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Public Comments on Minority and Women Inclusion Amendments: =====

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Comment: After reading and reviewing proposed rule Minority and Women Inclusion Amendment (12 CFR 1207) there is no way for any institution in this case secondary mortgage companies to continue to thrive unless rules like the one proposed are instantiated. The mortgage world is still largely a white male affair though there has been some recognition that the industry must change. As mentioned in the rule proposal section 1116 of the Housing and Economic Recovery Act of 2008 (HERA) require that there be a regulatory entity insure the secondary mortgage market remain diverse through best hiring practices. This move has been invaluable to the industry as a whole. However, the rule is right to say that HERA must be expanded further to include diversity outreach to include partnering companies that are not part of the white fraternal brotherhood. The industry even recognizes the importance of diversity as made clear in a 2016 Cathie Ericson article entitled The Business Case for Why Lender are Embracing Diversity published by none other than Fannie Mae. It is clear that the white man is losing ground as the majority race in this nation, and to say that we are a colorblind society is ignorant and myopic at best. White people who are unaware of their privileges and humanity perceive the world as a white world. If you are white in a society where white is the norm, then of course you do not see that there is a problem. People of color experience a whole different reality and world. This is to say that best practices within any industry that is lead, operated, and culturally white minded will hurt their economic interests in the long run. America is changing. When surveying elementary schools around our nation, White people are already the minority. The next generation is not white, but brown. It is already projected that by 2044 non-hispanic whites will be the minority. As such it is vital that the industry begin reaching out to minority mortgage lenders of all races, creeds, gender identities, and physical abilities. The market is growing and it is vital not to miss the developing trends.

It may be argued that as I have already stated Fannie Mae and Freddie Mac already recognize this need, and the market will assure or even necessitate diversity without regulation. This may be true, but my worry is that industry culture is slow to change. The phrase why fix something if it is not broken is an apt term for those doing business day to day. However, it is important that we think about the financial future of this great country and not be short sighted. We are not thinking 1 or 2 years down the road. We are thinking 20 and 30 years ahead. We need to plan futures for our children and our grandchildren. This means that the incentive to change the white male dominated fraternity culture in our mortgage industry will be vital for our countrys future. I am not confident that the boards or CEOs of these large secondary mortgage companies are capable of looking outside of their function system to see that it must become more diverse. While it is also true that there is a diverse working group in many of these companies, the power and culture remains white. The only way to make small changes to this is to instantiate this rule that requires HERA in the secondary mortgage industry strategic planning to include a diverse array of primary lending companies.

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