UTAH BANKERS ASSOCIATION

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February 4, 2014

Monica Jackson
Office of the Executive Secretary
Bureau of Consumer Financial Protection
1700 G Street, NW
Washington, DC 20552
Docket No. CFPB-2013-0029

Gerard Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
Mail Stop 9W-11
400 7th Street, SW
Washington, DC 20219
Docket ID OCC-2013-0014

Robert deV.Frierson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551
Docket No. OP-1462

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
File Number S7-08-13

***RE**: Proposed Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Banks Regulated by the Agencies*

Dear Sir or Madam:

The members of the Utah Bankers Association represent a diverse group of institutions that provide important financial services to all the citizens of Utah as well as individuals throughout the United States. The demographics of our member banks' workforce and customer base reflect our commitment to diversity. We are proud of the advancements in diversity we have made and continue to make. We recognize that this commitment is central to our ability to serve our diverse customer base and therefore our success as institutions. However, we strenuously object to the Proposed Interagency Policy Statement.

The purpose of Section 342 of the Dodd-Frank Act is to require each federal banking agency to establish an Office of Minority and Women Inclusion (OMWI) to ensure that the ***agencies*** incorporate diversity practices into their ***own*** hiring and retention policies. Every mandate and directive in Section 342 is directed at the agencies and their internal operations and practices – except one.

Section 342(b)(2)(C) gives each agency's OMWI Director an additional duty to develop standards for assessing the diversity policies and practices of entities regulated by that agency, but most significantly it goes on to establish that **"nothing in the provision can be interpreted to require any specific action on the part of a regulated entity based upon the assessment."**

In complete disregard of this plain language the Proposed Interagency Policy Statement urges banks to take action in a number of areas. For example it urges banks to:

Immediate Past Chairman	Vice Chairman	Chairman	2nd Vice Chairman	President
Louise P. Kelly	**Greg A. Winegardner**	**Anthony J. Hall**	**Kelvin L. Anderson**	**Howard M. Headlee**
President & CEO	Utah Regional President	President & CEO	President & CEO	Utah Bankers Association
EnerBank, USA	Wells Fargo	Lewiston State Bank	Optum Bank	

- Appoint of a diversity czar in senior management,
- Establish a diversity and inclusion policy approved by management and the board of directors,
- Provide continued education and training,
- Establish an ongoing, proactive effort to promote diversity in hiring, retention and promotion,
- Establish a supplier diversity policy to allow minority-owned and women-owned businesses to compete in all types of contracts including the issuance of any debt, equity or security, the sale or management of assets, and the making of equity investments,
- Utilize "metrics to evaluate and assess workforce diversity and inclusion efforts, such as recruitment, applicant tracking, hiring, promotions…career development support, coaching, executive seminars and retention across all levels…of the organization,
- Establish methods to evaluate supplier diversity, including the use of metrics and analytics,
- Make available to the public annually through websites and other means diversity strategic plans, and "progress made toward achieving diversity and inclusion in workforce and procurement activities."

Most banks are already required to file an annual EEO-1 Reports and can use this data to evaluate workforce diversity and inclusion. Banks that are federal contractors must prepare annual Affirmative Action Plans reviewed by the EEOC. These banks can also use this data for diversity assessments. Perhaps this is why the statute specifically states that Section 342 **SHALL NOT "require any specific action on the part of a regulated entity based upon the assessment."**

This proposal extends far beyond legislative intent and statutory authority. In fact, language that would have required exactly what you propose as part of the examination process was removed from Dodd-Frank in the House of Representatives!

This proposal is just one more example of the regulatory overreach that is driving up costs, and driving small, community banks from the market. This and nearly every provision of Dodd-Frank will have the unintended and unwanted outcome of an American economy with fewer, larger institutions.

We urge you to withdraw this proposal and consider guidance that is more consistent with the letter and spirit of the plain language of Section 342 with specific consideration to the following concerns:

1. Vendor, supplier or procurement diversity should not be included because of the potentially conflicting restriction already in place regarding bank use of third party vendors.
2. "Commitment" to diversity is an ambiguous term, subject to misinterpretation and subjective evaluation. Thus, any guidance should provide specific assistance on standards rather than subjective evaluation of attitude.
3. Transparency should not be incorporated into any guidance. It is impossible to suggest that a required public disclosure would be necessary for you to meet the requirement of *"assessing the diversity policies and practices"* of the institutions you regulate.

Again, Utah's banks have demonstrated a commitment to every citizen of every community in our great State. The proposed policy statement will not improve that commitment, but will in fact be a significant drain on our members' resources and therefore their ability to appropriately serve their customers.

Sincerely,

Howard M. Headlee
President & CEO