



Mutual Alert

New York State Department of Financial Services Industry Letter highlights performance impact of Diversity, Equity, and Inclusion, will conduct survey of board and management demographics.

In a [July 29 industry letter](#), the New York State Department of Financial Services (NYDFS), argued for making Diversity, Equity, and Inclusion (DEI) a priority for banks and other financial institutions. NYDFS notes the slow adoption of DEI initiatives, and is taking steps to address it. The NYDFS is conducting a letter survey regarding the demographic makeup of the boards and management of New York regulated banking institutions with \$100 million in assets, and regulated non-depository financial institutions with \$100 million in gross revenue as of 2019 and 2020. NYDFS will collect data over the summer and expects to publish results in the first quarter of 2022. As we have noted in the past with California's precedent setting general corporation law specifying Board composition ratios, this is a progressive trend which is spilling over into the banking arena. If this trend evolves into a supervisory best practice, Mutuals should be prepared to support the composition of their Boards of Director as reflecting the community they serve.

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