



# OMWI ANNUAL REPORT TO CONGRESS

January 2014 – December 2014



Office of Minority and Women Inclusion

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## Introduction

The Federal Housing Finance Agency (FHFA) was established by the Housing and Economic Recovery Act of 2008 (HERA) and 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 Federal Home Loan Banks (FHLBanks) and the Office of Finance. The agency's mission is to ensure that these regulated entities 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. Since 2008, FHFA has also served as the conservator of Fannie Mae and Freddie Mac (together, the Enterprises).

FHFA established an Office of Minority and Women Inclusion (OMWI) in accordance with Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act).<sup>1</sup> FHFA's OMWI is responsible for leading the agency's efforts to advance diversity and inclusion and developing standards for:

- Equal employment opportunity (EEO) and the racial, ethnic, and gender diversity of the agency's workforce and senior management of the agency;
- Increased participation of minority- and women-owned businesses (MWOB) in agency programs and contracts; and
- Assessing the diversity policies and practices of entities regulated by the agency.<sup>2</sup>

In addition to Section 342 of the Dodd-Frank Act, FHFA must also comply with Section 1116(f) of HERA, which requires the agency to seek diversity in its workforce, at all levels, consistent with the demographic diversity of the United States.<sup>3</sup>

This report highlights FHFA's activities to promote and ensure diversity in our employment and business practices during 2014, and covers the following topics:

- FHFA's initiatives to advance diversity and inclusion within its workforce;
- FHFA efforts to provide opportunities for the inclusion and utilization of MWOBs in all of the agency's business activities; and

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<sup>1</sup> 12 U.S.C. § 5452.

<sup>2</sup> See 12 U.S.C. § 5452(b)(2).

<sup>3</sup> See 12 U.S.C. § 4520(f).



- FHFA’s supervision of our regulated entities in their efforts and activities to comply with diversity and inclusion requirements under Section 1116(a) - (e) of HERA.

Section 1116 of HERA is unique to FHFA and its regulated entities whereas the Dodd-Frank Act applies to several financial regulatory agencies, including FHFA. While the laws have placed a particular emphasis on the agency’s obligations vis-à-vis its workforce and business activities, they also require FHFA to assess the diversity and inclusion policies and practices of its regulated entities. Consequently, FHFA’s supervisory and regulatory responsibilities include ensuring the regulated entities’ compliance with Section 1116.

To implement the diversity and inclusion provisions of HERA, the agency adopted a final rule at 12 C.F.R. Part 1207 in 2010.<sup>4</sup> This regulation established minimum standards and requirements for the regulated entities and the Office of Finance to promote diversity and ensure inclusion in all business and activities, at all levels of the respective organizations. The rule expanded the scope of the diversity and inclusion provisions by extending those standards and requirements to include and cover individuals with disabilities and disabled-owned businesses, as set forth below:

*As a result, the regulation requires the regulated entities to develop, implement, and maintain policies and procedures to ensure, to the maximum extent possible, in balance with financially safe and sound business practices, the inclusion and utilization of minorities, women, individuals with disabilities, and minority-, women-, and disabled-owned businesses in all business and activities, and at all levels of the regulated entity, including in management and employment.*

The regulation also expressly affirms the agency’s enforcement authority over the diversity and inclusion practices of its regulated entities, a legal authority that is not shared by the other financial regulatory agencies.

### **FHFA Workforce Diversity and Inclusion**

FHFA is committed to providing equal opportunities and has implemented numerous initiatives since its establishment in 2008 to advance diversity and inclusion at all levels of the agency. FHFA’s workforce primarily includes economists, policy analysts, examiners, technology specialists, accountants, and attorneys. These mission-critical occupations require highly skilled practitioners with significant experience in analyzing or examining large, complex financial institutions and financial products.

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



This section provides information on the agency’s diversity status in employment and hiring, its initiatives to promote diversity in employment, FHFA’s accomplishments, and the challenges FHFA has faced in promoting diversity and inclusion within its workforce.

**I. Workforce Diversity**

As of December 31, 2014, FHFA had 555 employees, a decrease of approximately 6.57 percent from December 31, 2013. For year-end 2014, minorities and women accounted for 38.20<sup>5</sup> percent and 44.32 percent, respectively, of FHFA’s total workforce. More specifically, minorities within FHFA’s workforce at the end of 2014 were represented by the following percentages: 21.62 percent African American; 3.24 percent Hispanic; 11.89 percent Asian American; 0.36 percent Native American; and 1.09 percent for people of two or more races.

**Tables 1 and 2** illustrate the improvement in FHFA’s racial, ethnic, and gender diversity since FHFA delivered its OMWI Report to Congress for 2011, the first one required by the Dodd-Frank Act. For example, minorities and women comprised 36.95<sup>6</sup> and 43.55 percent, respectively, of FHFA’s workforce as of December 31, 2011, compared with 38.20 percent and 44.32 percent, respectively, as of December 31, 2014.

**Table 1: FHFA Workforce Breakdown by Race, National Origin, and Gender as of December 31, 2014**

Race and National Origin (RNO)	Female		Male		All	
	#	%	#	%	#	%
White	120	21.62%	223	40.18%	344	61.98%
Hispanic	11	1.98%	7	1.26%	17	3.24%
African American	86	15.50%	34	6.13%	120	21.62%
Asian	24	4.32%	42	7.57%	66	11.89%
Native American	1	0.18%	1	0.18%	2	0.36%
Two or more races	4	0.72%	2	0.00%	6	1.09%
Total:	246	44.32%	309	55.68%	555	100.00%

<sup>5</sup> See **Table 5**.  
<sup>6</sup> See **Table 5**.



**Table 2: FHFA Workforce Breakdown by Race, National Origin, and Gender as of December 31, 2011**

Race and National Origin (RNO)	Female		Male		All	
	#	%	#	%	#	%
White	129	23.71%	214	39.34%	343	63.05%
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%	0	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%

**Tables 3 and 4** display the racial, ethnic, and gender diversity of FHFA’s executive leadership team which has also improved considerably since FHFA delivered its first OMWI Report to Congress. As of December 31, 2011, minorities and women accounted for 10.17 percent and 25.42 percent, respectively, of FHFA’s executive leadership. By comparison, minorities comprised 23.53 percent of FHFA’s executive leadership and women comprised 33.33 percent as of December 31, 2014. This represents a 13.34 percent increase and a 100.0 percent increase in the number of female and minority executives, respectively, since December 31, 2011. It is important to note that the number of FHFA executives declined by 13.56 percent during this period.

**Table 3: Diversity in Executive Leadership as of December 31, 2014**

	Minority	Non-Minority	Total
Number	12	39	51
Percent	23.53	76.47	100.00
	Female	Male	Total
Number	17	34	51
Percent	33.33	66.67	100.00

**Table 4: Diversity in Executive Leadership as of December 31, 2011**

	Minority	Non-Minority	Total
Number	6	53	59
Percent	10.17	89.83	100.00
	Female	Male	Total
Number	15	44	59
Percent	25.42	74.58	100.00



II. FHFA Workforce Comparison

FHFA regularly evaluates the composition of its workforce and benchmarks it against that of the federal workforce, the Civilian Labor Force (CLF), and the financial and insurance sectors. **Table 5** provides a comparison of FHFA’s diversity profile as of December 31, 2014 to these nationwide benchmarks.

Table 5: Workforce Comparison

Race, National Origin (RNO), and Gender	Federal Workforce as of 2013 <sup>7</sup>	Civilian Labor Force as of 2010 <sup>8</sup>	Finance and Insurance Sector Labor Force for 2013 <sup>9</sup>	FHFA Workforce as of December 31, 2014
Men	56.49	51.86	41.48	55.68
Women	43.48	48.14	58.52	44.32
All Minorities	34.46	27.64	29.69	38.20 <sup>10</sup>
African American	17.53	12.02	12.30	21.62
Hispanic	5.64	9.96	8.23	3.24
Asian	5.53	3.90	7.21	11.89
Native American	1.76	1.08	0.37	0.36
White	65.48	72.36	70.3	61.98

The representation of men in FHFA’s workforce (55.68 percent) is similar to that of the federal workforce (56.49 percent), but it is higher than the CLF statistics (51.86 percent) and those of the financial and insurance industries (41.48 percent). The representation of women in FHFA’s workforce (44.32 percent) is slightly higher than that of the federal workforce (43.48 percent),

<sup>7</sup> *Data, Analysis & Documentation Federal Employment Reports, Executive Branch Employment by Gender and Race/National Origin*, 2013; U.S. Office of Personnel Management; <http://www.opm.gov/policy-data-oversight/data-analysis-documentation/federal-employment-reports/reports-publications/federal-civilian-employment/> as of February 10, 2015.

<sup>8</sup> Civilian Labor Force (CLF) Data as of 2010; United States Census Bureau; <http://www.census.gov/2010census/>.

<sup>9</sup> *Job Patterns for Minorities and Women in Private Industry*; 2013 EEO-1 National Aggregate Report by NAICS-2 Code; Finance and Insurance (52); Equal Employment Opportunity Commission; <http://www1.eeoc.gov/eeoc/statistics/employment/jobpat-eeo1/2013/index.cfm#centercol>.

<sup>10</sup> The term “All Minorities” also includes employees who self-identify as being from “Two or More Races”, which is 1.09 percent of FHFA’s workforce as of December 31, 2014.



but is lower than that of the CLF (48.14 percent) and the finance and insurance industries (58.52 percent).

The overall representation of minorities in FHFA's workforce (38.20 percent) is higher than that of the federal workforce (34.46 percent), the CLF (27.64 percent), and the finance and insurance sectors (29.69 percent). The term "minorities" encompasses a number of racial and ethnic groups that comprise FHFA's workforce – African Americans, Hispanics, Asians, Native Americans, as well as those who identify as being from two or more races. Although the overall representation of minorities within FHFA's workforce exceeds the minority representation reported by several national indices, levels of minority representation vary greatly within FHFA's workforce. For example, African Americans and Asians comprise a higher percentage of FHFA's workforce in comparison to the federal workforce, the CLF, and the finance and insurance sectors. On the other hand, Hispanics and Native Americans represent a lower percentage of FHFA's workforce in comparison to the same indices. FHFA uses the information it obtains through benchmarking to develop strategies and initiatives for complying with its mandate to promote diversity and inclusion throughout the organization, many of which are highlighted in the Accomplishments section below.

### III. Accomplishments

FHFA engaged in the following activities in 2014 in support of strengthening its compliance with diversity and inclusion requirements:

- Contracted with an executive search firm to recruit diverse candidates for key mission-critical and executive-level positions;
- Participated in recruitment events sponsored by professional associations, universities, and other organizations serving minorities, women, and the disabled in order to recruit a diverse pool of such candidates;
- Sponsored seminars about the agency's diversity and inclusion responsibilities under Section 342 of the Dodd-Frank Act and Section 1116 of HERA during the agency's annual supervision conference for examiners of FHFA's regulated entities;
- Commemorated national heritage months to promote diversity and inclusion and foster cultural awareness;
- Participated in numerous initiatives and served on committees and task forces sponsored by the Office of Personnel Management (OPM) to advance diversity and inclusion throughout the federal workplace;
- Promoted the importance of diversity and inclusion and the mission of OMWI throughout the agency by sponsoring Lunch and Learn sessions, delivering agency-wide





presentations, and advertising programs and initiatives through internal communications, such as the FHFA newsletter, the intranet, and television monitors throughout the agency;

- Hosted the annual awards ceremony of the Workforce Recruitment Program for College Students and Recent Graduates with Disabilities (WRP);
- Participated in WRP recruitment initiative to identify candidates for inclusion in the fiscal year 2015 database of qualified students with disabilities interested in federal internships and permanent positions;
- Encouraged participation in the programs and courses sponsored by the FHFA Learning Academy to promote executive, supervisor, and employee development, particularly focusing on building a culture of diversity and inclusion;
- Developed and delivered values-based ethics training for all FHFA employees, highlighting the core value of diversity in ethical decision-making;
- Continued efforts of the FHFA committee established to oversee the execution of activities to implement Section 508 of the Rehabilitation Act of 1973, as amended, which requires agencies to make information technology accessible for people with disabilities;
- Delivered mandatory Equal Employment Opportunity Risk Management training;
- Sponsored a student intern program, consisting of 24 interns, of whom 75.0 percent were from diverse groups; and
- Delivered training on diversity in the financial services sector at the Partnership for Public Service's Excellence in Government program.

#### IV. Challenges

Since its establishment in 2008, FHFA has been committed to the employment and advancement of a diverse workforce. While FHFA has made progress promoting diversity and inclusion in the workforce, numerous opportunities remain for expanding the agency's efforts in this area. For example, although the overall representation of minorities in FHFA's workforce is higher than that of the federal workforce, CLF, and the finance and insurance sectors, certain racial and ethnic groups continue to be underrepresented. In addition, although the racial, ethnic, and gender diversity of FHFA's executive leadership team has improved since the implementation of the Dodd-Frank Act requirements, this group's diversity profile does not yet reflect the demographically diverse composition to which the agency aspires.

FHFA faces a number of challenges in its efforts to improve workforce diversity. As the smallest of the financial regulatory agencies, FHFA has fewer hiring opportunities and, as a result, fewer opportunities to affect the racial, ethnic and gender composition of its workforce



and executive leadership team. FHFA is also challenged in its ability to design and implement comprehensive employee development programs; economies of scale associated with program development are difficult to achieve because of FHFA's relatively small workforce.

FHFA will continue its efforts to address these challenges through the sponsorship of programs, activities, and outreach to organizations that promote diversity; directed recruiting and mentoring programs; and succession planning to ensure that diversity and inclusion play a role in the agency's workforce activities and decisions in the future.

## FHFA Business Diversity and Inclusion

### I. Contracting Activities and Three-Year Analysis

FHFA is committed to promoting diversity and ensuring the inclusion and utilization of MWOBs in all of the agency's business activities. During 2014, FHFA executed 564 contract actions spending \$47,212,939 in the aggregate. Of those, 145 contract actions were with MWOBs for a total of \$8,557,842 which represents 25.71 percent of all contracting actions by number and 18.13 percent of the total amount spent by FHFA. For purposes of this report, contracting actions include contract awards and contract modifications between FHFA and its vendors for the purchase of goods and services. Contract obligations reflect the combined total of dollars obligated and de-obligated on a contract during the course of the year.<sup>11</sup> **Table 6** provides an historical breakdown of percentages and contracting action dollars awarded to MWOBs.

FHFA's MWOB obligations increased in 2014 compared to 2013, while the number of MWOB actions remained relatively constant. **Table 6** shows that FHFA's total MWOB contract spend increased from \$7,163,136 for 2013 to \$8,557,842 for 2014, an increase of 19.47 percent. While the total number of contract actions decreased from 2012 to 2014, this is partially because FHFA's contracting unit within the Office of Budget and Financial Management (OBFM) implemented a number of efficiencies and streamlining initiatives, including more strategic requirements and longer-term contracts to make FHFA more attractive to the marketplace and to reduce the overall number of contracting actions. However, as indicated in **Table 6**, the percentage of actions to MWOBs remains relatively unchanged, while the percentage of dollars obligated to MWOBs noticeably improved from 11.52 percent in 2013 to 18.13 percent in 2014.

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<sup>11</sup> For the purposes of this report, the terms "contract obligations" and "contract spend" are used interchangeably.



**Table 6: FHFA 3 Year Contracting Overview**

	2012	2013	2014
Total Contract Actions	713	647	564
Total Dollars Obligated	\$42,172,561	\$62,165,202	\$47,212,939
Total MWOB Actions	167	158	145
Total % MWOB Actions	23.42%	24.42%	25.71%
Total MWOB Obligations	\$8,213,733	\$7,163,136	\$8,557,842
Total % MWOB Obligations	19.48%	11.52%	18.13%
Total Minority-Owned Business Actions	126	92	80
Total % Minority-Owned Business Actions	17.67%	14.22%	14.18%
Total Minority-Owned Business Obligations	\$7,124,279	\$4,926,207	\$6,295,832
Total % Minority-Owned Business Obligations	16.89%	7.92%	13.33%
Total Women-Owned Business Obligations	\$3,416,404	\$4,361,434	\$6,208,945
Total % Women-Owned Business Obligations	8.10%	7.02%	13.15%
Total Women-Owned Business Actions	90	102	97
Total % Women-Owned Business Actions	12.62%	15.77%	17.20%

**Tables 7 and 8** provide an overview of FHFA’s contracting actions and contract spending by race, national origin, and gender for 2012 through 2014.



Table 7: FHFA Contracting Actions Comparison

Business Type by Race, National Origin (RNO), and Gender	2012		2013		2014	
	# of Actions	% of Actions	# of Actions	% of Actions	# of Actions	% of Actions
Asian	29	4.07%	32	4.95%	20	3.55%
Native American	24	3.37%	9	1.39%	14	2.48%
African American	43	6.03%	26	4.02%	17	3.01%
Hispanic	30	4.21%	25	3.86%	29	5.14%
Women-Owned (WO)	90	12.62%	102	15.77%	97	17.20%
WO - No Minority Status	41	5.75%	66	10.20%	65	11.52%
WO - African American	23	3.23%	9	1.39%	10	1.77%
WO - Hispanic	19	2.66%	19	2.94%	16	2.84%
WO - Asian	7	0.98%	8	1.24%	6	1.06%

Table 8: FHFA Contracting Spend Comparison (Dollar Amount)

Business Type by Race, National Origin (RNO), and Gender	2012		2013		2014	
	# of Dollars Obligated	% of Dollars Obligated	# of Dollars Obligated	% of Dollars Obligated	# of Dollars Obligated	% of Dollars Obligated
Asian	\$1,831,037	4.34%	\$1,893,485	3.05%	\$2,527,559	5.35%
Native American	\$701,892	1.66%	\$330,962	0.53%	\$216,822	0.46%
African American	\$981,407	2.33%	\$1,476,553	2.38%	\$1,340,369	2.84%
Hispanic	\$3,609,943	8.56%	\$1,225,207	1.97%	\$2,211,082	4.68%
Women-Owned (WO)	\$3,416,404	8.10%	\$4,361,435	7.02%	\$6,208,945	13.15%
WO - No Minority Status	\$1,089,495	2.58%	\$2,236,928	3.60%	\$2,262,010	4.79%
WO - African American	\$493,243	1.17%	\$925,545	1.49%	\$919,698	1.95%
WO - Hispanic	\$1,644,738	3.90%	\$885,950	1.43%	\$1,921,208	4.07%
WO - Asian	\$188,929	0.45%	\$313,011	0.50%	\$1,106,029	2.34%

## II. Accomplishments

FHFA’s OMWI collaborated with several offices within the agency to improve business diversity and to affect awareness and cultural change as precursors to understanding the value brought by diversity. For example, OMWI worked with FHFA’s OBFM in the procurement planning process



to increase awareness and the visibility of diverse contractors. This internal partnership facilitated more effective agency compliance with the requirements of the Dodd-Frank Act.

OMWI also worked with FHFA's Office of Congressional Affairs and Communications and OBFM to improve the agency's ability to exchange and share information with MWOBs interested in doing business with the agency. For example, FHFA launched a new public website during 2014 that included a webpage entitled "Doing Business with Us." This new feature provides interested vendors with information about the agency's acquisition process. It also communicates the importance FHFA places on supplier diversity. The website contains a registration portal where vendors can register their firms, and it provides a projection of the agency's competitive procurement opportunities for the coming year.

FHFA engaged in the following outreach activities and initiatives during 2014 to assist potential MWOBs in overcoming any real or perceived barriers to doing business with the agency:

- Participated in the U.S. Asian Chamber of Commerce Matchmaking Event;
- Participated in a U.S. Small Business Administration's National Small Business Week Matchmaking Event;
- Participated in the United States Hispanic Chamber of Commerce's 2014 Legislative Summit Business Matchmaking Event;
- Exhibited at the Federal Reserve Board's 2014 Vendor Outreach Fair and Matchmaking Event;
- Exhibited at the National Minority Enterprise Development Week Conference;
- Exhibited at the National Minority Supplier Development Council Annual Conference; and
- Exhibited at the Federal Deposit Insurance Corporation's Technical Assistance Day for MWOBs.

In order to lay the groundwork for future outreach efforts and increase the effectiveness of those efforts in 2014, FHFA also engaged in the following initiatives and activities:

- Attended the American Council for Technology and Industry Advisory Council's Small Business Conference;
- Participated in the Greenlining Institute's Opportunity Summit that focused on increasing workforce and supplier diversity in the financial services industry;
- Participated in the U.S. Business Leadership Network (USBLN) Annual Conference (USBLN is a non-profit that helps businesses drive performance by leveraging disability inclusion in the workplace, supply chain, and marketplace);



- Met with representatives of the National Association of Women in Real Estate Businesses;
- Attended the 2014 Annual Meeting and Law Firm Expo of the National Association of Minority- and Women-Owned Law Firms;
- Attended the Mortgage Bankers Association Strategic Markets and Diversity Summit;
- Attended the U.S. Women's Chamber of Commerce 2014 National Small Business Federal Contracting Summit;
- Participated in the National Association of Securities Professionals Ninth Annual Legislative Symposium; and
- Participated in a Regional Housing Summit sponsored by the Empire Board of Realtists, a chapter of the National Association of Real Estate Brokers.

FHFA used both new and existing strategies for increasing the agency's MWOB spending during 2014. These strategies included the following activities:

- Delivering training to agency Contracting Officer Representatives on the requirements of the Dodd-Frank Act;
- Incorporating OMWI in all FHFA division and office quarterly procurement planning meetings to review upcoming contract requirements and identify procurement opportunities for MWOBs;
- Organizing introductory meetings with representatives of MWOBs and providing them general information about FHFA's acquisition process;
- Issuing and posting the FY 2015 Projected New Competitive Procurement Opportunities that lists the supplies and services that FHFA projects it will competitively solicit during 2015, including the anticipated acquisition strategy, estimated award amount, and beginning performance date;
- Utilizing the FHFA Interested Sources Database in acquisition planning to develop diverse source lists;
- Executing FHFA's small business acquisition strategy, under which contracting officers used small business set-asides whenever possible for open market, General Services Administration schedule awards, and government-wide acquisition contracts, which increased participation of MWOBs in new agency business transactions;
- Executing FHFA's evaluation strategy that requires offerors, when appropriate, to outline their efforts to subcontract with small MWOBs where opportunities exist; and



- Including a performance appraisal element in the annual performance plans of FHFA contracting officers requiring them to focus on stewardship, including demonstrating attempts to increase opportunities for small businesses and MWOBs to compete for FHFA contracts.

### III. Challenges

As the smallest of the financial regulatory agencies, FHFA faces challenges in expanding its MWOB engagements. Agency requirements in areas that offer the greatest number of opportunities for MWOB vendors or contractors – such as generalized professional services or training – are limited by FHFA’s size, specificity, and the narrow nature of its supervisory and regulatory responsibilities. The agency’s procurement needs include highly specialized requirements that have made contracting with MWOBs more challenging. Approximately half of FHFA’s 2014 obligations were for services, including litigation support services, financial data analytics, and financial modeling. Federal procurement laws and regulations 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 typically benefit from greater exposure and more sustained, longer-term relationships with their contracting counterparts. In addition, they may enjoy cost advantages, often making them the most competitive in certain federal procurements. For smaller vendors, a percentage of which are MWOBs, these advantages are not always available. These elements can present barriers to entry for MWOBs in many instances.

Notwithstanding these challenges, FHFA is committed to promoting diversity, and ensuring the inclusion and utilization of MWOBs in the agency’s business activities. Also, FHFA is committed to devoting the resources necessary to enhance and improve the agency’s fulfillment of its obligations.

### 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’s OMWI – along with the OMWI offices of the other financial regulatory agencies – to develop standards for “assessing the diversity policies and practices of entities regulated by the agency.” In addition, and as previously mentioned in the Introduction, Section 1116 of HERA requires that each regulated entity promote diversity and the inclusion of women and minorities in all activities. It also requires each of FHFA’s regulated entities to: (1) establish an OMWI, or designate an office responsible for carrying out OMWI requirements; (2) develop and implement standards and procedures to promote diversity in all business and activities and at all levels; and (3) submit an annual report to FHFA detailing actions taken to promote diversity and inclusion. FHFA has regulatory authority over the regulated entities’ diversity and inclusion programs including those



affecting their workforce and procurement activities. HERA grants FHFA enforcement authority over the diversity and inclusion practices of its regulated entities.

FHFA engaged in the following activities during 2014 as part of its supervisory responsibilities over the regulated entities' diversity and inclusion activities:

- Issued a proposed rule to amend FHFA's regulation on minority and women inclusion, that would require each FHLBank and the Office of Finance to report on the demographic status of their respective board members as well as providing a description of outreach activities and strategies during the reporting year;
- Developed the 2015 Scorecard for Fannie Mae, Freddie Mac and Common Securitization Solutions, that outlined FHFA's conservatorship expectations and emphasized the need of the regulated entities to conduct initiatives with the appropriate consideration for diversity and inclusion;
- Evaluated the annual reports submitted by the regulated entities to assess program strengths and weaknesses;
- Conducted site visits and held meetings with representatives of the regulated entities to discuss their implementation of FHFA's Minority and Women Inclusion regulations at 12 C.F.R. Part 1207;
- Delivered presentations on implementing the requirements of Section 1116 of HERA at meetings sponsored by the FHLBs' Human Resources Officers;
- Attended the Financial Industry Regulatory Authority Diversity Summit;
- Attended the National Association of Securities Professionals 9th Annual Legislative Symposium;
- Attended the Greenlining Institute's Opportunity Summit, featuring presentations by private and public sector leaders who shared successful strategies for increasing workforce and supplier diversity;
- Attended and participated in the USBLN's Annual Conference to advance employment and procurement opportunities for the disabled;
- Attended a roundtable discussion sponsored by the Greenlining Institute and the National Association for the Advancement of Colored People about increasing opportunities for people of color in employment and procurement;
- Met with representatives of the National Association of Women in Real Estate Businesses to discuss employment and procurement opportunities for women; and





- Attended the 2014 National Association of Minority and Women-owned Law Firms Annual Meeting and Law Firm Expo.

### Conclusion

FHFA has made, and continues to make, strides in promoting and ensuring diversity and inclusion throughout the organization including its business activities, contracting, employment, and oversight of the regulated entities. During 2015, FHFA will continue emphasizing the critical role that diversity and inclusion play as drivers of economic performance and success, both on a corporate level, as well as across diverse demographic groups who are given access to opportunities to enable them to share in that success. FHFA recognizes the widely-acknowledged value of diversity and inclusion and has positioned itself to enhance the agency's own performance in that area, as well as to oversee the regulated entities in their obligations to comply with the Dodd-Frank Act and HERA.

