The entity’s progress toward achieving diversity and inclusion in its workforce
     - Opportunities available at the entity that promote diversity

5. Entities’ Self-Assessment
   - The entity uses these promulgated standards to conduct self-assessments of its diversity policies and practices annually.
   - This information can be submitted to the Agencies, who will use the information to monitor progress and trends in the financial services industry with regard to diversity and inclusion.