



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, DC 20551

May 17, 2024

Mr. William Michael Cunningham
Economist
Creative Investment Research
info@creativeinvest.com

Dear Mr. Cunningham:

This letter is in response to the petition for rulemaking (“Petition”) that you submitted to the Board of Governors of the Federal Reserve System (“Board”) on March 30, 2022. The Petition requested that the Board “initiate notice-and-comment rulemaking to develop a comprehensive framework requiring any companies under Board jurisdiction that have promised financial support for Black Lives Matter (“BLM Pledge”) to accurately disclose, on a timely basis, all activity related to that pledge.”¹

The Board has reviewed and considered the Petition. For the reasons described below, the Board declines to grant the Petition.

The Board is not aware of any existing legal authority that would provide a clear legal basis for the Board to promulgate the rule requested in the Petition. The sole legal authority cited in the petition is section 342(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”).² Among other things, section 342(b) of the Dodd-Frank Act requires the Director of the Board’s Office of Minority and Women Inclusion to develop standards for “assessing the diversity policies and practices of entities regulated by [the Board].”³ However, the statute specifies that the requirement to develop such standards may not be “construed to mandate any requirement on or otherwise affect the lending policies and practices of any regulated entity, or to require any specific action based on the findings of the assessment.”⁴ For this reason,

¹ Rulemaking petition from William Michael Cunningham, Creative Investment Research, to the Board (March 30, 2022).

² 12 U.S.C. § 5452(b).

³ 12 U.S.C. § 5452(b)(2)(C). The Board fulfilled this requirement when, together with the other agencies subject to section 342(b), the Board promulgated the *Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies*. 80 Fed. Reg. 33,016 (June 10, 2015).

⁴ 12 U.S.C. § 5452(b)(4).

section 342(b) of the Dodd-Frank Act does not provide a clear legal basis for the mandatory disclosure framework for BLM Pledges requested in the Petition.⁵

The Board acknowledges the importance of the issues raised in the Petition. The Board will continue to engage with policymakers, community groups, and other stakeholders on financial inclusion issues as appropriate in a manner consistent with the Board's statutory mandates.

Very truly yours,

(Signed) Ann E. Misback

Ann Misback
Secretary of the Board

⁵ To support the proposition that “[t]he Congress of the United States has recognized that adequate diversity related data reporting standards do not exist,” footnote 6 of the Petition cites proposed legislation that would amend section 342(b) of the Dodd-Frank Act to provide the Board and other agencies greater authority to require disclosures under that section.