



ANNUAL REPORT TO
CONGRESS

January 2013 – December 2013



Office of Minority and Women Inclusion

TABLE OF CONTENTS

Background.....	1
FHFA Business Diversity and Inclusion	3
I. Contracting Activities and Three-Year Analysis.....	3
II. Accomplishments.....	5
III. Challenges	8
FHFA Workforce Diversity and Inclusion	9
I. Workforce Diversity Efforts and Demographics.....	9
II. Accomplishments.....	11
III. Challenges	14
Regulated Entity Diversity and Inclusion.....	15
Conclusion	16



BACKGROUND

The Federal Housing Finance Agency (FHFA) was established by the Housing and Economic Recovery Act of 2008 (HERA).¹ From 2009 through 2013, FHFA was led by Acting Director Edward J. DeMarco. President Barack Obama nominated, and the United States Senate confirmed, Melvin L. Watt to serve as FHFA's Director in 2013. Director Watt was sworn in as the first Senate-confirmed Director of FHFA on January 6, 2014.

The agency's mission is to ensure that the government-sponsored enterprises (GSEs) operate in a safe and sound manner so that they serve as a reliable source of liquidity and funding for housing finance and community investment. FHFA is responsible for the effective supervision, regulation, and housing mission oversight of the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the Federal Home Loan Bank (FHLB) System, which includes 12 Banks and the Office of Finance. Since 2008, FHFA has also served as the conservator of Fannie Mae and Freddie Mac.

FHFA is dedicated to supporting diversity and inclusion. To further this objective and in compliance with Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), FHFA established its Office of Minority and Women Inclusion (OMWI) in 2011.² The FHFA OMWI collaborates with all other FHFA offices to create and support initiatives that promote the inclusion of minorities and women. In fulfilling its mission, FHFA's OMWI advocates for diversity and inclusion across the agency's business and employment activities; furthers equal employment opportunity; and promotes,

*to the maximum extent possible, the fair inclusion and utilization of minorities, women, and minority-owned and women-owned businesses in all business and activities of the agency at all levels, including in procurement, insurance, and all types of contracts.*³

IN 2013, FHFA ADDED
DIVERSITY AS AN
AGENCY VALUE

We seek to promote diversity in our
employment and business practices
and those of our regulated entities.

¹ HERA amended the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4501 *et. seq.*).

² The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Section 342, Public Law 111-203, 111th Congress, 12 U.S.C. § 5452. Section 342 of the Dodd-Frank Act requires each of the following entities to create its own Office of Minority and Women Inclusion: the Departmental Offices of the Department of the Treasury, the Federal Deposit Insurance Corporation, FHFA, each of the banks of the Federal Reserve System, the Federal Reserve Board, the National Credit Union Administration, the Office of the Comptroller of the Currency, the Securities and Exchange Commission, and the Consumer Financial Protection Bureau.

³ *Id.*



In addition to looking internally at FHFA practices, the Dodd-Frank Act and HERA also require FHFA to assess the diversity policies and practices of entities regulated by the agency. Under Section 1116 of HERA—which is unique to the FHFA OMWI and FHFA’s regulated entities—each of FHFA’s regulated entities are required to establish an OMWI or designate an office responsible for carrying out OMWI requirements. Additionally, under this section, Fannie Mae, Freddie Mac, and the FHLBs have obligations to promote diversity and the inclusion of women and minorities in all activities. FHFA is responsible for ensuring compliance with Section 1116, and the agency adopted a final rule implementing this section in 2010.⁴ As a result, FHFA has enforcement authority over the diversity and inclusion practices of its regulated entities, a responsibility that the other regulatory agencies do not have.

FHFA submits this report of activities during the 2013 calendar year, and it highlights activities in three areas: (1) FHFA Business Diversity and Inclusion; (2) FHFA Workforce Diversity and Inclusion; and (3) Regulated Entity Diversity and Inclusion.

This report is submitted in accordance with Section 342(e) of the Dodd-Frank Act, which requires each agency’s OMWI to submit an annual report to Congress that includes—

- (1) a statement of the total amounts paid by the agency to contractors since the previous report;
- (2) the percentage of those total amounts that were paid to minority-owned and women-owned businesses;
- (3) the successes achieved and challenges faced by the agency in operating minority and women outreach programs;
- (4) the challenges the agency may face in hiring qualified minority and women employees and contracting with minority-owned and women-owned businesses; and
- (5) any other information, findings, conclusions, and recommendations for legislative or agency action, as the Director determines appropriate.

FHFA looks forward to continuing its work within the agency and with stakeholders in promoting diversity and inclusion in 2014.

⁴ See 12 C.F.R. Part 1207 (adopted on December 28, 2010; effective on January 27, 2011).



FHFA BUSINESS DIVERSITY AND INCLUSION

I. CONTRACTING ACTIVITIES AND THREE-YEAR ANALYSIS

FHFA entered into 646 contract actions and spent a total of \$62,165,202 on contracting in 2013.⁵ In support of minority- and women-owned businesses (MWOBs), FHFA obligated \$7,163,136, or 11.52 percent of the agency's total contracting dollars. For the purposes of this report, contracting actions include contract awards and modifications between FHFA and its vendors in the purchase of goods and services. Contract obligations reflect the combined total of dollars obligated and de-obligated on a contract over the year. Table 1 provides a 3-year overview of FHFA's contracting activities.

TABLE 1: FHFA 3-YEAR CONTRACTING ACTIVITY OVERVIEW ⁶			
	2011	2012	2013
Total Contract Actions:	594	713	647
Total Dollars Obligated:	\$41,728,379	\$42,172,561	\$62,165,202
Total MWOB Actions:	93	167	158
Total % MWOB Actions:	15.66%	23.42%	24.42%
Total MWOB Obligations:	\$17,050,315	\$8,213,773	\$7,163,136
Total % MWOB Obligations:	40.86%	19.48%	11.52%
Total Minority-Owned Business Actions:	68	126	92
Total % Minority Owned Business Actions:	11.45%	17.67%	14.22%
Total Minority-Owned Business Obligations:	\$16,529,104	\$7,124,279	\$4,926,207
Total % Minority-Owned Business Obligations:	39.61%	16.89%	7.92%
Total Women-Owned Business Actions:	51	90	102
Total % Women-Owned Business Actions:	8.59%	12.62%	15.77%
Total Women-Owned Business Obligations:	\$2,548,720	\$3,416,404	\$4,361,435
Total % Women-Owned Business Obligations:	6.11%	8.10%	7.02%

⁵ For the purposes of this report and to be more consistent with other agencies, real property leases and interagency agreements are not included in the tabulation of annual spending, since the requirements of section 342 of the Dodd-Frank Act apply only to the agency's contracts. Therefore, only contracts for supplies and services are included in this tabulation. Spending on real property leases and interagency agreements for 2011 and 2012 has been removed to ensure that the three-year spend analysis is based on comparable figures.

⁶ Please note: some Women-Owned businesses may also be Minority-Owned businesses; therefore, the sum of the Minority-Owned and Women-Owned Business actions will be different than the Total MWOB Actions.



As depicted in Table 1, FHFA's three-year high in contracting obligations with MWOBs occurred in 2011. This resulted from FHFA's move to 400 7th Street, SW in Washington, DC, because the agency contracted with a minority-owned contractor for the office furniture, case goods, and relocation management services related to the move. This accounted for a large proportion of FHFA's overall MWOB spending in 2011, which reached a total of 40.86 percent. Because the move carried over into 2012 in addition to standing-up an FHFA office in Dallas, Texas, the spending figures for 2012 (19.48 percent) also reflect this one-time contract requirement. Further, agency procurement needs include highly specific requirements that have made contracting with MWOBs more challenging. Over half of FHFA's 2013 obligations reported in Table 1 were for highly specialized services, including litigation support services, large scale data analysis, and modeling. These factors, added to FHFA's small size in comparison with other federal financial regulators, result in the agency having fewer opportunities to make awards to MWOBs.

Tables 2 and 3 provide a breakdown of FHFA's contracting actions and contract spending by race, national origin, and gender.

TABLE 2: FHFA CONTRACTING ACTIONS

Race, National Origin, and Gender	2011		2012		2013	
	# of Actions	% of Actions	# of Actions	% of Actions	# of Actions	% of Actions
Asian	16	2.69%	29	4.48%	32	4.95%
Native American	10	1.68%	24	3.39%	9	1.39%
African American	22	3.70%	43	6.07%	26	4.02%
Hispanic	20	3.37%	30	4.24%	25	3.86%
Women owned (WO)	51	8.59%	90	19.93%	102	15.77%
<i>WO – White</i>	25	4.21%	41	5.79%	66	10.20%
<i>WO - African American</i>	12	2.02%	23	3.25%	9	1.39%
<i>WO – Hispanic</i>	12	2.02%	19	2.68%	19	2.94%
<i>WO – Asian</i>	2	0.34%	7	0.11%	8	1.24%



TABLE 3: FHFA CONTRACT SPENDING

Race, National Origin, and Gender	2011		2012		2013	
	Amount Obligated	% of Dollar Obligated	Amount Obligated	% of Dollar Obligated	Amount Obligated	% of Dollar Obligated
Asian	\$1,114,067	2.67%	\$1,831,037	4.34%	\$1,893,485	3.05%
Native American	\$12,981,439	31.11%	\$701,892	1.66%	\$330,962	0.53%
African American	\$354,359	0.85%	\$981,407	2.33%	\$1,476,553	2.38%
Hispanic	\$2,079,239	4.98%	\$3,609,943	8.56%	\$1,225,207	1.97%
Women owned (WO)	\$2,548,720	6.11%	\$3,416,404	8.10%	\$4,361,435	7.02%
WO – White	\$521,212	1.25%	\$1,089,495	2.58%	\$2,236,928	3.60%
WO - African American	\$158,706	0.38%	\$493,243	1.17%	\$925,545	1.49%
WO – Hispanic	\$1,680,004	4.03%	\$1,644,738	3.90%	\$885,950	1.43%
WO – Asian	\$188,799	0.45%	\$188,929	0.45%	\$313,011	0.50%

II. ACCOMPLISHMENTS

A. Outreach to Advance Supplier Diversity

To assist potential MWOB vendors in overcoming any real or perceived barriers to doing business with FHFA, the agency undertook a variety of outreach initiatives aimed at providing vendors with information about FHFA's procurement processes and upcoming contracting opportunities. FHFA's 2013 outreach activities included:

- Collaborating with the Office of the Comptroller of Currency to host an outreach event that provided technical assistance to small businesses, many of which were minority and/or women-owned, and introduced prime contractors to potential subcontractors, including MWOBs;
- Meeting with members of the National Association of Minority and Women-Owned Law Firms to discuss strategies for engaging the services of minority and women-owned law firms;
- Participating in the Federal Reserve Board's 2013 Vendor Outreach Fair, where FHFA exhibited with 23 other vendors including other OMWIs;



- Exhibiting at the National Minority Supplier Development Council Annual Conference; and
- Participating in the annual Information Technology and Persons with Disabilities Conference at California State University, Northridge to raise FHFA’s profile as a potential market for vendors.

In order to improve future outreach efforts, FHFA also participated in the following events throughout the year:

- Meeting with a Diversity Best Practices representative to discuss strategies on implementing, growing, and measuring diversity programs;
- Attending the Greenlining Institute’s Opportunity Summit, which featured presentations by private and public sector leaders who shared successful strategies for increasing workforce and supplier diversity;
- Attending the Small Business Conference, sponsored by the American Council for Technology, to exchange ideas and strategies for growing and developing small businesses;
- Attending the US Business Leadership Network (USBLN) Strategic Planning Retreat and its Annual Conference (USBLN is a non-profit that helps businesses drive performance by leveraging disability inclusion in the workplace, supply chain, and marketplace);
- Observing models for vendor engagement at a Freddie Mac event that featured speakers from the Mid-Atlantic small business community;
- Attending a Diversity Best Practices conference, which identified best practices for engaging managers and obtaining their support for advancing an organization’s diversity goals and strategies; and
- Attending the Conference Board’s Supplier Diversity and Inclusion Seminar, which addressed strategies on how to actively initiate, develop, and sustain a supplier diversity program.

SBA 8(a) PROGRAM

As part of its procurement strategy, FHFA utilizes the Small Business Administration’s 8(a) program. MWOBs in the 8(a) program have met socio-economic eligibility requirements set by the SBA. The program serves as an incubator for MWOBs, offers FHFA the opportunity to make streamlined awards to small businesses that meet certain requirements, and provides FHFA with access to a community of competitive MWOBs.



B. Initiatives to Support Diverse Spending

Over the course of 2013, FHFA established new strategies for increasing the agency's MWOB spending. These activities included:

- Refining and maintaining the “Doing Business with FHFA” section of the FHFA website, which provides a general outline on doing business with the federal government and FHFA (www.fhfa.gov/doingbusiness);
- Publishing *FY 2014 Projected New Competitive Procurement Opportunities*, which provides a list of supplies and services that FHFA will be competitively soliciting in 2014, including the anticipated acquisition strategy and estimated price order of magnitude;
- Utilizing the FHFA Interested Sources Database in acquisition planning to develop diverse source lists;
- Executing FHFA’s Small Business Strategy, under which contracting officers used small business set-asides whenever possible for open market, GSA schedule awards, and government-wide acquisition contracts, which increased participation of MWOBs in agency business transactions;
- Establishing FHFA’s evaluation strategy, which requires offerors, when appropriate, to outline their efforts to subcontract with small and minority-owned businesses where acquisitions meet the criteria for a small business set-aside; and
- Including a performance appraisal element requiring contracting officers to demonstrate support for MWOBs by providing opportunities for MWOBs to compete in agency procurements.

C. Internal Education Efforts

Internally, FHFA OMWI educates business units that have upcoming procurements on FHFA’s responsibilities under the Dodd-Frank Act by highlighting the opportunities available for contracting with MWOBs.

FHFA OMWI’s efforts to educate its employees about diverse suppliers and incentivize their use included:

- Integrating Contracting Officer Representatives into FHFA’s MWOB strategy through outreach and education;
- Using Knowledge Integration Tuesday, an FHFA OMWI-organized technical assistance and knowledge sharing series for all FHFA employees, to highlight the agency’s supplier diversity strategy;



- Using monetary and time-off awards to recognize 27 employees for their leadership in advancing the supplier diversity program within FHFA; and
- Collaborating with each of FHFA's internal offices to review upcoming contract requirements to identify opportunities for furthering MWOB procurements and offer assistance in identifying competitive MWOB candidates based on performance data and experience in filling requirements.

III. CHALLENGES

FHFA faces challenges in expanding its MWOB engagements. With fewer than 600 employees, the agency is the smallest of the financial regulatory agencies. Agency requirements in areas that offer the greatest number of MWOB vendors – such as generalized professional services or training – are limited by FHFA's size and the specificity of its responsibilities. The agency's procurement needs include highly specific requirements that have made contracting with MWOBs more challenging. Over half of FHFA's 2013 obligations reported in Table 1 were for highly specialized services, including litigation support services, large scale data analysis, and modeling.

Federal procurement principles promote fair and equitable competition in federal contracting awards, which safeguard the integrity of the procurement system. Firms that operate above a certain volume of business enjoy cost advantages, often making them the most competitive in certain federal procurements. For smaller vendors, a significant percentage of which are MWOBs, these advantages are not always available.

Notwithstanding these challenges, FHFA is committed to navigating the market and regulatory dynamics in the procurement process to provide opportunities for MWOBs. The agency's strategy includes engaging members of the MWOB community, the business community at large, and academic leaders to discuss innovative approaches to address these challenges. FHFA will continue to explore the use of pilot programs, collaborations, and research to find solutions to these challenges.



FHFA WORKFORCE DIVERSITY AND INCLUSION

I. WORKFORCE DIVERSITY EFFORTS AND DEMOGRAPHICS

FHFA values workforce diversity. Beyond meeting the compliance requirements of the Dodd-Frank Act and other federal mandates for diversity in the workforce, FHFA researches and employs best practices found in the private and public sector to attract and retain a highly qualified and diverse workforce. Borrowing from methodologies utilized by Fortune 500 companies, FHFA has established a dedicated recruitment team. Using the practices employed by professional search firms, dedicated recruiters work to fill FHFA's Mission Critical Occupations (MCOs) with candidates who are not typically focused on the federal sector. In 2013, FHFA was able to recruit and select highly qualified candidates, including minority and women candidates, for opportunities at all levels of the agency, including those in the executive tier and several of the agency's most crucial leadership positions.

In addition, FHFA launched the FHFA Learning Academy, which is dedicated to providing employees with learning opportunities that support agency cultural values, leadership excellence, supervisory training, mission critical learning, and professional development. The Learning Academy's top priority in 2013 was the completion of agency-wide leadership development. In 2013, FHFA's executives participated in learning events and 360 degree reviews, were assigned professional executive coaches, and attended facilitated sessions on addressing the agency's top priorities. Facilitators designed leadership development events specifically to address FHFA's needs, including those highlighted in workforce analyses and focus group discussions.

Additional initiatives to attract, engage, and retain talented employees and preserve FHFA's culture of diversity and inclusion are underway and planned for 2014. The FHFA OMWI and the Office of Human Resources Management are working together to ensure that FHFA is recognized as an employer of choice and has a workforce that reflects the demographics of the nation as a whole.

As of December 31, 2013, FHFA employed 594 individuals at the agency headquarters in Washington, D.C. and the field office in Dallas, Texas.⁷ Tables 4-6 present information on FHFA's workforce demographics. Over the past three years, FHFA has grown by 9.16 percent—a net total of 50 employees. As of December 31, 2013, FHFA's workforce comprised 56.06 percent males and 43.94 percent females. As of December 31, 2013, minority staff comprised 38.05 percent of FHFA's workforce.

⁷ Employees of FHFA's Office of the Inspector General are excluded from this number.



TABLE 4: FHFA WORKFORCE DEMOGRAPHICS – 2013

Race and National Origin	Female		Male		All	
	#	%	#	%	#	%
White	130	21.88%	238	40.07%	368	61.95%
Total Minority	131	22.06%	95	15.99%	226	38.05%
Hispanic	11	1.85%	7	1.18%	18	3.03%
African American	94	15.82%	38	6.40%	132	22.22%
Asian	20	3.37%	43	7.24%	63	10.61%
Native American	0	0.00%	1	0.17%	1	0.17%
Two or more races	3	0.51%	0	0.00%	3	0.51%
Unidentified Race	3	0.51%	6	1.00%	9	1.51%
Total:	261	43.94%	333	56.06%	594	100.00%

Employees with disabilities comprised 8.3% of the FHFA workforce.

TABLE 5: FHFA WORKFORCE DEMOGRAPHICS – 2012

Race and National Origin	Female		Male		All	
	#	%	#	%	#	%
White	132	22.56%	228	38.97%	360	61.53%
Total Minority	125	21.37%	100	17.10%	225	38.47%
Hispanic	10	1.71%	6	1.03%	16	2.74%
African American	85	14.53%	38	6.50%	123	21.03%
Asian	18	3.08%	37	6.32%	55	9.40%
Native American	0	0.00%	1	0.17%	1	0.17%
Two or more races	n/a	n/a	n/a	n/a	n/a	n/a
Unidentified Race	12	2.05%	18	3.08%	30	5.13%
Total:	257	43.93%	328	56.07%	585	100.00%

Employees with disabilities comprised 7.7% of the FHFA workforce.



Race and National Origin	Female		Male		All	
	#	%	#	%	#	%
White	129	23.71%	214	39.34%	343	63.05%
Total Minority	105	19.84%	96	17.11%	201	36.95%
Hispanic	9	1.65%	6	1.10%	15	2.76%
African American	65	11.95%	37	6.80%	102	18.75%
Asian	19	3.49%	29	5.33%	48	8.82%
Native American	0	0.00%	1	0.18%	1	0.18%
Two or more races	0	0.00%	2	0.37%	2	0.37%
Unidentified Race	12	2.21%	21	3.86%	33	6.07%
Total:	234	43.55%	310	56.45%	544	100.00%

Employees with disabilities comprised 9.4% of the FHFA workforce.

II. ACCOMPLISHMENTS

A. Initiatives to Support Workforce Diversity

To further diversity and inclusion in FHFA's workforce, processes, and culture, 2013 activities included:

- Establishing diversity as one of FHFA's four formal agency values;
- Conducting mandatory diversity and inclusion training for all members of FHFA management, which included a three-hour session facilitated by Dr. Mahzarin Banaji, author of "The Blind Spot";
- Establishing the Knowledge Integration Tuesday series, designed to provide a peer-to-peer learning forum to share knowledge of a wide range of topics through 30-minute sessions in support of an inclusive FHFA culture;
- Serving on OPM's Chief Diversity Officer Steering Committee as a representative of the federal agency OMWI community;
- Designing and testing an internally-facing FHFA OMWI portal to provide knowledge development for each business unit;



- Implementing the Human Resources (HR) Account Manager service delivery model to strengthen the partnership between HR and front line supervisors. This establishes a more holistic approach to leveraging human resources to meet FHFA's mission, vision, and values;
- Launching the FHFA Management by Competencies (MbC) Project, which advances FHFA's HR philosophy and methodology by tracking competencies, aligning HR activities with agency performance goals and missions, and creating clear and consistent definitions of diversity and inclusion competencies;
- Acquiring and implementing a state-of-the-art HR Information System that is capable of compiling employee and applicant data from divergent systems and easily analyzing and accurately reporting on data and trends, which will provide managers with real-time information to forecast talent management needs and meet regulatory requirements;
- Launching the FHFA Learning Academy, which focuses on agency-wide executive leadership development through year-long developmental activities, including classroom training, 360 degree reviews, executive coaching, and includes FHFA's core value of diversity and building a culture of diversity and inclusion;
- Implementing a new performance management evaluation system, which allows diversity and inclusion goals to be incorporated in employee and manager job performance plans as key result areas and creates a direct link between diversity and inclusion accountability and positive performance;
- Establishing a committee to oversee the design and execution of compliance activities related to Section 508 of the Rehabilitation Act of 1973, which requires that agencies make information technology accessible for people with disabilities;

THE BLIND SPOT

In 2013, FHFA hosted a workshop facilitated by Dr. Mahzarin Banaji, a professor of neuroscience at Harvard and author of the book, "The Blind Spot." Dr. Banaji presented her findings on highly individualized, unconscious biases and how they can be inventoried and addressed. Dr. Banaji discussed research that describes how brain function factors can influence decision making and interactions in the workplace, and looked at those findings in the context of FHFA's regulatory role.



- Designing a new Preventing Harassment Protocol that provides simple steps for employees and managers to address demeaning behaviors before they escalate into potentially actionable complaints; and
- Developing and delivering mandatory Equal Employment Opportunity Risk Management training. This in-person, interactive course for all managers and executives covers the history of equal employment opportunity harassment law, describes new FHFA protocols to address alleged offenses at early levels, and establishes clear principles of due process in addressing concerns.

DRIVING INTERNAL DIVERSITY & INCLUSION

Over the course of 2013, FHFA sponsored a series of events to highlight diversity and encourage inclusion. Events included:

- Morgan State Choir Performance—African American History Month
- Screening of “Standing on My Sister’s Shoulders”—Women’s History Month
- Circulated article on the Asian-American Experience—Asian American & Pacific Islander Month
- FHFA Freedom Project—Memorial Day Wreath Laying at the Tomb of the Unknown Soldier
- Presentation by Stephen Skinner, Delegate to West Virginia House of Delegates—LGBT Awareness
- Presentation by Ray Suarez, Chief National Correspondent for the Public Broadcasting System NewsHour—Hispanic Heritage Month
- Presentation by Herman Viola, Curator Emeritus, Smithsonian Institute, Museum of Native American History—Native American Heritage Month

In addition to sponsoring special emphasis observances throughout the year, FHFA issued numerous articles and announcements about diversity and inclusion to all agency employees.



B. Outreach to Advance Workforce Diversity

To further FHFA's diversity and inclusion in its outreach and recruiting programs, 2013 activities included:

- Instituting FHFA's MCO Recruitment Program, which uses a model designed from private sector recruitment firms to seek highly qualified candidates from all sectors who may not otherwise be looking for a career opportunity with FHFA;
- Attending a number of recruitment events to attract diverse candidates and establishing networking relationships with organizations and universities, including the Veterans Recruitment Fair and outreach to local colleges and universities;
- Sponsoring a robust summer student intern program, which consists of hiring between 15 to 25 summer interns each year, including students from historically Black colleges and universities;
- Meeting periodically with other federal agency OMWI Directors to coordinate compliance reporting formats, identify joint leadership projects, and build complementary strategies for furthering diversity and inclusion in federal agencies;
- Serving on the OMWI Panel at the Congressional Black Caucus Foundation's Annual Legislative Conference with other federal agency OMWI directors; and
- Observing diversity training for executives at Fannie Mae, a program where participants studied models of diversity and inclusion learning and development for executive-level leadership.

MISSION CRITICAL
OCCUPATIONS (MCO)
RECRUITMENT SUCCESS

During 2013, ten of FHFA's mission critical occupations were filled by candidates targeted through the MCO Recruitment Program. Of the ten new hires, six were filled by women or minority candidates.

III. CHALLENGES

FHFA's management-level diversity profile does not fully reflect the demographically diverse makeup to which the agency aspires. In addition to maintaining and improving our current agency-wide demographic profile, future efforts will be aimed at addressing that challenge by implementing strategies like more directed recruiting, sponsorship, mentoring, and succession planning to increase the mobility of a cross-section of employees into leadership positions at FHFA.



REGULATED ENTITY DIVERSITY AND INCLUSION

FHFA has diversity and inclusion obligations concerning its regulated entities under both the Dodd-Frank Act and HERA. The Dodd-Frank Act requires FHFA OMWI—along with the other financial regulator OMWI offices—to develop standards for “assessing the diversity policies and practices of entities regulated by the agency.” In addition, Section 1116 of HERA, which is specific to FHFA and its regulated entities, requires that each regulated entity of FHFA:

- Establish an OMWI office, or designate another office, responsible for all matters of the entity relating to diversity in management, employment, and business activities in accordance with requirements developed by the Director of FHFA;
- Develop and implement standards and procedures to promote diversity in all business and activities of the regulated entity at all levels; and
- Submit an annual report to FHFA detailing actions taken to promote diversity and inclusion.

As FHFA OMWI executes and further develops its mission as a diversity and inclusion regulator for FHFA’s regulated entities, activities in 2013 focused on collaboration and further learning. This involved FHFA OMWI engaging in an External Listening Tour in 2013 to gather information about best practices, strategies to accomplish OMWI’s mission, the regulated entities’ current practices, and possible next steps. As part of this initiative, the FHFA OMWI engaged in forty-five listening tour meetings that included its regulated entities, professional associations, experts in procurement, academia, and state and federal regulators, including the U.S. Department of Labor’s Office of Federal Contract Compliance Programs. Each of the GSEs met with FHFA’s OMWI during 2013 to provide input regarding regulatory standards, and the FHFA OMWI evaluated the annual reports submitted by the regulated entities to assess program strengths and weaknesses.

Additional activities associated with the FHFA OMWI regulatory mission included:

- Meeting with Toigo, a non-profit focused on increasing diversity in the financial sector;
- Attending the Financial Industry Regulatory Authority Diversity Summit;
- Attending the Greenlining Institute’s Opportunity Summit, featuring presentations by private and public sector leaders who shared successful strategies for increasing workforce and supplier diversity;
- Attending the National Association of Securities Professionals 8th Annual Legislative Symposium; and
- Speaking at the Defense Research Institute’s (DRI’s) Annual Diversity Conference, in a workshop for DRI’s in-house corporate council, providing updates on FHFA’s OMWI activities.



CONCLUSION

The overarching goal of maintaining workplace and supplier procurement programs that are both diverse and inclusive requires continuous engagement and innovation. Inculcating diversity and inclusion principles in hiring decisions and contract awards is an obligation that FHFA takes seriously. FHFA aims to maintain or increase current workforce diversity and grow diversity at the manager and executive level. Good strategies, in tandem with performance tracking, are key to the short- and long-term planning that FHFA is building into its organizational culture. A similar focus on accountability informs FHFA's approach to the diversity and inclusion of its regulated entities.

There is much to be proud of in the agency's list of accomplishments from 2013 and much yet to do. Areas for improvement include increasing MWOB spending, as well as the number of opportunities for MWOBs to compete. Further, FHFA is committed to advancing diversity and inclusion principles within its regulated entities. With an ongoing commitment of resources, the agency will make progress at a sustainable pace. FHFA is committed to maintaining our current gains and building on those achievements with meaningful programs that advance fairness in every interaction FHFA has with its employees, its vendors, and the public.

