



August 10, 2015

Stuart Ishimaru
Director
Office of Minority and Women Inclusion
Bureau of Consumer Financial Protection
1700 G Street NW
Washington, DC 20552

**Re: Request for Public Comments; Information Collection Process of the Final Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies;
Docket ID: CFPB-2013-0029-0028**

Dear Mr. Ishimaru,

The Mortgage Bankers Association (MBA)¹ appreciates the opportunity to comment on the information collection processes promulgated in the “Final Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies.” MBA is encouraged that the spirit of the standards remains the same as the proposed standards. MBA also appreciates that many of the provisions have been clarified to assist with lender compliance. Nonetheless, members have additional questions concerning expectations for collection of the requested information. By providing clarity in the areas listed below, lenders are more likely to confidently provide information, thereby advancing the goals of the Dodd-Frank Wall Street Reform and Consumer Protection Act Section 342 (Section 342).

MBA’s Commitment

MBA continues to strongly support the goals and objectives of Section 342. MBA recognizes that a commitment to the inclusion of minorities and women in an industry where they are underrepresented not only contributes to a positive working environment and ensures compliance with the law; it often provides a competitive advantage to mortgage lenders and other mortgage-related companies. MBA’s dedication to promoting diversity and inclusion throughout the industry promotes the belief that meaningful improvement in this area is achievable when leaders are responsible and committed, benchmarks are reasonable, and policies and processes are transparent.

¹ The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 280,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation’s residential and commercial real estate markets; to expand homeownership and extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of over 2,200 companies includes all elements of real estate finance: mortgage companies, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies and others in the mortgage lending field. For additional information, visit MBA’s Web site: www.mba.org.

MBA has made an organizational commitment to help its members seek opportunities to increase the participation of women and minorities in the real estate finance industry. These efforts include hosting an annual Strategic Markets & Diversity Summit as well as creating a board-level Diversity and Inclusion Committee in 2013, currently comprised of lender senior executives and led by MBA's incoming Chairman. Since 2013, one of the committee's highest priorities has been assisting MBA member companies with Section 342 compliance. In the upcoming months, MBA will sponsor a number of educational opportunities such as conference sessions, webinars, member calls, and a published resource guide and self-assessment tool for members that explains what the standards are, how members can best comply, and how compliance can provide a competitive advantage to their business. MBA welcomes participation of the Joint Agencies in MBA's efforts.

New Provisions in Final Standards

MBA is encouraged by much of the language that has been updated since the 2013 Proposed Standards. The Entity Self-Assessment section will further supplement lenders' ability to evaluate their progress towards the inclusion of minorities and women in their business practices without substantially increasing the burden imposed by the original four sections in the Proposed Standards. Additionally, MBA members appreciate the flexibility accorded by the clarification that the standards are not intended to create any additional legal burden upon lenders.

Need for Further Clarity Concerning Data Collection

While MBA members appreciate the flexibility of voluntary participation, there remain some questions around how this voluntary information collection will be applied in practice. Three of the largest inquiries from members include questions about if or how the information will be shared once it is collected, what the expectation will be from regulators during an examination, and how lenders should present the information to regulators. These questions are explored in greater detail herein.

Many MBA members remain concerned that third parties will have access to the Section 342 related information that lenders provide to the Joint Agencies and that these third parties may, without context, use this information to the disadvantage of the lenders who chose to submit it. This same reasoning is causing some MBA members to be apprehensive about posting metrics on their websites as a means of demonstrating their commitment to diversity and inclusion. While MBA acknowledges that the standards indicate no intention of sharing the information once it is collected, MBA requests additional information about how the information will be used and protected. Lenders have a duty to protect the confidential and sensitive information of its borrowers and employees, and therefore will hesitate to voluntarily incur the risk of submitting potentially confidential and sensitive information until they know the extent of its protection. In order to alleviate this concern, MBA requests a written statement from the

interagency group providing an assurance that the collected information will not be shared with third parties.

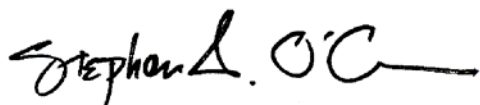
MBA also requests guidance on the process that lenders can expect from examiners when they are requesting Section 342 related information. Lenders would like guidance on whether regulators will ask to see diversity and inclusion data during an examination, even if it is not required, or whether the data will simply be ignored. MBA members place great emphasis on being adequately prepared for examinations. Yet, in the absence of clear, written guidance, many anticipate that the standards may be applied differently by different examiners. In order to demonstrate what participating and non-participating lenders can expect from examiners, MBA requests that the Joint Agencies clarify to lenders what the policy will be and enforce this policy uniformly across all examinations. Moreover, despite MBA's support and active encouragement of the standards, MBA would like clarification that any company that does not provide information will not be penalized, given that the standards are voluntary.

Finally, MBA members request specific guidance on how to present the information to regulators. While the Joint Agencies have invited comment on lenders' ideal methods of information submission, MBA members request that the Joint Agencies provide a robust example or template of how best to submit the information. This example should provide a non-exhaustive, non-mandatory list of materials that lenders can easily compare side-by-side with what they are planning on submitting. Until lenders know more about what regulators have in mind by way of clear, written guidance, they may hesitate to submit information for fear of doing it wrong.

Conclusion

MBA appreciates the Joint Agencies' commitment to developing thoughtful guidance on diversity and inclusion, and is encouraged by many of the clarifications reflected in the Final Standards. In order to maximize participation from MBA members and ensure confidence in disclosing the information going forward, MBA requests that the Joint Agencies provide clear, written guidance on information collection procedures that provides answers to the key questions above. MBA looks forward to working with the Joint Agencies and other industry partners to advance this important initiative. If you have any questions, or wish to discuss any portion of this letter further, please contact Tamara King, Associate Vice President of Loan Production at TKing@mba.org or 202-557-2758, or Matt Jones, Regulatory Assistant at Mjones@mba.org or 202-557-2922.

Sincerely,

A handwritten signature in black ink, reading "Stephen A. O'Connor". The signature is fluid and cursive, with a long horizontal stroke at the end.

Stephen A. O'Connor
Senior Vice President of Public Policy & Industry Relations
Mortgage Bankers Association