

Comments FHFA-2014-0015-0001 RIN 2590-AA67 Minority and Women Inclusion Amendments due 8.25.20144

You state:

As conservator of Fannie Mae and Freddie Mac, FHFA is involved in the selection of their board members. At this time, FHFA does not believe that it is necessary to consider promulgating regulations pertaining to the Enterprises with respect to these requirements

Comments:

We disagree with the exclusion of the Enterprises. Enterprises need to be included in order to measure effectiveness for the program as a whole. Performance has no measurement in a comparative analysis without that inclusion.

You state:

Such data would be obtained by each Bank and the Office of Finance through a request for information of its board members who could then voluntarily choose to self-identify using the same demographic classifications as those used for the Form EEO-1.

Comments:

Voluntary skews the data collection.

You state:

FHFA would use the information collected under proposed § 1207.23(b)(9)(i) to assess the effectiveness of the policies and procedures that each Bank and the Office of Finance is required to implement to promote demographic diversity in all of its business and activities “at all levels” and, specifically, to encourage demographic diversity in the nomination and solicitation of nominees for members of its boards of directors. FHFA would also use the information to establish a baseline to analyze future trends related to the demographic diversity of the boards of directors of the Banks and the Office of Finance.

Comments:

You state that the Banks and Office of finance is REQUIRED to promote demographic diversity, yet the execution is voluntary. Other than reporting, you have no rules defining “to implement to promote”; and, consequently, no baseline for validity. Encouragement is not measurable.

You state:

By requiring the submission of this information, the proposed rule would better enable FHFA to determine the effectiveness of those policies and procedures in encouraging demographic diversity in the processes of nominating and soliciting nominees for positions on boards of directors.

Comments:

You have NO requirement.

You state:

Section 1313(f) of the Safety and Soundness Act, as amended by HERA, requires the Director, when promulgating regulations relating to the Banks, to consider the differences between the Banks and the Enterprises with respect to the Banks': Cooperative ownership structure; mission of providing liquidity to members; affordable housing and community development mission; capital structure; joint and several liability; and any other differences the Director considers appropriate.

Comments:

Affordable housing is becoming a gentrification tool for increased rental revenue, as affordability does not necessarily mean for low-income affordable housing. Diversity is lost. There is no utility or clarity unless you choose to embrace the entire function for both types of entities for the intended results.

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