

Letter to Credit Union No: 15-CU-05 Standards for Assessing Diversity Policies & Practices
June, 2015

NCUA has issued LTCU 15-CU-05 to inform credit unions of an interagency policy statement establishing standards for assessing the diversity policies and practices of federally insured credit unions. NCUA includes a voluntary self-assessment template with its guidance.

The other federal banking agencies issued similar guidance to their regulated entities. The policy statement was required by the Dodd-Frank Wall Street Reform and Consumer Protection Act.

In its guidance, NCUA notes:

- **The policy statement is *not* a new rule or regulation and does *not* create any legal compliance obligations**
- **The implementation or use of the diversity standards by credit unions is completely *voluntary***
- **NCUA will *not* incorporate the review of credit union diversity policies and practices in its examination and supervision program**
- NCUA will announce annual submission dates for credit unions willing to conduct the self-assessment, and submit their data to NCUA
- NCUA will aggregate, and anonymize, data voluntarily submitted by credit unions and submit it as part of an annual report to Congress
- Examples of NCUA's aggregated disclosures are found in past [OMWI Congressional Reports](#)

- Emphasis NCUA's

While the policy statement is “applicable” to any federally insured credit union, NCUA encourages credit unions with at least 100 employees, in particular, to review the policy statement. NCUA reminds credit unions that “diversity best practices are also good business practices.”

The Diversity Standards

The diversity standards are not a “one-size-fits-all” approach, but a flexible listing of leading diversity practices. Each credit union may use the standards in a manner appropriate to its unique characteristics.

The interagency policy statement defines diversity as minorities and women (Black Americans, Native Americans, Hispanic Americans, and Asian Americans) and allows institutions to broaden the definition by, for example, including persons with disabilities, veterans, and lesbian/gay/bisexual/transgender individuals.

The interagency policy statement details best practices for a credit union to voluntarily assess its diversity and inclusion policies and practices in 5 distinct areas:

- 1) Organizational Commitment to Diversity and Inclusion - measures the credit union's overall, top-level commitment to diversity and inclusion in employment and contracting.
- 2) Workforce Profile and Employment Practices - illustrates efforts for promoting the fair inclusion of minorities and women (or other "minority" persons as defined by the credit union) in the applicant pool for vacancies within the credit union. Credit unions must not engage in unlawful discrimination based on gender, race, and ethnicity. Credit unions should not use unlawful quotas, and remain free to hire the most qualified applicant.
- 3) Procurement and Business Practices (Supplier Diversity) - illustrates efforts for promoting the fair inclusion of minority- and women-owned businesses (or others as defined by the credit union) in the participation of contracting opportunities.
- 4) Practices to Promote Transparency of Organizational Diversity and Inclusion - provides best practices of how the credit union can share diversity and inclusion efforts with its membership and the public. Methods may include displaying the results of a credit union's diversity assessment, diversity metrics or profiles, and diversity efforts on its website, or within its written annual report to members, or both. The kinds of information credit unions should consider sharing include information on diversity and inclusion efforts, demographic information on its workforce composition and on board members and other officials, and information on sponsorships or partnerships with diverse organizations.
- 5) Entities' Self-Assessment - provides guidance on the performance of self-assessments and post assessment action items.

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