



2023 OMWI ANNUAL REPORT TO CONGRESS

JANUARY 2023 – DECEMBER 2023



Office of Minority and Women Inclusion



Message from the Acting OMWI Director

In accordance with the reporting requirements of Section 342(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), I am pleased to submit the 2023 Annual Report (Report) of the Federal Housing Finance Agency’s (FHFA or Agency) Office of Minority and Women Inclusion (OMWI).

In alignment with the directives of Executive Order 14035 on Diversity, Equity, Inclusion, and Accessibility (DEIA) in the Federal Workforce, FHFA diligently worked throughout 2023 to integrate DEIA principles into the Agency’s initiatives, including incorporating DEIA into FHFA’s FY 2023 – 2026 People Plan, FHFA’s Management Directive 715 Report and Plan, and revisions of FHFA’s DEIA Policy Statement and Standards.

The Report provides a comprehensive overview of FHFA’s DEIA program, demonstrating the Agency’s commitment to both the letter and spirit of attendant requirements and principles in Section 342 of the Dodd-Frank Act and Executive Order 14035. It provides insight into the effectiveness of DEIA strategies and programs while highlighting significant initiatives undertaken and successfully executed at FHFA by OMWI and its partner Offices and Divisions.

FHFA takes pride in its dedication to advancing DEIA goals and objectives. We look forward to opportunities for further expansion and growth in the coming years.

Sincerely,
Louis Scalza
Acting OMWI Director



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A. Introduction

The Federal Housing Finance Agency (FHFA or Agency) was created as an independent agency by the Housing and Economic Recovery Act of 2008¹ (HERA) to regulate and supervise Fannie Mae, Freddie Mac (together, “Enterprises”), and the Federal Home Loan Bank System, which includes the 11 Federal Home Loan Banks (FHLBanks) and its fiscal agent, the Office of Finance (OF) (collectively, including the Enterprises’ affiliate Common Securitization Solutions, LLC (CSS), the “regulated entities”).² Since 2008, FHFA has also served as the conservator of the Enterprises. FHFA plays a vital role in promoting access to mortgage credit nationwide, ensuring liquidity is available for affordable rental housing, and protecting the safety and soundness of the housing finance system through our supervision of the regulated entities.

On January 21, 2011, FHFA established its Office of Minority and Women Inclusion (OMWI), consistent with Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).³ In accordance with the Dodd-Frank Act, OMWI is responsible for leading the Agency’s efforts to develop and implement, or promote, the following standards:

- Equal employment opportunity (EEO) and the racial, ethnic, and gender diversity of the Agency’s workforce, including senior management;
- Increased participation of Minority- and Women-Owned Businesses (MWOBs) in Agency programs and contracts, and standards for coordinating technical assistance to such businesses; and
- Assessing the diversity policies and practices of the regulated entities.⁴

FHFA’s Minority and Women Inclusion Rule (MWI Rule) at 12 CF.R 1223.2 “establishes minimum standards and requirements for the regulated entities to promote diversity and 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 at all levels, in management and

¹ See 12 U.S.C. § 4501 *et seq.*

² OF and CSS are not separate “regulated entities” as the term is defined by statute (see 12 U.S.C. 4502(20)). Rather, the OF is part of the FHLBank System, and CSS is a securitization platform that the Enterprises operate as a joint venture. However, for convenience, references to the “regulated entities” in this Report should be read to also apply to the OF and CSS, unless otherwise noted.

³ See 12 U.S.C. § 5452.

⁴ See 12 U.S.C. § 5452(b)(2).



employment,[...] in all business and activities, [...] and in all contracts for services of any kind...” FHFA relies on this regulatory authority to guide its supervision and oversight of the Agency’s regulated entities’ diversity and inclusion (D&I) programs. Following the publication of Executive Order 14035 on Diversity, Equity, Inclusion, and Accessibility (DEIA) in the Federal Workforce on June 25, 2021, FHFA has been actively engaged in integrating and advancing the principles of equity and accessibility within our workforce initiatives. Throughout this document, we employ the term DEIA when applicable to internal FHFA efforts and initiatives and the term D&I when discussing the Agency’s supervision and oversight of the regulated entities. In cases where FHFA established documents or operations before the issuance of Executive Order 14035 that have not yet transitioned to a DEIA context, we use the terminology of Diversity, Equity, and Inclusion (DEI), as applicable.

During 2023, FHFA began updating its DEI policy statement not only to reinforce the Agency’s commitment to DEI as outlined in the Agency’s existing DEI Standards, but also to incorporate and highlight the significance of accessibility and how it aligns with the Agency’s overall workforce goals as described in the FHFA People Plan for FY 2023 – 2026 (People Plan). To align all the Agency’s DEIA efforts, particularly with the recently released People Plan, Management Directive 715 Report and Plan, Part J, and to be congruent with EO 14035, FHFA revised the existing Standards to incorporate accessibility and renamed them the DEIA Standards. These updates will allow the Agency to pursue a more refined and cohesive approach to DEIA and will also promote FHFA’s own mission of fostering a DEIA work environment.

FHFA is among seven federal financial agencies⁵ that the Dodd-Frank Act requires to submit an annual report to Congress containing the following information:

- A statement of the total amounts paid by the Agency to contractors since the previous report;
- The percentage of the amounts paid to contractors that are MWOBs;
- The successes achieved and challenges faced by the Agency in operating minority⁶ and women outreach programs;

⁵ See 12 U.S.C. § 5452(e) and (g). The six other federal financial agencies are: Departmental Offices of the Department of the Treasury, Federal Deposit Insurance Corporation, Board of Governors of the Federal Reserve System and each Federal Reserve Bank, National Credit Union Administration, Office of the Comptroller of the Currency, and Consumer Financial Protection Bureau.

⁶ This report focuses on minority status surrounding race/ethnicity based on self-identification.



- The challenges the Agency may face in hiring minority and women employees and contracting with qualified MWOBs; and
- Any other information, findings, conclusions, and recommendations for legislative or Agency action, as the OMWI Director determines appropriate.

FHFA's OMWI is organized into five functional areas: DEI Agency Practice, D&I Examinations, DEI Policy, OMWI Operations, and DEI Data Management.

The DEI Agency Practice function develops Agency standards for DEIA and provides DEIA training, development, and support. Additionally, the function provides DEIA guidance on Agency recruitment, hiring, promotions, talent development, and mentorship programs, and leads DEIA initiatives, Special Emphasis Programs (SEP), and other events to engage employees, encourage organizational communication, and raise cultural and social awareness. It also leads FHFA's commitment to diversity in the supply chain, driving FHFA's initiatives to connect MWOBs with Agency business opportunities.

OMWI's D&I Examination function supervises the regulated entities' methods of hiring and developing staff, offering business opportunities, and extending access to credit and housing finance, as well as their work with vendors. OMWI ensures that the regulated entities consider D&I principles in their business and activities. FHFA's D&I examinations assess whether the regulated entities have the strategies, people, and processes to meet D&I regulatory requirements and to offer equitable opportunities to Minority-, Women-, and Disabled-Owned Businesses, and to minorities, women, and individuals with disabilities. OMWI uses its delegated examination authority, MWI Rule,⁷ and FHFA's D&I Examination Manual to assess how the regulated entities address D&I in all workforce and business activities. OMWI's D&I examiners assess compliance with D&I laws and regulations, assign D&I composite ratings, and deliver D&I Reports of Examination (D&I ROE) for each regulated entity examined in a given year.

OMWI's DEI Policy function establishes, defines, and analyzes DEIA rules, guidance, and recommendations for both FHFA and the regulated entities. DEI Policy oversees the Employee Resource Group (ERG) program. DEI Policy also actively engages with stakeholders in policy development and application to ensure more meaningful and effective DEIA impacts within the programs of the regulated entities and within FHFA. The DEI Policy function encompasses DEIA efforts both internal to FHFA and across the regulated entities by reviewing and assessing

⁷ See 12 CFR 1223.



DEIA policy initiatives, issuing guidance such as Advisory Bulletins, addressing identified gaps, educating stakeholders on DEIA policy issues, and amending existing policies.

The OMWI Operations function provides support for DEIA services and for operational and administrative services across OMWI. OMWI Operations develops internal processes, quality controls, tools, and templates for DEIA initiatives. It oversees OMWI strategic planning and provides administrative management for OMWI policies, reports, communication, and outreach efforts. OMWI Operations is also responsible for ensuring compliance with all Agency-level requirements, including records management, office and Agency budgeting processes, internal controls assessment reports, OMWI contract management, and recruitment.

OMWI's DEI Data Management function is responsible for collecting, analyzing, and communicating DEIA data and metrics. The DEI Data Management team analyzes FHFA DEIA data and manages all regulated entities' D&I data submitted through an OMWI Data System that the function administers. To ensure data quality and accuracy, the team standardizes DEIA data, establishes metrics and benchmarks, and oversees reporting and data requests. The DEI Data Management team develops specialized tools to analyze DEIA performance across FHFA and its regulated entities. The DEI Data Management function supports informed decisions and fosters a consistent approach to assessing DEIA in the Agency and D&I at the regulated entities.

OMWI's 2023 strategic activities follow the *OMWI Strategic Plan for Fiscal Year (FY) 2022 – FY 2024*, which complements *FHFA's Strategic Plan for FY 2022 – FY 2026* and aligns with FHFA's statutory responsibilities in Section 342 of the Dodd-Frank Act. The *OMWI Strategic Plan for FY 2022 – FY 2024* sets the following goals:

- Goal 1: Ensure Diversity, Inclusion, and Equity in all Business and Activities of the Agency.
- Goal 2: Develop Tools that Help Translate FHFA Values into Day-to-Day DEI Applications.
- Goal 3: Ensure OMWI Organizational Evolution.



OMWI's commitment to both the Dodd-Frank Act and Executive Order 14035 aligns with the FHFA values of Fairness, Accountability, Integrity, and Respect (FAIR Values). This alignment supports the Agency's focus on the strategic goals of the OMWI FY 2022 – FY 2024 Strategic Plan. FHFA will continue to advance DEIA in its management, employment, and supervision activities, and promote the use of MWOBs in the Agency's business and activities as the Agency develops a new three-year OMWI Strategic Plan in 2024.



B. Workforce Diversity and Inclusion

Through OMWI’s partnership with stakeholders across FHFA, the Agency has continued to build and retain an accomplished and diverse workforce. Attracting, retaining, motivating, and promoting staff with a broad range of skill sets, backgrounds, and viewpoints cements FHFA as a diverse, nimble regulator prepared to rise to the challenges of today and tomorrow. To further demonstrate the Agency’s efforts toward DEIA, this report, for the first time, presents information on individuals with disabilities and the number of applications by race/ethnicity and sex at different stages of the hiring process. In addition, the report for the first time includes measures to ensure data privacy of FHFA’s workforce. The report has adopted new approaches to mask data with fewer than five individuals, such as combining the smallest groups or presenting percentages without the number of employees. These new approaches are executed in balance with the objective to share and present informative data on the demographics of the Agency’s permanent workforce⁸ and job applications,⁹ as well as the Agency’s workforce-related DEIA strategies, successes, and challenges during Calendar Year (CY) 2023.

⁸ Temporary employees and interns are not included in the workforce analysis. Data for permanent employees were extracted from the Federal Personnel and Payroll System on January 19, 2024.

⁹ Data for job applications are obtained from USA Staffing for all postings on USAJobs, except internships. The data were extracted on January 19, 2024.



I. Workforce Diversity¹⁰

a. FHFA Workforce

FHFA encourages all employees to report their race, ethnicity, sex, and disability status¹¹ for the purposes of maintaining accurate workforce data. OMWI collaborates with the Agency’s Office of Human Resources Management (OHRM) to collect and analyze employee data.

In 2023, for the first time in the Agency’s history,¹² the majority of FHFA’s workforce comprised racial and ethnic minorities. As reflected in **Table 1** and **2**, FHFA increased its staff size by 13.3 percent between 2019 and 2023.¹³ During the same period, employees with disabilities and racial and ethnic minorities increased at an even faster rate. Employees with disabilities increased from 6.9 percent in 2019 to 10.6 percent in 2023, and racial and ethnic minorities increased from 44.4 to 51.1 percent in the same period. These workforce trends demonstrate FHFA’s continued commitment to DEIA.

At the end of 2023, the demographic composition of FHFA's minority workforce included individuals from the following racial and ethnic backgrounds: Black/African American (25.3 percent), Asian (17.6 percent), Hispanic/Latino (5.1 percent), and Small Racial/Ethnic

¹⁰ The demographic groups presented in this report mitigate the risk of disclosing sensitive private information. FHFA’s k-anonymity standard is five individuals. K-anonymity is a data anonymization technique that is used to protect individuals’ privacy in a dataset. It involves data generalization, data masking, or replacing personally identifiable information with a pseudonym to ensure no single individual can be identified. Therefore, if a demographic group was too small to report (fewer than five individuals), it is combined with the following smallest group(s) of similar characteristics, and identified as such, e.g., Small Racial/Ethnic Minorities. For small groups of individuals who did not self-identify a demographic attribute, OMWI combined them with the non-minority group, and presented it as “Non-Minority and Unidentified.” Another data generalization is withholding the total number of employees and presenting tables and charts with percentages only, such that breakouts by demographic groups are shown without small counts being revealed. This also prevents reverse calculations using percentages and total counts.

¹¹ In section B. Workforce Diversity and Inclusion, the data reported on racial and ethnic minorities, sex, and disability may double count individuals, as these categories are not mutually exclusive.

¹² Reference to Federal Housing Finance Agency, Office of Minority and Women Inclusion, OMWI Annual Report to Congress, https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/Post_508_FHFA-OMWI-2021-Annual-Report.pdf. Historical data presented in this Report may differ slightly due to rounding and changes in methodology over time.

¹³ FHFA has traditionally presented a five-year comparison to show progress over time for the purpose of this report.



Minorities¹⁴ (3.1 percent). Between 2019 and 2023, Black/African American and Asian representation increased by 3.8 and 3.1 percentage points, respectively. The female and Hispanic/Latino representations were similar to 2019 levels at less than 44.0 and 6.0 percent, respectively. Although the overall female representation was similar between 2019 and 2023, female minorities increased by 3.1 percentage points, and females with disabilities increased by 3.2 percentage points in the same period.

Table 1: Diversity in FHFA Workforce as of December 31, 2023¹⁵

Demographic Group	Female		Male		Total	
	Number	Percent	Number	Percent	Number	Percent
Total Workforce	289	43.1	382	56.9	671	100.0
Race/Ethnicity						
Black/African American	115	17.1	55	8.2	170	25.3
Asian	44	6.6	74	11.0	118	17.6
Hispanic/Latino	18	2.7	16	2.4	34	5.1
Small Racial/Ethnic Minorities	10	1.5	11	1.6	21	3.1
Non-Minority and Unidentified	102	15.2	226	33.7	328	48.9
Disability Status						
Employees with Disabilities	34	5.1	37	5.5	71	10.6
Employees without Disabilities	235	35.0	314	46.8	549	81.8
Did not self-identify	20	3.0	31	4.6	51	7.6

¹⁴ The Small Racial/ Ethnic Minorities grouping varies throughout the report and could include employees who self-identified as American Indian/Alaska Native, Native Hawaiian and Other Pacific Islander, Hispanic/Latino, or as Two or More Races. Two or More Races is used when employees identified as having ancestry from more than one of the following groups: Black/African American, American Indian/Alaska Native, Asian, Native Hawaiian/Other Pacific Islander, and White. Consistent with Equal Employment Opportunity (EEO) reporting requirements, FHFA considers any employee who self-identified as Hispanic/Latino and other races as Hispanic/Latino.

¹⁵ Tables 1 through 4 and 12 to 16 calculate percentages based on the overall value (either “Total Number” or “Total Dollars”) for the corresponding year. Tables 5, 6, 8 to 11, and 17 and 18 present percentages specifically for a particular category presented in a column.



Table 2: Diversity in FHFA Workforce as of December 31, 2019

Demographic Group	Female		Male		Total	
	Number	Percent	Number	Percent	Number	Percent
Total Workforce	259	43.8	333	56.3	592	100.0
Race/Ethnicity						
Black/African American	87	14.7	40	6.8	127	21.5
Asian	33	5.6	53	9.0	86	14.5
Hispanic/Latino	16	2.7	18	3.0	34	5.7
Small Racial/Ethnic Minorities	11	1.9	5	0.8	16	2.7
Non-Minority and Unidentified	112	18.9	217	36.7	329	55.6
Disability Status						
Employees with Disabilities	11	1.9	30	5.1	41	6.9
Employees without Disabilities	240	40.5	284	48.0	524	88.5
Did not self-identify	8	1.4	19	3.2	27	4.6

b. Workforce Comparison to Benchmarks

FHFA reviews workforce data and gauges progress over time using multi-year trends with demographic data for the federal sector, the Civilian Labor Force (CLF), and Relevant Civilian Labor Force (RCLF)¹⁶ as benchmark comparisons. Federal workforce data is provided by the U.S. Office of Personnel Management (OPM), and the most current CLF and RCLF information is released by the U.S. Census Bureau. **Table 3** presents the Agency’s representation of racial and ethnic minorities, females, individuals with disabilities, and the corresponding rates for the listed benchmarks.

In terms of racial and ethnic minority representation, the proportion of minorities in FHFA’s workforce (51.1 percent) was higher than the proportion of minority employees in the federal workforce (39.5 percent), the CLF (32.5 percent), and RCLF (28.8 percent). The representation of Asians and Black/African Americans in the Agency at 17.6 and 25.3 percent, respectively, was above their respective benchmarks. Specifically, Asians and Black/African Americans represented 6.8 and 18.4 percent of the federal workforce, 4.4 and 12.3 percent of the CLF, and 5.4 and 10.0 percent of the RCLF, respectively.

¹⁶ RCLF refers to the most current CLF data that are directly comparable to the main occupations in the Agency. U.S. Census Bureau, CLF Data as of 2018. Table EEO-CIT02R; <https://www.census.gov/acs/www/data/eo-data/eo-tables-2018/>



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However, the Agency is underrepresented in Hispanic/Latinos, females, and individuals with disabilities compared to the benchmarks. In 2023, representation of Hispanics/Latinos was below the respective benchmarks by approximately 5.0 to 8.0 percentage points. Since 2020, the Agency also lacked representation of American Indian/Alaska Natives and Native Hawaiian/Other Pacific Islanders. In addition, the proportion of females, at 43.1 percent, was below the federal workforce, CLF, and RCLF by 2.3, 5.1, and 13.9 percentage points, respectively. Further, the percentage of employees with disabilities at FHFA of 10.6 percent was lower than the 19.5 percent observed in the federal workforce.

Table 3: Workforce Comparison (Percentages)

Demographic Group	Relevant Civilian Labor Force as of 2018	Civilian Labor Force as of 2018 ¹⁷	Federal Workforce as of March 2023 ¹⁸	FHFA Workforce as of December 31, 2023
Race/Ethnicity				
Minority	28.8	32.5	39.5	51.1
Black/African American	10.0	12.3	18.4	25.3
American Indian/ Alaska Native	0.5	0.6	1.6	0.0
Asian	5.4	4.4	6.8	17.6
Hispanic/Latino	10.8	13.0	9.9	5.1
Native Hawaiian/ Other Pacific Islander	0.1	0.2	0.6	0.0
Two or More Races	2.0	2.1	2.2	3.1
Non-Minority	71.2	67.5	60.0	48.6
Unidentified Race/Ethnicity	0	0	0.6	0.3
Sex				
Female	57.0	48.2	45.4	43.1
Male	43.0	51.8	54.6	56.9
Disability Status				
Employees with Disabilities	-	-	19.5	10.6
Employees without Disabilities	-	-	78.4	81.8
Did not self-identify	-	-	2.1	7.6

¹⁷ U.S. Census Bureau, CLF Data as of 2018. Table EEO-CIT02R; <https://www.census.gov/acs/www/data/eo-data/eo-tables-2018/>

¹⁸ U.S. Office of Personnel Management, FedScope: Federal Workforce Data, Employment Trend <https://www.fedscope.opm.gov>.

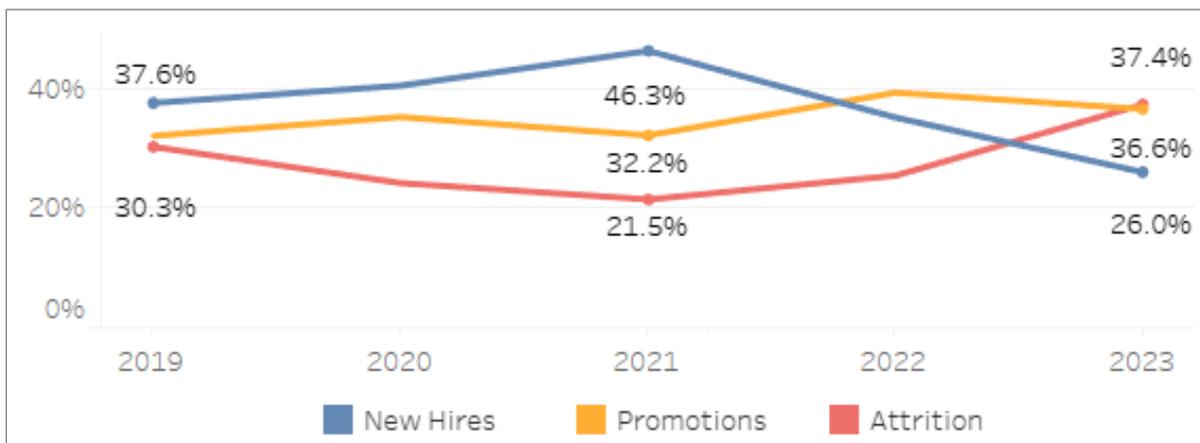


c. Employment Actions

OMWI also analyzes hiring, promotions,¹⁹ and attrition data to gain insights for recruitment strategies, career mobility, and retention for diverse populations.

In 2023, FHFA welcomed close to 70 new hires and promoted nearly 100 existing employees. However, almost 100 employees departed from the Agency in 2023. As presented in **Figure 1** and **Table 4**, the Agency consistently maintained a higher rate of new hires compared to separations from 2019 to 2022. Yet, in 2023, this trend reversed with separations increasing to 37.4 percent and new hires decreasing to 26.0 percent. The notable increase in separations is primarily attributable to the Agency’s offer under Voluntary Early Retirement Authority (VERA), combined with a Voluntary Separation Incentive Payment (VSIP), to eligible staff during the last quarter of 2023. Of all 2023 separations, 43 of them were retirements through the VERA/VSIP offer.

Figure 1: Annual Composition of Employment Actions 2019-2023



¹⁹ Promotions for the purpose of this report include all instances where employees are converted to a higher pay grade.



Table 4: Annual Composition of Employment Actions 2019-2023 (Percentages)

Years	New Hires	Promotions	Attrition	Total Actions
2019	37.6	32.1	30.3	100.0
2020	40.5	35.3	24.2	100.0
2021	46.3	32.2	21.5	100.0
2022	35.2	39.4	25.5	100.0
2023	26.0	36.6	37.4	100.0

Figure 2 and **Table 5** illustrates the composition of employment actions by demographic groups in 2023. Key takeaways are as follows:

- New Hires** – Approximately 6 out of 10 new employees identified as racial and ethnic minorities. Between 2019 and 2023, the number of Black/African American new hires doubled, making them the largest group of new hires in 2023 (36.2 percent). Asians remained the second-largest group (15.9 percent). In contrast, Hispanic/Latino new hires remained consistent at 2.9 percent in 2023 as compared to 2.4 percent in 2019.

Most notably, 2023 marked the only year within the five-year span where female new hires surpassed their male counterparts, constituting 53.6 percent of the total new hires. Furthermore, FHFA hired 9 individuals with disabilities, representing 13.0 percent of new hires.

New hires in the Agency exceed the 2023 benchmarks²⁰ for females and all race and ethnicities, except Hispanic/Latinos, American Indian/Alaska Natives, and Native Hawaiian/Other Pacific Islanders. These last two groups did not have representation in FHFA’s new hires or workforce during 2023. FHFA outperformed the benchmark for females by 1.8 percentage points. Similarly, the proportion of new hires at FHFA that were racial and ethnic minorities exceeded the applicable benchmark by 16.5 percentage points. The proportion of new hires that identified as Black/African Americans, Asians, and Two or More Races exceeded the applicable benchmark by 15.9, 9.2, and 1.4 percentage points, respectively. In contrast, while the new hire rate for Hispanic/Latinos

²⁰ U.S. Office of Personnel Management, FedScope: Federal Workforce Data, Dynamics Data, Accessions from January to September 2023, <https://www.fedscope.opm.gov>.



in the federal workforce was 10.9 percent, the Agency hired Hispanics/Latinos at a rate of 2.9 percent.

- **Promotions** – In the five-year period, the highest number of promotions occurred in 2023. Of all promotions, 45.4 percent were for racial and ethnic minorities, of which Black/African Americans represented 24.7 percent. Additionally, 10.3 percent of promotions were for employees with disabilities. However, the Agency has an opportunity to enhance its organizational growth by focusing on the advancement of its female staff. In the five-year period, the majority of promotions were for non-minority males. For example, in 2023, for every female minority promotion, there were 1.6 male non-minority promotions.

Promotions of racial and ethnic minorities in the Agency at 45.4 percent were above the benchmark²¹ of 41.1 percent. However, the promotion rates for females (39.2 percent) and employees with disabilities (10.3 percent) were below the benchmarks by 7.2 percentage points and 0.4 percentage points,²² respectively.

- **Attrition** – In 2023, approximately 60 percent of separations corresponded to retirements, while the remaining attritions were due to terminations and voluntary departures. In total during 2023, FHFA lost 42 employees who were racial and ethnic minorities, 56 who were females, and fewer than 5 who were individuals with disabilities.

FHFA had a higher rate of separations compared to the federal workforce²³ for females and all race and ethnic minority groups, except Hispanic/Latinos. The Agency separation rates were higher for females and racial and ethnic minorities by 9.1 and 2.7 percentage points, respectively. Specifically, among racial and ethnic minorities, individuals identified as Asians, Black/African Americans, and Two or More Races separated at a higher rate by 6.4, 2.5, and 0.4 percentage points. In contrast, FHFA's separation rate for Hispanic/Latinos was below the benchmark by 5.2 percentage points.

²¹ Fiscal Year (FY) 2021 Consumer Financial Protection Bureau and Office of the Comptroller of the Currency Annual Report to Congress, Calendar Year 2022 FHFA OMWI Annual Report to Congress.

²² EEO Status of workers with disabilities in the federal sector FY2018 data by the U.S. Equal Employment Opportunity Commission.

²³ U.S. Office of Personnel Management, FedScope: Federal Workforce Data, Dynamics Data, Separations from January to September 2023, <https://www.fedscope.opm.gov>.



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Figure 2: Diversity in Employment Actions in 2023

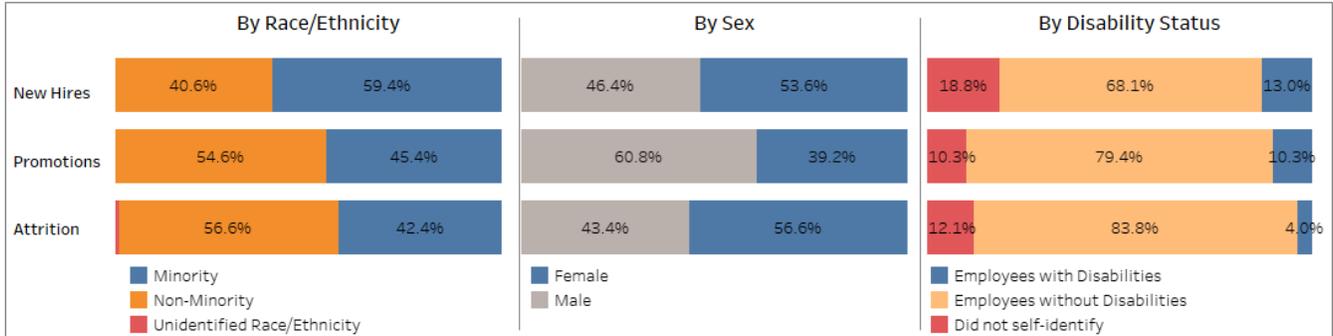


Table 5: Diversity in Employment Actions in 2023 (Percentages)²⁴

Demographic Group	New Hires	Promotions	Attrition
Total Actions	100.0	100.0	100.0
Race/Ethnicity			
Minority	59.4	45.4	42.4
Black/African American	36.2	24.7	22.2
Asian	15.9	14.4	12.1
Hispanic/Latino	2.9	3.1	5.1
Two or More Races	4.3	3.1	3.0
Non-Minority	40.6	54.6	56.6
Unidentified Race/Ethnicity			1.0
Sex			
Female	53.6	39.2	56.6
Male	46.4	60.8	43.4
Disability Status			
Employees with Disabilities	13.0	10.3	4.0
Employees without Disabilities	68.1	79.4	83.8
Did not self-identify	18.8	10.3	12.1

²⁴ In this report, rounding causes sums to be off by 1 percent in some instances.

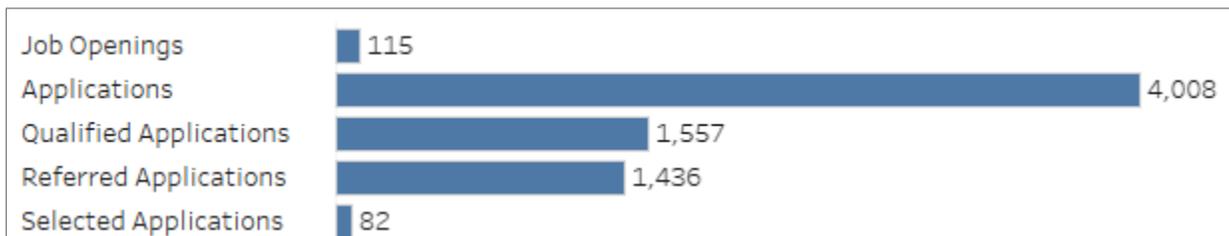


d. Applications

As mentioned previously, FHFA has now incorporated applications data into this report. This section offers details about the Agency’s job postings, data on qualified and selected applications, and an adverse impact analysis. The goal is to provide insights into demographic groups that may have experienced disparate impacts during the hiring process.

In 2023, FHFA had a total of 115 job openings, with nearly two-thirds of its job postings (64.3 percent) open to the public and one-third (31.3 percent) for internal merit promotions. FHFA received 4,008 applications, qualified 1,557 applications (38.8 percent), and referred 1,436 applications (35.8 percent) to hiring managers as illustrated in **Figure 3**. Hiring managers selected 82 applications (6.7 percent) for 67 postings, with some postings resulting in multiple selections. Hiring managers closed 48 positions without selecting a candidate.

Figure 3: Total Applications in 2023



i. Diversity in Applications

FHFA has effectively drawn a diverse group of well-qualified applicants. In the year 2023, racial and ethnic minorities, females, and individuals with disabilities accounted for 53.9 percent, 37.2 percent, and 7.8 percent of the applications, respectively. **Table 6** offers an overview of the diversity within the applications submitted during that year.



Table 6: Diversity in Employment Applications, 2023

Demographic Group	Qualified Applications	Percent Qualified	Selected Applications	Percent Selected
Total Applications	1,557	100.0	82	100.0
Race/Ethnicity				
Black/African American	469	30.1	21	25.6
Asian	193	12.4	11	13.4
Small Racial/Ethnic Minorities	178	11.4	8	9.8
Non-Minority	441	28.3	29	35.4
Unidentified Race/Ethnicity	276	17.7	13	15.9
Sex				
Female	579	37.2	31	37.8
Male	714	45.9	39	47.6
Unidentified Sex	264	17.0	12	14.6

To provide additional perspective, key findings regarding diversity in applications compared to benchmarks presented in **Table 3** are listed below:

- Racial and ethnic minorities represented over half of the qualified applications, surpassing the benchmarks of 28.8 percent for RCLF, 32.5 percent CLF, and 39.5 percent for federal workforce.
 - Black/African Americans accounted for 30.1 percent of qualified applications, exceeding the RCLF and CLF benchmarks of 10.0 percent and 18.4 percent, respectively;
 - Asians represented 12.4 percent of the qualified applications, surpassing both RCLF and CLF benchmarks of 4.4 percent and 6.8 percent, respectively;
 - Hispanic/Latino comprised almost 8.0 percent of qualified applications, below the benchmarks of 9.9 percent for RCLF and 13.0 percent for CLF;
 - American Indian or Alaskan Native and Native Hawaiian or Other Pacific Islanders made up less than one percent of qualified applications, which is slightly above RCLF.
- Females accounted for 37.2 percent of qualified applications, falling below the 57.0 percent for RCLF.
- Individuals with disabilities represented approximately 7.0 percent of the qualified application pool, which was below the 19.5 percent for federal workforce.



Within the applications data, OMWI observed a significant number of omissions, which are instances where applicants did not provide a response. Applications had notable omissions in their self-identification of race and ethnicity and sex at 17.0 and 16.0 percent on average, respectively. The most significant omissions were related to disability status at 56.1 percent on average. These omissions may in some cases limit the efficacy of the analyses and comparisons presented in this report. The lack of disclosure regarding disability status significantly impacts FHFA's recruitment efforts. Without this information, it becomes challenging to identify focus areas in the recruitment process and to make necessary adjustments.

ii. Adverse Impact

To further assess the applications data, FHFA performed an adverse impact analysis to compare selection rates across different demographic groups to identify any potential disparate impact these groups might have experienced during the hiring process.

The adverse impact assessment was conducted to assess adherence with Title VII of the Civil Rights Act of 1964. Aside from intentional discrimination, Title VII also prohibits employers from using selection procedures that have the effect of disproportionately excluding persons based on race, color, religion, sex, or national origin. In 1978, the U.S. Civil Service Commission, the U.S. Department of Labor, the U.S. Equal Employment Opportunity Commission, and the U.S. Department of Justice jointly adopted the Uniform Guidelines on Employee Selection Procedures to establish uniform standards for the use of selection procedures and address adverse impact. Adverse impact refers to practices that appear to have a discriminatory effect on a protected group, which can occur in any stage of the employment lifecycle. Employers can either eliminate the use of a selection procedure if it results in adverse impact or demonstrate a business need to justify its continued use.

In this statistical analysis,²⁵ adverse impact indicates a substantially different rate of selection from the qualified pool for a demographic group during the hiring process. FHFA's 2023 data revealed no significant impact on applications from demographic groups as seen in **Table 7**.

²⁵ Appendix C provides details on the methodology used for the adverse impact analysis.



Table 7: Adverse Impact in Employment Applications 2023

Demographic Group	Adverse Impact	Qualified	Selected	Mean	Variance	Standard Deviation	95% CI Low	95% CI High	T-Stat
Race/Ethnicity									
Black/African American	No	469	21	0.0448	0.0001	0.0095	0.0238	0.0658	-0.9547
Asian	No	193	11	0.0570	0.0003	0.0167	0.0203	0.0937	0.2786
Small Racial/Ethnic Minorities	No	178	8	0.0449	0.0002	0.0155	0.0108	0.0791	-0.5229
Non-Minority	No	441	29	0.0658	0.0001	0.0118	0.0398	0.0917	1.3623
Unidentified Race/Ethnicity	No	276	13	0.0471	0.0002	0.0128	0.0190	0.0752	-0.4753
Sex									
Female	No	579	31	0.0535	0.0001	0.0094	0.0330	0.0741	0.1186
Male	No	714	39	0.0546	0.0001	0.0085	0.0359	0.0733	0.3172
Unidentified Sex	No	264	12	0.0455	0.0002	0.0128	0.0173	0.0737	-0.6080

II. Mission-Critical Occupations

Most of FHFA’s workforce consists of the following six Mission Critical Occupations (MCO) with their respective occupational series: Economists (0110); Policy Analysts (a subset of the Management and Program Analyst series) (0343);²⁶ Accountants (0510); Financial Institution Examiners (0570); Attorneys (0905); and Financial Analysts (1160). These MCOs require highly skilled practitioners with substantive knowledge of, and significant experience in, examining, analyzing, and/or evaluating large complex financial institutions and mortgage finance products and services. Analyzing workforce trends in MCOs allows FHFA to ascertain whether and how it can focus attention and efforts on diversity in these critical categories.

Workforce composition by MCOs has maintained relative stability from 2019 to 2023. On average over these years, MCOs accounted for over 60 percent of the total employees. Among the MCOs, financial institution examiners constituted the largest group, representing approximately 30 percent of the workforce (equivalent to around 190 individuals). Following closely were financial analysts, comprising approximately 12 percent of the workforce with nearly 80 employees. Economists, policy analysts, attorneys, and accountants each represented less than 10 percent of the workforce, with fewer than 60 individuals per MCO. **Figure 4** and

²⁶ This category only includes Policy Analysts in the 0343 job series.



Table 8 illustrate the Agency demographic composition by MCOs for 2023, while **Table 9** includes comparable information for 2019.

MCO staff as a whole were less diverse compared to non-MCO staff in terms of race and ethnicity, sex, and disability status. Racial and ethnic minorities constituted 46.8 percent of MCOs compared to 59.1 percent for non-MCOs. The largest gap was for females, which represented 37.1 percent for MCOs versus 54.0 percent for non-MCOs (a 16.9 percentage point difference). The smallest gap was for employees with disabilities, which represented 9.0 percent of the MCO population in contrast to 13.5 percent of the non-MCO population (a 4.5 percentage point difference).

Although a majority of FHFA’s job postings in 2023 were for MCOs (52.2 percent), a similar trend was observed for FHFA’s application pool. The diversity in applications for MCOs was lower compared to applications for non-MCOs. Out of 1,821 MCO applications, racial and ethnic minorities accounted for 53.5 percent, females with 34.2 percent, and individuals with disabilities at 6.8 percent. In comparison, racial and ethnic minorities represented 58.0 percent of the non-MCO application pool (2,187 applications), females with 39.5 percent, and individuals with disabilities at 9.0 percent. Similar to FHFA’s workforce, financial institution examiner applications was the highest MCO with 15.6 percent of all the applications. The remaining MCOs each constituted less than 10.0 percent of all the applications.

Key takeaways on the representation of racial and ethnic minorities, females, and individuals with disabilities in applications and the Agency’s workforce for MCOs are noted below:

- **Financial Institution Examiners (0570)** – In 2023, the number of financial institution examiner job openings was the highest, at 31 postings or 27.0 percent. From 2019 to 2023, the number of applications for financial institution examiners decreased by 29.8 percent, from 889 to 624 applications. Of the total examiner applications submitted in 2023, 56.7 percent were submitted by racial and ethnic minorities, 33.2 percent by females, and 6.4 percent by individuals with disabilities. The proportion of applications from racial/ethnic minorities and females increased by 11.5 and 4.4 percentage points from 2019 to 2023, respectively, whereas the proportion of applications from individuals with disabilities remained stable for the same period.



While the size of FHFA’s financial institution examiner MCO saw a net increase²⁷ of only about five individuals between 2019 and 2023, the composition of racial and ethnic minorities increased, consistent with the change in application pool. Notably, over half (51.1 percent) of these examiners (around 100 employees) belonged to racial and ethnic minorities in 2023. This percentage marked an increase of 11.4 percentage points from 2019 where 39.7 percent of racial and ethnic minorities represented fewer than 80 employees.

Even though the proportion of female financial examiners remained at around 33.0 percent (approximately 60 employees) in both years, the composition of females by race and ethnicity changed to a more diverse group between 2019 and 2023. Both Black/African American and Asian female representation increased by 4.0 and 0.9 percentage points from 2019 to 2023, respectively.

Moreover, the overall Hispanic/Latino representation decreased by 2.3 percentage points between 2019 to 2023, female Hispanic/Latino representation remained stable while male Hispanic/Latino representation declined during this period. This was mainly driven by separations from half of the male Hispanic/Latino examiners in 2023 compared to 2019.

The number of financial examiners with disabilities increased by 70 percent between 2019 and 2023. By the end of 2023, the number of employees with disabilities in this MCO was about 20.

- **Financial Analysts (1160)** – Financial analyst job openings ranked second among all MCOs, totaling 10 (8.7 percent) openings in 2023. Financial analyst applications increased more than threefold from 91 in 2019 to 378 in 2023. Of the total applications submitted in 2023, 60.1 percent were from racial and ethnic minorities, 31.8 percent were from females, and 4.2 percent were from individuals with disabilities. In 2023, Black/African Americans submitted the highest proportion of applications to this MCO at 30.7 percent. From 2019 to 2023, financial analyst applications surged for racial and

²⁷ Of all MCOs, the category of financial institution examiners has the largest number of separations every year from 2019 to 2023. This MCO experienced the highest number of separations in 2023, constituting one-third of all FHFA separations.



ethnic minorities, females, and individuals with disabilities by 18.3, 1.0, and 0.9 percentage points, respectively.

Meanwhile, the number of FHFA financial analysts between 2019 and 2023 grew by 23.4 percent. Although the number of racial and ethnic minorities in this occupation rose, the number of non-minorities increased at a faster rate.

The number of male financial analysts and the number of financial analysts with disabilities increased between 2019 and 2023 (by around 15 and less than 5 individuals, respectively), but the number of female financial analysts did not change (steady at around 25 employees).

- **Economists (0110)** – In 2023, 7 Economist job openings received 229 applications. Of the total economist applications submitted, 49.8 percent were by racial and ethnic minorities, 26.2 percent were by females, and 6.1 percent were by individuals with disabilities. Notably, Asians had the highest proportion of economist applications among racial and ethnic minorities, accounting for 19.7 percent. Males represented over two-thirds of the economist applications (67.7 percent), compared to just over a quarter of the female applications.

The number of FHFA economists experienced the highest net increase in the number of employees across all MCOs, growing from approximately 40 employees in 2019 to around 60 employees in 2023. By end of 2023, racial and ethnic minorities represented 38.6 percent of all economists, females accounted for 33.3 percent, and employees with disabilities constituted 15.8 percent. Both minority and non-minority groups increased at a similar rate, around 47.0 percent between 2019 and 2023. However, the number of male Economists, and especially those who were non-minorities, increased at a faster rate than their female peers.

Of the MCOs, Asian economists was the largest minority group. In 2019, the ratio of Asian to Black/African American Economists was 5.5 to 1, and this ratio increased to 7 to 1 in 2023. Hispanic/Latinos represented less than five economists in both years.

- **Policy Analysts (0343)** – The 6 policy analyst postings received 391 applications in 2023. Of the total policy analyst applications, half (50.6 percent) were submitted by racial and ethnic minorities. Black/African Americans represented the highest proportion of



racial and ethnic minority applications at 31.7 percent. Additionally, females and individuals with disabilities submitted 146 (37.3 percent) and 35 (9.0 percent) applications, respectively.

Similar to 2019, the number of FHFA staff in this occupation was consistent at less than 50 individuals in 2023. Nearly half (48.9 percent) the employees belonged to racial and ethnic minorities in 2023. Black/African Americans represented the most predominant group among all racial and ethnic minorities, at 16.3 percent. However, Hispanic/Latinos represented less than 5.0 percent of the Policy Analyst staff.

In 2023, over half (60.0 percent) of the policy analysts were female and 11.1 percent identified as having a disability. Additionally, in the same year, Black/African American females had the highest representation at 17.8 percent of all the racial and ethnic minorities.

- **Attorneys (0905)** – In 2023, a total of 5 Attorney openings received 196 applications. Of these applications, 80 (40.8 percent) were submitted by racial and ethnic minorities, and Black/African American applications were the highest at 24.0 percent followed by Hispanic/Latino applications at 9.7 percent among racial and ethnic minorities. Female attorney applications surpassed males at 45.9 percent; the attorney category had the highest representation of female applications. Individuals with disabilities represented 9.7 percent of all attorney applications.

As for the FHFA workforce, in 2023, 42.5 percent of attorneys were racial and ethnic minorities, an increase in 10.1 percentage points compared to 2019. Black/African American and Hispanic/Latino attorneys represented the highest proportion of attorneys among all racial and ethnic minorities, with both at 15.0 percent.

Female representation among attorneys increased by 6.6 percentage points between 2019 and 2023, to 52.5 percent in 2023. The number of attorney employees with disabilities has remained the same, at fewer than five individuals since 2019.

- **Accountants (0510)** – Information regarding accountant job openings and applications is excluded from this section of the Report, as the numbers fall below FHFA’s anonymity threshold.



The composition of FHFA staff in this occupation has remained nearly the same as 2019. Accountants comprised less than 30 individuals in 2023, with 56.0 percent being racial and ethnic minorities. Asian accountants represented the highest proportion at 28.0 percent of the racial and ethnic minorities. Female accountants decreased by 7.5 percentage points since 2019, to 36.0 percent in 2023. Individuals with disabilities represent less than 5.0 percent of the total accountants.

In 2023, the Agency received diverse applications for certain MCOs. Racial and ethnic minorities submitted over half of the applications for financial analysts (60.1 percent), financial institution examiners (56.7 percent), and policy analysts (50.6 percent). Attorney and policy analyst applications had the highest representation of females among the MCOs at 37.3 and 45.9 percent, respectively. Among the MCOs, attorney applications included the highest proportion of individuals with disabilities.

The Agency's MCO workforce also saw increases between 2019 and 2023. The number of racial and ethnic minorities, females, and employees with disabilities across the Agency's top six MCOs grew during this period by around 50, 10, and 20 employees, respectively. Black/African Americans, Asian males, and employees with disabilities were the groups that showed the greatest growth in the Agency's MCOs during this period.

Despite these growths, challenges remain in other aspects. Males have dominated the application pool across most of the job categories except for attorneys. Females were the most underrepresented in applications for economists and financial analysts. Financial analyst applications from individuals with disabilities comprised the lowest proportion across all MCOs. The Agency's MCO workforce reflected a similar trend; non-minorities and males comprised the majority for four out of six MCOs, and employees without disabilities constituted 83.4 percent of the MCOs in 2023.

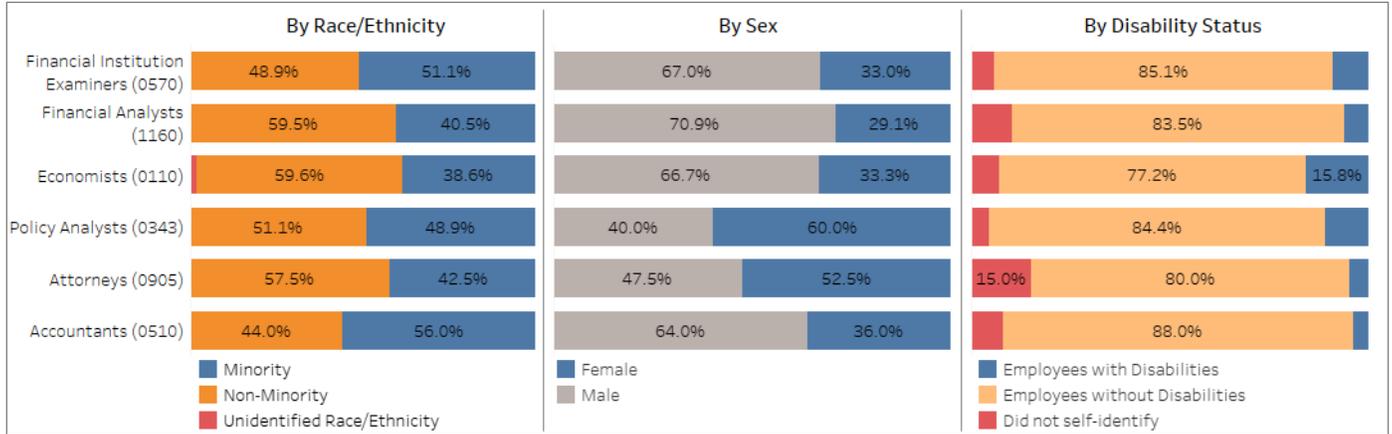
To achieve its mission, FHFA continues to work diligently to attract individuals with experience in financial regulation and supervision, the financial institution private sector, and academia. The underrepresentation of racial and ethnic minorities, females, and individuals with disabilities in certain MCOs could be due to a variety of factors, such as a lack of diversity in the industry or geographically, as most of FHFA's job openings are concentrated in the Washington D.C., Maryland, and Virginia metro area, and a lack of outreach and recruitment efforts to underrepresented groups, among others. To address these challenges, the Agency is also committed to increasing the diversity of the pipeline to these MCOs through its internship



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program as well as outreach, education, and promotion of opportunities in FHFA for underrepresented populations.

Figure 4: Diversity in FHFA Mission-Critical Occupations as of December 31, 2023



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Table 8: Diversity in FHFA Top Six Mission-Critical Occupations as of December 31, 2023 (Percentages)

Demographic Group	Financial Institution Examiners (0570)	Financial Analysts (1160)	Economists (0110)	Policy Analysts (0343)	Attorneys (0905)	Accountants (0510)	Total
Total Workforce	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Minority	51.1	40.5	38.6	48.9	42.5	56.0	46.8
Non-Minority	48.9	59.5	59.6	51.1	57.5	44.0	53.0
Unidentified Race/Ethnicity	0.0	0.0	1.8	0.0	0.0	0.0	0.2
Female	33.0	29.1	33.3	60.0	52.5	36.0	37.1
Black/African American	12.2	6.3	3.5	17.8	10.0	4.0	9.9
Asian	7.4	7.6	8.8	6.7	2.5	16.0	7.6
Hispanic/Latino	1.6	1.3	1.8	2.2	10.0	0.0	2.3
Two or More Races	1.6	0.0	1.8	2.2	0.0	0.0	1.2
Non-Minority	10.1	13.9	17.5	31.1	30.0	16.0	16.1
Male	67.0	70.9	66.7	40.0	47.5	64.0	62.9
Black/African American	12.2	7.6	0.0	8.9	5.0	12.0	8.8
Asian	12.8	15.2	15.8	4.4	10.0	12.0	12.4
Hispanic/Latino	2.1	2.5	3.5	0.0	5.0	4.0	2.5
Two or More Races	1.1	0.0	3.5	6.7	0.0	8.0	2.1
Unidentified Race/Ethnicity	0.0	0.0	1.8	0.0	0.0	0.0	0.2
Non-Minority	38.8	45.6	42.1	20.0	27.5	28.0	36.9
Employees with Disabilities	9.0	6.3	15.8	11.1	5.0	4.0	9.0
Employees without Disabilities	85.1	83.5	77.2	84.4	80.0	88.0	83.4
Did not self-identify	5.9	10.1	7.0	4.4	15.0	8.0	7.6

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Table 9: Diversity in FHFA Top Six Mission-Critical Occupations as of December 31, 2019 (Percentages)

Demographic Group	Financial Institution Examiners (0570)	Financial Analysts (1160)	Economists (0110)	Policy Analysts (0343)	Attorneys (0905)	Accountants (0510)	Total
Total Workforce	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Minority	39.7	42.2	39.5	44.2	32.4	52.2	40.6
Non-Minority	59.8	57.8	60.5	55.8	67.6	47.8	59.1
Unidentified Race/Ethnicity	0.5	0.0	0.0	0.0	0.0	0.0	0.3
Female	33.7	35.9	36.8	55.8	45.9	43.5	38.6
Black/African American	8.2	9.4	5.3	14.0	5.4	0.0	8.0
Asian	6.5	6.3	7.9	4.7	2.7	26.1	7.2
Hispanic/Latino	1.6	0.0	2.6	2.3	5.4	0.0	1.8
Two or More Races	2.2	0.0	0.0	2.3	0.0	0.0	1.3
Non-Minority	15.2	20.3	21.1	32.6	32.4	17.4	20.3
Male	66.3	64.1	63.2	44.2	54.1	56.5	61.4
Black/African American	8.2	9.4	0.0	2.3	8.1	8.7	6.9
Asian	8.7	14.1	21.1	7.0	5.4	8.7	10.3
Hispanic/Latino	4.3	3.1	0.0	7.0	5.4	4.3	4.1
American Indian/Alaska Native	0.0	0.0	0.0	2.3	0.0	0.0	0.3
Two or More Races	0.0	0.0	2.6	2.3	0.0	4.3	0.8
Unidentified Race/Ethnicity	0.5	0.0	0.0	0.0	0.0	0.0	0.3
Non-Minority	44.6	37.5	39.5	23.3	35.1	30.4	38.8
Employees with Disabilities	5.4	4.7	2.6	11.6	5.4	8.7	5.9
Employees without Disabilities	90.2	90.6	89.5	86.0	86.5	91.3	89.5
Did not self-identify	4.3	4.7	7.9	2.3	8.1	0.0	4.6

III. Career Development

To ensure FHFA's workforce is well represented and diverse for both management and non-management positions, OMWI analyzes the workforce data by pay band and grade categories. The composition of FHFA's workforce by pay band category and grade levels remained generally stable between 2019 and 2023. **Figure 5** and **Table 10** illustrate the demographic composition by pay band category, Employee Level (EL) and Leadership Level (LL), and grade levels for 2023, while **Table 11** includes comparable information for 2019.

On average, in both years, the distribution by pay band and grade overall was as follows:

Non-Management

- **Employees in EL-12 or below** represented around 16 percent of the workforce, or about 100 individuals;
- **Employees in EL-13** constituted slightly over one in ten individuals (just over 10 percent) of the workforce or around 70 individuals; and
- **Employees in EL-14/15 non-supervisory positions** accounted for slightly over half of the workforce (around 51 percent), totaling approximately 340 employees.

Management

- **Employees in EL- 14/15 supervisory positions** comprised around one in ten individuals (about 12 percent) of the workforce, about 80 employees; and
- **Employees in LL-01 executive positions** represented around 8 percent of the workforce, approximately 50 individuals.

Across all categories, from 2019 to 2023, supervisors and executives represented the highest overall growth in the number of employees, at 41.9 percent and 25.0 percent, respectively.

a. Non-Management Position Diversity

Employees in EL-12 or below represented the highest diversity rates across race and ethnicity, sex, and disability status in 2023. In this group, more than 7 in 10 employees self-identified as



racial and ethnic minorities, 5 in 10 employees identified as female, and 2 in 10 employees had a disability. However, the diverse rates in 2023 were below those of 2019 for racial and ethnic minorities and females for EL-12.

Over half of the EL-13 workforce identified as racial and ethnic minorities (56.8 percent) and female (52.7 percent). Similar to EL-12 or below, close to 2 in 10 (17.6 percent) of the EL-13 workforce had a disability. Compared to 2019, rates increased for racial and ethnic minorities, females, and employees with disabilities in EL-13 by 7.6, 9.8, and 11.3 percentage points, respectively.

The EL-14/15 non-supervisors group emerged as the majority of the workforce within the Agency in 2023. However, its diversity rates for racial and ethnic minorities (47.2 percent), females (37.4 percent), and employees with disabilities (7.8 percent) in 2023 were below the overall Agency average for the same year (51.1 percent racial and ethnic minorities, 43.1 percent females, and 10.6 percent employees with disabilities).

In 2019, less than 7 percent of employees in grades EL-11 and above had disabilities. In alignment with the federal government's goal²⁸ of increasing the number of employees with disabilities in grades EL-11 and above, this representation increased to around 10 percent by 2023. Similarly, the proportion of new hires of employees with disabilities in any pay plan and grade was 13 percent in 2023.

²⁸ 29 CFR 1614.203(d)(7)(i)(a)



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Figure 5: Diversity in FHFA Workforce by Pay Band Category and Grade as of December 31, 2023

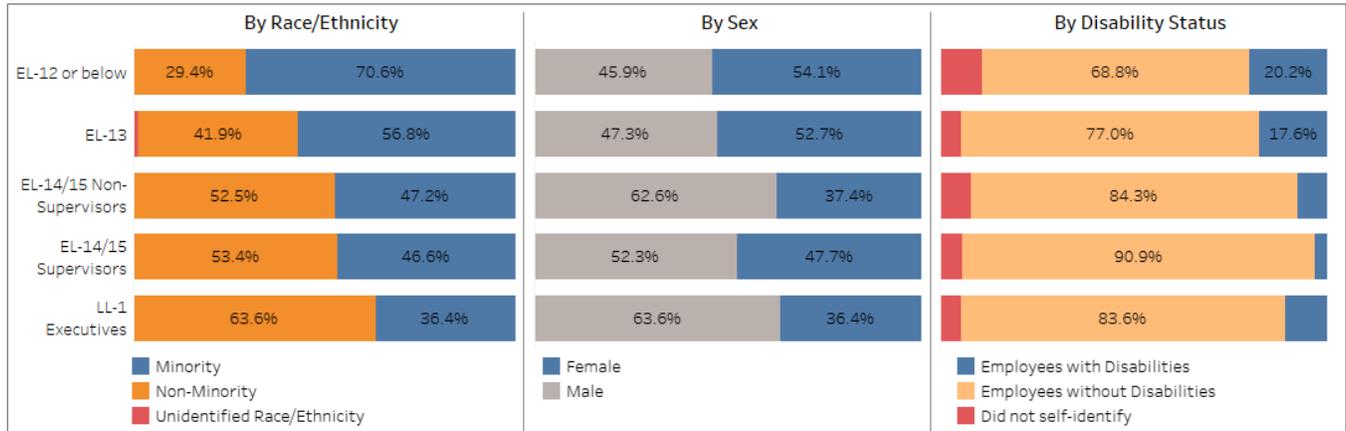


Table 10: Diversity in FHFA Workforce by Pay Band Category and Grade as of December 31, 2023 (Percentages)

Demographic Group	EL-12 or below	EL-13	EL-14/15 Non-Supervisors	EL-14/15 Supervisors	LL-01 Executives	Total
Total Workforce	100.0	100.0	100.0	100.0	100.0	100.0
Race/Ethnicity						
Minority	70.6	56.8	47.2	46.6	36.4	51.1
Black/African American	52.3	25.7	18.6	22.7	18.2	25.3
Asian	9.2	20.3	20.9	15.9	12.7	17.6
Small Racial/Ethnic Minorities	9.2	10.8	7.8	8.0	5.5	8.2
Non-Minority	29.4	41.9	52.5	53.4	63.6	48.6
Unidentified Race/Ethnicity		1.4	0.3			0.3
Sex						
Female	54.1	52.7	37.4	47.7	36.4	43.1
Male	45.9	47.3	62.6	52.3	63.6	56.9
Disability Status						
Employees with Disabilities	20.2	17.6	7.8	3.4	10.9	10.6
Employees without Disabilities	68.8	77.0	84.3	90.9	83.6	81.8
Did not self-identify	11.0	5.4	7.8	5.7	5.5	7.6



Table 11: Diversity in FHFA Workforce by Pay Band Category and Grade as of December 31, 2019 (Percentages)

Demographic Group	EL-12 or below	EL-13	EL-14/15 Non-Supervisors	EL-14/15 Supervisors	LL-01 Executives	Total
Total Workforce	100.0	100.0	100.0	100.0	100.0	100.0
Race/Ethnicity						
Minority	74.7	49.2	38.9	40.3	22.7	44.4
Black/African American	51.6	23.8	14.5	19.4	11.4	21.5
Asian	11.0	19.0	16.9	9.7	4.5	14.5
Small Racial/Ethnic Minorities	12.1	6.3	7.5	11.3	6.8	8.4
Non-Minority	25.3	49.2	60.8	59.7	77.3	55.2
Unidentified Race/Ethnicity		1.6	0.3			0.3
Sex						
Female	62.6	42.9	41.0	41.9	29.5	43.8
Male	37.4	57.1	59.0	58.1	70.5	56.3
Disability Status						
Employees with Disabilities	9.9	6.3	6.3	4.8	9.1	6.9
Employees without Disabilities	80.2	92.1	89.8	90.3	88.6	88.5
Did not self-identify	9.9	1.6	3.9	4.8	2.3	4.6

b. Management Position Diversity

FHFA’s management team consists of employees with leadership skills and broad perspectives from years of experience in government, the private sector, and/or academia. As FHFA’s workforce has grown to support the Agency in executing its mission and achieving its strategic goals, the number of supervisors and executives has also grown. FHFA is committed to ensuring diverse representation at all levels of the Agency, including the supervisor and executive level. **Table 12** depicts the number and percentage of FHFA’s EL-14 and EL-15 supervisors by race, ethnicity, sex, and disability status for 2019 and 2023. **Table 13** illustrates this data for FHFA LL-01 executives in a corresponding format.

EL-14 and EL-15 supervisors increased by approximately 30 new supervisors between 2019 and 2023. Asian supervisors more than doubled in number during this period, and the proportion of Asian supervisors rose from 9.7 percent of all supervisors in 2019 to 15.9 percent in 2023. Similarly, the proportion of Black/African American supervisors increased from 19.4 percent in



2019 to 22.7 percent in 2023. The number of supervisors from Small Racial/Ethnic Minorities remained almost the same, but the percentage dropped by 3.3 percentage points between 2019 and 2023 as the overall number of supervisors grew.

The number of EL-14 and EL-15 female supervisors experienced a noteworthy increase, surging by over 60.0 percent from 2019 to 2023. As evidenced in **Table 12**, the proportion of female supervisors rose from 41.9 percent in 2019 to 47.7 percent in 2023. Asian female supervisors increased from zero in 2019 to more than five in 2023.

Lastly, while the number of EL-14 and EL-15 supervisors with disabilities remained comparable across both years, the proportion of supervisors with disabilities decreased by approximately 1.4 percentage points. This is mainly attributed to the increase in the number of supervisors without disabilities during the same period.

Table 12: Diversity in FHFA EL-14 and EL-15 Supervisors 2019 and 2023 (Percentages)

Demographic Group	2019	2023
Total Supervisors	100.0	100.0
Race/Ethnicity		
Black/African American	19.4	22.7
Asian	9.7	15.9
Small Racial/Ethnic Minorities	11.3	8.0
Non-Minority and Unidentified	59.7	53.4
Sex		
Female	41.9	47.7
Male	58.1	52.3
Disability Status		
Employees with Disabilities	4.8	3.4
Employees without Disabilities	90.3	90.9
Did not self-identify	4.8	5.7

The number of LL-01 executives increased substantially between 2019 and 2023, with a five-year increase of approximately 25.0 percent. Of these, 36.4 percent were racial and ethnic minorities. Similar to the surge in the number of Asians and Black/African American supervisors, executives in these groups doubled or even tripled their numbers from 2019. Black/African American executives experienced the most notable increase between 2019 and



2023. By the end of 2023, nearly two in every ten executives was Black/African American, and Asian executives constituted 12.7 percent of all executives, as presented in **Table 13**.

Furthermore, the number of female executives increased by more than 50 percent from 2019 to 2023. In 2023, females held almost 4 in every 10 executive positions during the same period, up from 3 out of every 10 executive positions in 2019.

For employees with disabilities, both the number and the proportion of executives with disabilities increased from 2019 to 2023. The percent of executives with disabilities rose from 9.1 percent in 2019 to 10.9 percent in 2023, reflecting a positive trend toward increased diversity within this group.

Table 13: Diversity in FHFA Executives 2019 and 2023 (Percentages)

Demographic Group	2019	2023
Total Executives	100.0	100.0
Race/Ethnicity		
Black/African American	11.4	18.2
Asian	4.5	12.7
Small Racial/Ethnic Minorities	6.8	5.5
Non-Minority and Unidentified	77.3	63.6
Sex		
Female	29.5	36.4
Male	70.5	63.6
Disability Status		
Employees with Disabilities	9.1	10.9
Employees without Disabilities	88.6	83.6
Did not self-identify	2.3	5.5

IV. Internships

Each year FHFA participates in the federal government’s Pathways Summer Internship Program (PSIP) for college and graduate students. PSIP provides meaningful training and career development opportunities for individuals interested in a career in the federal government, and for those pursuing an undergraduate or graduate degree in economics, financial or business management, statistics, mathematics, accounting, or information technology, an internship at



FHFA is especially a good fit. Internships at FHFA are paid positions where students work on assignments that correlate to their areas of study.

FHFA hosted 29 PSIP interns in 2023 from various schools across the nation. The students acclimated quickly into their new roles and significantly contributed to their assigned division/office. The interns strengthened their interpersonal, technical, and analytical skills through projects that included developing Tableau dashboards, creating software programs, designing program requirements and guidance, and performing audits of examination workpapers. They also participated in “Lunch and Learn” events led by several FHFA senior leaders, including a Friday series titled “Securitization 101” and 45-minute training modules covering the Enterprises and the FHLBanks’ mission and operations. The sessions provided interns with background knowledge necessary to be successful in their assignments. **Table 14** shows the diversity profile of the 29 interns who completed PSIP. Of the 29 individuals, 34.5 percent were female, and 48.3 percent identified as racial and ethnic minorities.

Table 14: Diversity in FHFA 2023 Summer Interns

Race and Ethnicity	Female		Male		Total	
	Number	Percent	Number	Percent	Number	Percent
Total Interns	10	34.5	19	65.5	29	100
Minority	5	17.2	9	31.0	14	48.3
Non-Minority	5	17.2	10	34.5	15	51.7

FHFA also hosted its second annual High School Scholars Internship Program (HSSIP) in 2023. The program welcomed eight rising seniors from D.C. public high schools to participate in a six-week paid summer internship.²⁹ FHFA partnered with the Office of the Comptroller of the Currency (OCC), U.S. Securities and Exchange Commission, and the District of Columbia Department of Employment Services (DOES) under the Mayor Marion S. Barry Summer Youth Employment Program. The goal of the program was to explore professional workplace knowledge, skills and competencies, improve financial literacy, and gain valuable information

²⁹ HSSIP interns were employed as contract workers at FHFA through an agreement with DOES, and therefore, are not included in the Agency’s workforce data.



about career paths in the financial services industry. The 2023 program was enhanced by incorporating external learning experiences such as off-site visits to Low Income Housing Tax Credit residential communities, Fannie Mae offices in Midtown Center, the White House, and the National Building Museum. Furthermore, through FHFA's partnership with OCC, interns participated in the first HSSIP Career Fair which featured multiple exhibitors, group activities, fireside chats, and presentations from over 50 interns. Of the eight high school interns, fewer than half were female, and all of them identified as racial and ethnic minorities.

V. Successes

a. Management Development and Employee Training

FHFA makes available a variety of career and leadership development opportunities and encourages employees at all levels within the organization to enhance their knowledge through formal training, job rotation, details, and self-development. These opportunities and programs serve the growth of diverse and non-diverse staff alike. To further enhance Agency-wide professional development offerings, FHFA implemented Talent365, a new Learning Management System in September 2023. This new system puts learning and career development in the hands of each employee by providing them access to over 3,000 on-demand videos and training courses, in a variety of subject areas, including DEIA. Additionally, Talent365 houses information about all professional, mission/technical, career, and leadership development programs and opportunities, including for coaching, mentoring, developmental details, and much more.

Also, in FY 2023, the Agency launched FHFA's People Plan, which was designed to ensure that FHFA uses a holistic strategy to equip and empower its workforce to fulfill the Agency's mission and goals successfully. The People Plan aims to achieve three core goals while focusing on FAIR Values and DEIA: building workforce capacity, developing workforce capabilities, and cultivating a performance culture. The FY 2023 People Operating Plan was focused on the objective to "build a sustained leadership commitment and accountability for a diverse and inclusive FHFA." To support that objective, in 2023 FHFA opened its Annual Managers' Conference to non-managers and renamed it the FHFA Leadership Conference, with a theme of "Accountable Leadership at all Levels." Additionally, FHFA Senior Leadership participated in "Outward Mindset," a one-day workshop facilitated by the Arbinger Institute. This workshop



focused on developing a leadership mindset that governs behaviors towards and relationships with colleagues and employees.

Each year, FHFA issues an EEO Policy Statement to its employees, accompanied by educational programs and materials focused on preventing discriminatory harassment and fostering workplace civility. This initiative aims to prevent disrespectful behavior and harassment within the organization. Furthermore, the policy emphasized FHFA's dedication to instilling FHFA's FAIR Values into the Agency's culture, as well as into its policies, practices, and procedures. Throughout the year, newly hired employees received training on the No FEAR Act, covering antidiscrimination and whistleblower protection laws during the New Employee Orientation (NEO) program. Additionally, the Agency offers confidential ombuds services to its employees in collaboration with a third-party organization. These services help to facilitate the resolution of both EEO and non-EEO disputes.

FHFA's Ethics Office, within the Office of General Counsel (OGC), provided annual ethics training to all employees, accessible online through the Agency's training portal. The training used a gamified approach to review ethics statutes and regulations and addressed common ethics issues, where participants actively controlled the outcome. In 2023, FHFA provided new FHFA employees an in-person ethics briefing and related materials within two weeks of joining the Agency. FHFA employee iPhones include the FHFA Ethics application ("app"), which summarizes federal ethics rules and Agency policies as well as contact information for FHFA's Ethics Office, FHFA's Office of Inspector General, U.S. Office of Government Ethics (USOGE), and the U.S. Office of Special Counsel. FHFA's Ethics Office sends quarterly newsletters to all FHFA employees featuring principles of ethical behavior, updates from the USOGE, and other information supporting OMWI initiatives.

b. Reasonable Accommodations and Section 508 Program

The Agency provides managers and employees education regarding FHFA's Reasonable Accommodation and Personal Assistance Services policy, procedures, and processes through online training and individual briefings. Managers and employees also receive assistance through the employee relations process. New employees receive information about how to initiate a request for an accommodation at the NEO session. Additionally, FHFA provided employees with guidance on requesting reasonable accommodations through the weekly FHFA Fresh Facts



newsletter. The Reasonable Accommodation program continued to see an increase in the number of requests since FHFA transitioned to a hybrid work environment. FHFA vacancy announcements provide instructions for applicants with disabilities who require reasonable accommodation during any stage of the application and hiring process. However, no applicants requested accommodation in 2023. FHFA has an interagency agreement with the Federal Occupational Health (FOH) and consults with FOH for analyses and recommendations on reasonable accommodation requests.

The Chief Operating Officer and Chief Information Officer at FHFA oversee the Agency's efforts to comply with Section 508 of the Rehabilitation Act of 1973 (commonly known as the Section 508 Program).³⁰ As part of the program, FHFA conducts periodic information sharing sessions with its divisions and offices. The goal is to increase accessibility of Information Communications Technology (ICT) developed, procured, maintained, or used by the Agency. In 2023, FHFA maintained its commitment to enhancing the accessibility of Portable Document Format (PDF) files that it published externally. The Agency placed greater emphasis on overall accessibility for FHFA.gov. Notably, FHFA introduced a third-party tool that empowers end-users to customize accessibility adjustments according to their preference.

FHFA continues to review ICT acquisitions to ensure that products and services are reviewed and selected pursuant to the Federal Acquisition Regulation.³¹ The Agency's 508 Compliance Specialist continues to collaborate with each division and office to provide training and guidance to further enhance compliance.

FHFA responded to the requirements of Section 752 of the Consolidated Appropriations Act of 2023 by providing an Agency assessment to the General Services Administration for compliance with Section 508 of the Rehabilitation Act of 1973, as amended.

³⁰ 29 U.S.C. § 794(d).

³¹ FAR subpart 39.2 – Information and Communication Technology.



c. Diversity Awareness Through Special Emphasis Programs

OMWI is responsible for leading FHFA's DEIA efforts. An important component of this is hosting the Agency's SEP events. To foster awareness among employees and promote DEIA within the Agency, OMWI collaborates with the FHFA SEP Working Group³² to develop and organize educational and culturally competent SEP events. These events serve as a pillar of FHFA's community and workplace culture, providing opportunities for the FHFA community to come together and deepen their DEIA knowledge through the experiences of guest speakers, cultural events, and personal stories.

In 2023, OMWI organized and co-sponsored a series of SEP events in collaboration with other FHFA divisions and offices. Several of these events were conducted in a hybrid format, expanding accessibility for staff on remote or hybrid work schedules. As demonstrated by positive feedback received through post-event surveys and the adoption of hybrid formats, OMWI has witnessed a notable increase in participation in SEP events. In addition to the events required by regulation – focused on the Hispanic Employment Program, Federal Women's Program, and Program for Persons with Disabilities³³ – the SEP events commemorated Martin Luther King, Jr. Day; African American History Month; Women's History Month; Holocaust Remembrance Day; Asian Americans, Native Hawaiians, and Pacific Islanders (AANHPI) Heritage Month; Lesbian, Gay, Bisexual, Transgender, Queer+ (LGBTQ+) Month; Juneteenth; Women's Equality Day; National Hispanic Heritage Month; National Disability Employment Awareness Month; and Native American Heritage Month. See **Appendix A** for a detailed list of the 2023 co-sponsored SEP events.

A noteworthy accomplishment of the SEP program in 2023 was that for the first time in Agency history, FHFA collaborated with other agencies when hosting SEP events. In celebration of Native American Heritage Month, FHFA, National Endowment for the Arts (NEA), National Endowment for the Humanities (NEH), and OCC hosted an event celebrating tribal sovereignty and identity. The event featured speakers including Dr. Maria Rosario Jackson, NEA Chair, Chef

³² OMWI formed the SEP Working Group in July 2018 as an employee engagement and inclusion strategy to facilitate the development and production of SEP events. The SEP Working Group consist of representatives of the Office of General Counsel, the Office of Chief Operating Officer, the Office of Equal Opportunity and Fairness, and the Office of Minority and Women Inclusion.

³³ See 29 CFR 1614.102.



Sean Sherman, Executive Director and founder of North American Traditional Indigenous Food Systems (NATIFS), and Shelly C. Lowe, NEH Chair. Dr. Jackson interviewed Ms. Lowe, who shared her firsthand experience on growing up on a reservation without learning the native language. Chef Sherman discussed indigenous food and provided education on the traditions lost due to forced assimilation that NATIFS is trying to revive. There were 301 employees across all agencies in attendance.

d. Workforce Culture – Employee Resource Groups

FHFA ERGs are voluntary, employee-led groups that provide key support resources for employees and play an essential role in fostering an engaged and inclusive workforce. ERGs encourage networking and collaboration on career management, personal and professional development, community involvement, and other issues. The ERGs are inclusive groups open to all employees, regardless of their affiliation with a particular group's area of focus. Each group's activities are guided by a leadership team made up of employee volunteers and an executive sponsor. The Agency supports six ERGs: Pride Alliance (LGBTQ+); FHFA Cares: Parents and Caregivers; Asian-American Pacific Islander Leadership, Engagement, Affinity, and Diversity (AAPI-LEAD); Veterans Employee Resource Group (VeRG); Disability Perspectives; and the Jewish Culture Club (JCC).

OMWI functions as the overall program coordinator of the FHFA ERG program, and in 2023, took steps to improve the administrative functions of the ERGs, such as maintaining intranet pages, coordinating with leadership from each ERG on budget and schedules, and assisting with event planning. Each of the Agency ERGs have a specific focus area, plan events, and provide resources to help support their members. The ERGs have provided a valuable resource for employees to develop networks and relationships and promote overall workforce inclusiveness and engagement.

The Pride Alliance promotes equitable policies and practices for FHFA employees including, but not restricted to, LGBTQ+ identities. This ERG engaged its membership in numerous activities throughout the year including highlighting in the Agency's Fresh Facts newsletter the OPM guidance and White House Fact sheet released on International Transgender Day of Visibility and encouraging the publication of a new Agency procedure on employees' ability to use their chosen names in Microsoft Outlook and Teams. The Pride Alliance also co-sponsored the



Agency’s Pride month SEP event in June, welcoming two transgender presenters to speak to the FHFA workforce on bringing their skills to the Agency mission.

FHFA Cares provides a networking and relationship building resource for FHFA employees who are caregivers outside of work, whether for their children, grandchildren, parents, or others. In 2023, FHFA Cares launched a quarterly in-person informal lunch networking series for group members to meet, engage, and share resources with others about their caregiving experiences and challenges. FHFA Cares also coordinated with OHRM for an orientation on the benefits available to FHFA employees under the Employee Assistance Program and Work Life Programs.

AAPI-LEAD fosters an environment at FHFA in which AAPI employees can grow professionally and personally through career development, networking, community, and coalition building, while celebrating their unique identities as individuals and cultural heritages. In May 2023, AAPI-LEAD partnered with OMWI and OCC’s ERG, the Network of Asian Pacific Americans, to honor AANHPI Heritage Month. Acting Comptroller Hsu shared insight on existing barriers for AANHPI communities in obtaining leadership opportunities and provided personal experience of his leadership journey. In addition, in September 2023, AAPI-LEAD hosted a professional development training to equip group members with ways to reach their unique potential in the workplace. The ERG also coordinated an Agency-wide Diwali celebration in November 2023, bringing together employees to network and learn about the holiday.

VeRG promotes professionalism and develops training and programs to enhance the lives of veterans and improve the work of those they support. VeRG coordinated several events to commemorate Veterans Day during November 2023, including a lunch with the Agency Director and staff who are veterans. The group’s members additionally gathered for a walk to the World War II memorial on the National Mall. VeRG also sponsored a “Service to Service” panel discussion where FHFA employee panelists shared stories about their transition from military to federal service. Finally, during the 2023 Combined Federal Campaign, FHFA hosted shelter and housing-related charities and partnered with VeRG to showcase military and veterans-related charities.

Disability Perspectives provides a platform for individuals with disabilities and their allies to discuss workplace accessibility and engagement, as well as ways in which the Agency can enhance the experience of persons with disabilities. In July 2023, Disability Perspectives hosted



virtual team trivia, which featured questions on a variety of topics including laws protecting individuals with disabilities. In honor of National Disability Employment Awareness Month in October, the ERG co-hosted three programs throughout the month to promote the 2023 theme “Advancing Access and Equity.” These programs included an external speaker who discussed empowering employees with disabilities, reducing stigmas surrounding disabilities, and valuing individuals’ differences. In addition, the ERG co-sponsored two lunch-and-learns during October. An employee from FHFA’s Office of Technology and Information Management (OTIM) delivered presentations on accessibility, accessible PDF content, and document compliance with Section 508 of the Rehabilitation Act. These educational sessions also discussed employing the FHFA Style Guide and OTIM’s Enterprise Architecture and Compliance Formatting Guide to generate inclusive and accessible Word and PowerPoint materials.

JCC fosters an environment at FHFA for Jewish employees and all others seeking to cultivate an understanding of Jewish culture to grow professionally. JCC launched in 2023 and kicked off their ERG programming with a virtual lunch-and-learn in September to educate participants on the meanings, traditions, and foods of the Jewish holidays in the Fall. JCC also hosts regular group check-ins for members.

e. Workforce Culture – Values-Based Culture Initiative

FHFA launched a Values-Based Culture Initiative (VBCI) in 2022 to critically examine its current culture and define a more unified future that is firmly rooted in the FAIR Values of Fairness, Accountability, Integrity, and Respect. The VBCI addressed a variety of topics in 2023 pertinent to building a values-based culture for FHFA through communications campaigns related to each of the FAIR Values as well as Psychological Safety. Within each campaign, the Agency presented the workforce with articles, tools, resources, talking points, and curated content to highlight each theme area. In addition, FHFA installed a FAIR Values sign in the FHFA lobby as a reminder of the expectations for staff.

Collaboratively across the Agency, we have identified behaviors that best demonstrate the FAIR Values:

- Fairness
 - Treat others equitably;
 - Listen with an open mind, considering all ideas; and



- Make informed decisions through transparent processes.
- Accountability
 - Pursue professional excellence while honoring the commitment to public service;
 - Give and accept feedback; and
 - Reflect upon and own your actions.
- Integrity
 - Be ethical, honest, and truthful in all interactions;
 - Make clear commitments and take responsibility for them; and
 - Acknowledge the contributions of others.
- Respect
 - Treat others with professionalism and dignity;
 - Learn, understand, and honor employee differences; and
 - Collaborate and communicate with others, sharing information and resources.

As a continuation of the VBCI, OMWI spearheaded a DEIA Awareness Campaign designed to provide staff a sound understanding of DEIA and how these foundational principles support the Agency’s core values and organizational culture. OMWI kicked off the campaign with a focus on inclusion, which the Agency recognizes as a critical and foundational principle in achieving success in its mission. The Agency is continuing the DEIA Awareness Campaign in 2024 with a focus on the remaining concepts of diversity, equity, and accessibility.

Each campaign featured a speaker to talk about their respective theme area. The following events took place in 2023:

- On January 19, Kimberly Young-McLear, Ph.D., an expert of organizational culture and culture change, presented the seven parts of her framework for creating a healthy and innovative workforce.
- On August 22, Minette Norman came to FHFA to present on a book she co-authored, “The Psychological Safety Playbook.” She discussed how creating a high performing, innovate workforce starts with building a foundation of respect and shared humanity.
- On November 21, Minette Norman returned to FHFA and joined the DEIA Awareness Campaign for a discussion on inclusion. She discussed her new book, “The Boldly Inclusive Leader,” which describes how to create a culture where diverse teams flourish through inclusive leadership.



f. **Workforce Culture – DEIA Author Series and Leadership Speaker Series**

FHFA strives to provide opportunities for growth, learning, and understanding of various cultures and backgrounds. FHFA regularly notifies employees about DEIA activities, training, and related policies through postings in the weekly FHFA Fresh Facts newsletter and on the FHFA intranet, including through communications displayed on the Agency’s events rotator. As part of this effort, DEIA programming and communication in 2023 included providing training resources to staff as well as offering a recurring DEIA Author Series, and Leadership Speaker series co-sponsored by Agency divisions and offices.

In the events featured below, an author presented on their area of expertise and interacted with participants in a virtual setting. Additionally, interested employees received the author’s associated book to assist with application beyond the event. Employees claimed over 800 books. Some of the highlighted events include:

- On February 1, Jacqueline Baker presented “The Unexpected Leader.” This session focused on accountability and meeting the demands of a rapidly changing workforce with a new approach to leadership development. A total of 150 employees received books for this event.
- On May 2, Sally Helgesen presented “Rising Together: How We Can Bridge Divides and Create a More Inclusive Workplace!” This session focused on practical ways to build more inclusive relationships, teams, and workplaces. A total of 71 employees received books for this event.
- On June 6, Richard and Leah Rothstein presented “Just Action: How to Challenge Segregation Under the Color of Law.” The presentation tackled the challenging question of what can be done to disrupt segregation so that all can realize the promise of opportunity and prosperity. A total of 100 employees received books for this event.
- On July 18, Ella Washington presented “The Necessary Journey: Making Real Progress on Equity and Inclusion!” This session provided insight into the difficult journey of creating an organization that values diversity, equity, and inclusion rather than viewing it as a program to get done. A total of 100 employees received books for this event.
- On August 8, Dr. J. Bruce Stewart presented “The Click Code – Why Some Teams Click and Other’s Don’t!” This session provided a focus on the need to have a diversity of roles, putting the team first, and fostering psychological safety. A total of 100 employees



received books for this event.

- On September 12, Carol Kauffman presented “Real-Time Leadership.” session provided insight into Kauffman’s MOVE framework which equips leaders with the tactics necessary to slow down high-stakes situations so they can master the moment, generate response options, and evaluate those options before acting. A total of 71 employees received books for this event.
- On September 14, Dr. Heidi Roop presented “The Climate Action Handbook: A Visual Guide to 100 Climate Solutions for Everyone.” This session provided expert advice on building resilience to climate change. A total of 100 employees received books for this event.
- On December 6, Jerry Colonna presented “Reunion: Leadership and the Longing to Belong.” This session provided insights and advice that will help create an inclusive and welcoming workspace, discover the best of who they are, and nurture and support those whom they are privileged to lead. A total of 55 employees received books for this event.

g. Diversity Recruitment

FHFA’s ongoing recruitment strategy resulted in new external networking opportunities and internal collaborations from which to develop a diverse pool of applicants. With the continuation of a hybrid working environment, the Agency used both virtual and in-person recruitment strategies.

FHFA is continuing to integrate DEIA into each stage of the Agency’s recruitment efforts. FHFA finalized a Strategic Recruitment Plan that incorporates DEIA as a key component to the overall strategy. The Agency has used the strategy to recruit honors attorneys, examiner trainees, student trainees, and other positions. Additionally, FHFA has contracted with the Professional Diversity Network (PDN) to increase diversity recruitment. All FHFA job announcements are now posted with PDN’s 8 affinity sites as well as over 26 professional diversity partnership sites.

FHFA staff attended the following events to support diversity outreach:

- Partnership for Public Service: Navigating Your Federal Career: Expo for Students, Interns and Recent Grads;
- University of Maryland ECON Career Success Night; and



- CyberCorps Scholarship for Service Job Fair.

VI. Challenges

While FHFA launched a variety of initiatives designed to improve the Agency’s culture and overall employee satisfaction, we experienced a downward trend in the Employee Engagement³⁴ index of the Federal Employee Viewpoint Survey (FEVS). As measured by this index, Employee Engagement has declined since its peak in 2020 at 78.5 percent. The index hit 70.8 percent in 2023, which was a 5.7 percentage point decrease from 2022. The biggest impact in employee engagement was seen in Leaders Lead where there was a 14.8 percentage point decrease from the peak in 2020 (71.4 percent) to 2023 (56.6 percent). In response to the FEVS results, to the Agency implemented a series of actions to aid progress in increasing clarity of work expectations, building trust between staff and leadership, and educating senior leadership on motivating and inspiring staff.

In addition, the Agency has opportunities to increase representation of females, Hispanic/Latino, and employees with disabilities in its workforce. Although the number of FHFA employees increased by 13.3 percent, female representation decreased slightly by 0.7 percentage points in 2023 as compared to 2019. Additionally, female representation at FHFA (43.1 percent) is lower than all three benchmarks RCLF (57.0 percent), CLF (48.2 percent), and federal workforce (45.4 percent). Hispanic/Latino representation remained stagnant at less than 6.0 percent in 2023, similar to 2019 levels. From 2019 to 2023, employees with disabilities increased by 3.7 percentage points, to 10.6 percent in 2023. However, this was still lower than the federal workforce benchmark of 19.5 percent. Additionally, FHFA employees with disabilities in the EL-11 and above category represented 10.0 percent in 2023, below the federal government goal of 12.0 percent for the same category. This is also reflected in the results of the barrier analysis performed by OPM for FHFA in 2022, which indicated adverse impact in the selection of Hispanic/Latino, females, and persons with disabilities. Based on the recommendations, the

³⁴ The Employee Engagement Index measures conditions that are conducive to employee engagement. Engagement overall relates to employee motivation. The index is comprised of three sub-indices: Leaders Lead, Supervisors, and Intrinsic Work Experience.



Agency is planning to conduct a review of FHFA's policies and procedures in 2024 to further identify potential barriers.



C. FHFA Business Diversity and Inclusion

FHFA’s DEI objectives also extend to its contracting activities. To meet requirements to promote the use of MWOBs in the Agency’s business activities, FHFA strives to increase the percentage of its funds obligated under contracting actions with MWOBs, consistent with legal standards. For purposes of this Report, contracting actions include contract awards, contract modifications, and contract cancellations. Contract obligations reflect the total amount of dollars obligated and de-obligated on contracts throughout CY 2023. This section provides information on the Agency’s contracting activities, as well as the Agency’s procurement-related DEI strategies, successes, and challenges during CY 2023. As FHFA implements its DEIA Policy Statement and Standards, it will leverage its commitment to all the elements of DEIA in its contractor outreach efforts to continue to promote increased MWOB participation in FHFA business opportunities.

I. Contracting Activities and Five-Year Analysis

In 2023, FHFA executed 806 contracting actions with a total obligated amount of \$104,374,713 (\$34,551,496 more than in 2022), of which 410 contracting actions were with MWOBs for total obligations of \$36,439,719.³⁵ In fact, the 2023 MWOB obligation amount was the largest in FHFA’s history and exceeded 2022’s previous historical obligation amount by \$6,582,821, or 22.0 percent. The Agency also continued to exceed its annual performance goal based on an average of the previous five fiscal years’ total obligated amount since FY 2021.

Table 15 and **Table 16** provide a historical breakdown, from 2019 through 2023, of contracting actions and percentages, as well as the dollar value of obligations to MWOBs.

³⁵ Building leases and interagency agreements are not included in the total actions and obligated amounts reported.



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Table 15: FHFA Five-Year Contracting Actions Overview 2019 -2023³⁶

Business Diversity Status	Calendar Year									
	2019		2020		2021		2022		2023	
	No	Percent	No	Percent	No	Percent	No	Percent	No	Percent
Total Contracting Actions	472	100	568	100	680	100	721	100	806	100
MWOBs³⁷	178	37.7	206	36.3	276	40.6	346	48	410	50.9
Non-MWOBs	294	62.3	362	63.7	404	59.4	375	52	396	49.1
Minority-Owned	105	22.2	122	21.5	162	23.8	225	31.2	233	28.9
Black/African American	26	5.5	45	7.9	56	8.2	92	12.8	92	11.4
Asian American	36	7.6	32	5.6	39	5.7	59	8.2	76	9.4
Hispanic American	30	6.4	26	4.6	40	5.9	47	6.5	38	4.7
Native American	13	2.8	19	3.3	27	4	27	3.7	27	3.3
Women-Owned	115	24.4	138	24.3	190	27.9	237	32.9	287	35.6
Black/African American	16	3.4	29	5.1	37	5.4	67	9.3	58	7.2
Asian American	9	1.9	7	1.2	15	2.2	20	2.8	27	3.3
Hispanic American	17	3.6	18	3.2	24	3.5	28	3.9	18	2.2
Native American	0	0.0	0	0.0	0	0.0	1	0.1	7	0.9
Non-Minority	73	15.5	84	14.8	114	16.8	121	16.8	177	22

³⁶ Historical data may differ slightly due to rounding and changes in methodology over time.

³⁷ In Tables 15 through 18: MWOBs stands for Minority- and Women-Owned Businesses. In the separate Minority-Owned and Women-Owned categories, double counting occurs as these figures include businesses that are both Minority- and Women-Owned. Thus, if added together, the Minority-Owned and Women-Owned categories may be greater than the total number of MWOBs.

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Table 16: FHFA Five-Year Obligated Amount Overview 2019 - 2023³⁸

Business Diversity Status	Calendar Year									
	2019		2020		2021		2022		2023	
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
Total Obligated Amount	\$47,985,308	100.0	\$70,322,529	100.0	\$72,888,707	100.0	\$69,823,217	100.0	\$104,374,713	100.0
MWOBs	\$10,755,549	22.4	\$11,523,955	16.4	\$13,755,131	18.9	\$29,856,898	42.8	\$36,439,719	34.9
Non-MWOBs	\$37,229,760	77.6	\$58,798,574	83.6	\$59,133,575	81.1	\$39,966,320	57.2	\$67,934,994	65.1
Minority-Owned	\$7,159,277	14.9	\$9,270,904	13.2	\$10,669,734	14.6	\$21,739,742	31.1	\$28,436,027	27.2
Black/African American	\$1,012,364	2.1	\$1,071,349	1.5	\$1,769,331	2.4	\$2,537,118	3.6	\$4,814,552	4.6
Asian American	\$1,213,127	2.5	\$2,495,645	3.5	\$3,018,087	4.1	\$10,802,459	15.5	\$10,037,694	9.6
Hispanic American	\$4,661,607	9.7	\$5,198,365	7.4	\$5,292,867	7.3	\$7,168,620	10.3	\$10,954,469	10.5
Native American	\$272,178	0.6	\$505,546	0.7	\$589,449	0.8	\$1,231,544	1.8	\$2,629,341	2.5
Women-Owned	\$8,161,429	17.0	\$8,615,825	12.3	\$9,669,495	13.3	\$14,356,938	20.6	\$22,991,181	22.0
Black/African American	\$894,894	1.9	\$994,413	1.4	\$1,358,102	1.9	\$1,579,063	2.3	\$3,459,284	3.3
Asian American	\$148,945	0.3	\$245,757	0.3	\$321,385	0.4	\$1,086,028	1.6	\$3,428,346	3.3
Hispanic American	\$3,521,319	7.3	\$5,122,605	7.3	\$4,904,612	6.7	\$3,574,691	5.1	\$8,038,101	7.7
Native American	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0	\$61,758	0.1
Non-Minority	\$3,596,271	7.5	\$2,253,051	3.2	\$3,085,397	4.2	\$8,117,156	11.6	\$8,003,693	7.7

³⁸ Rounding causes a difference of \$1 when comparing the sum of obligated dollars for MWOBs and non-MWOBs to total dollars obligated. Historical data may differ slightly due to rounding and changes in methodology over time.

II. FHFA 2023 Top Six North American Industry Classification System Codes Contracting Actions and Obligated Amounts

During 2023, FHFA evaluated the contracting actions and obligated amounts as categorized under the North American Industry Classification System (NAICS). This standardized system is used by federal agencies to categorize business establishments for collecting, analyzing, and publishing statistical data related to the country's economy.³⁹

FHFA's highest categories of obligations in 2023 were in six specific NAICS categories and codes that collectively accounted for slightly over half (52.4 percent) of all contracting actions and 76.6 percent of the total obligated amount. The top six NAICS codes include: Offices of Lawyers (541110), Other Computer Related Services (541519), Administrative Management and General Management Consulting Services (541611), Custom Computer Programming Services (541511), Investment Banking and Securities Intermediation (523150),⁴⁰ and Credit Bureaus (561450). These categories correspond generally to information, legal, technology, and other consulting services.

In 2023, there were a total of 422 contracting actions within the top six NAICS categories. Among these, 227 (53.8 percent) were with MWOBs, while the remaining 195 (46.2 percent) were with non-MWOBs. Notably, for two consecutive years, FHFA conducted more than half of all actions within these top six NAICS categories with MWOBs. **Figure 6** and **Table 17** provide a visual representation of FHFA's distribution of contracting actions between MWOBs and non-MWOBs in these categories.

Of the total obligated amount of \$79,963,456 in the top six NAICS categories, 35.7 percent were with MWOBs. Three categories accounted for 99.5 percent of the obligated amount with MWOBs. These three: Other Computer Related Services (541519), Administrative Management and General Management (541611), and Custom Computer Programming Services (541511)

³⁹ North American Industry Classification System, 2022, U.S. Census. During 2022, FHFA updated its records to the 2022 NAICS; https://www.census.gov/naics/reference_files_tools/2022_NAICS_Manual.pdf

⁴⁰ The NAICS code for Investment Banking and Securities Intermediation (523150) was previously 523110 in previous years' reports prior to the NAICS 2022 update.



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awarded 84.7 percent, 61.6 percent, and 42.7 percent of their total obligated amounts to MWOBs, respectively. In contrast, Offices of Lawyers (541110) awarded 99.5 percent of their obligations to non-MWOBs. Moreover, Investment Banking and Securities Intermediation (523150) and Credit Bureaus (561450) did not have obligations with MWOBs throughout 2023.

The distribution of obligation amounts to MWOBs in the top six NAICS categories for 2023 is shown in **Figure 7** and **Table 18**.

Figure 6: FHFA 2023 Contracting Actions in Top Six NAICS Categories

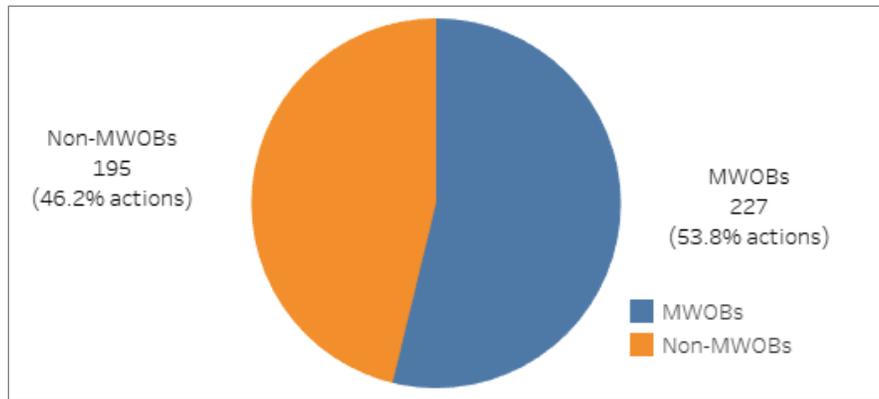
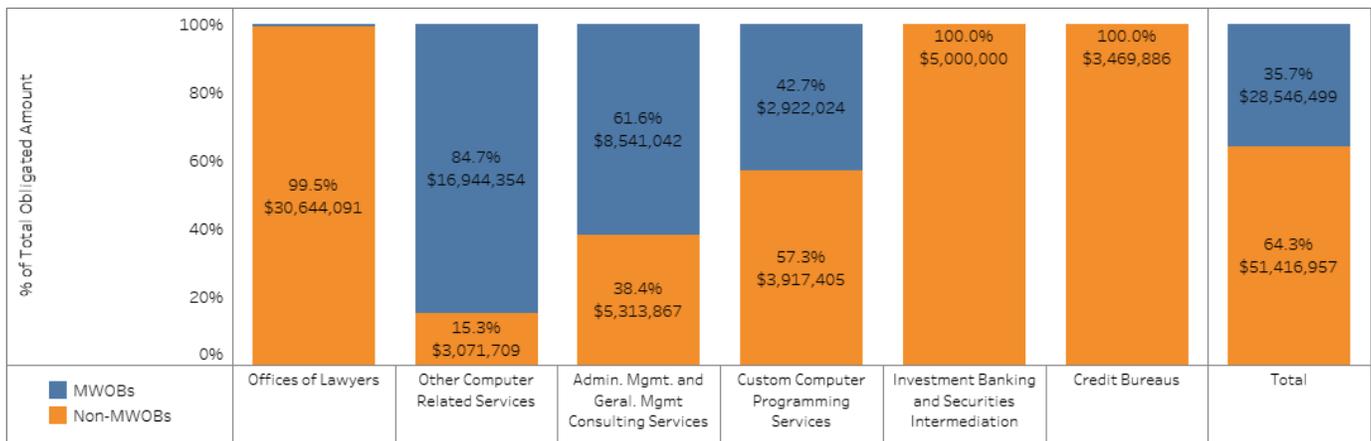


Figure 7: FHFA 2023 Obligated Amount in Top Six NAICS Categories



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Table 17: FHFA 2023 Overview of Contracting Actions in Top Six NAICS Categories

Business Diversity Status	541110		541519		541611		541511		523150		561450		Total Top NAICS	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total Contracting Actions	84	100.0	162	100.0	149	100.0	18	100.0	2	100.0	7	100.0	422	100.0
MWOBs	24	28.6	110	67.9	84	56.4	9	50.0	0	0.0	0	0.0	227	53.8
Non-MWOBs	60	71.4	52	32.1	65	43.6	9	50.0	2	100.0	7	100.0	195	46.2
Minority-Owned	9	10.7	55	34.0	55	36.9	9	50.0	0	0.0	0	0.0	128	30.3
Black/African American	1	1.2	2	1.2	39	26.2	0	0.0	0	0.0	0	0.0	42	10.0
Asian American	8	9.5	26	16.0	15	10.1	0	0.0	0	0.0	0	0.0	49	11.6
Hispanic American	0	0.0	20	12.3	0	0.0	9	50.0	0	0.0	0	0.0	29	6.9
Native American	0	0.0	7	4.3	1	0.7	0	0.0	0	0.0	0	0.0	8	1.9
Women-Owned	16	19.0	81	50.0	67	45.0	0	0.0	0	0.0	0	0.0	164	38.9
Black/African American	1	1.2	0	0.0	34	22.8	0	0.0	0	0.0	0	0.0	35	8.3
Asian American	0	0.0	12	7.4	4	2.7	0	0.0	0	0.0	0	0.0	16	3.8
Hispanic American	0	0.0	14	8.6	0	0.0	0	0.0	0	0.0	0	0.0	14	3.3
Non-Minority	15	17.9	55	34.0	29	19.5	0	0.0	0	0.0	0	0.0	99	23.5

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Table 18: FHFA 2023 Overview of Obligated Amount in Top Six NAICS Categories⁴¹

Business Diversity Status	541110		541519		541611		541511		523150		561450		Total Top NAICS	
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
Total Obligated Amount	\$30,783,170	100.0	\$20,016,062	100.0	\$13,854,909	100.0	\$6,839,429	100.0	\$5,000,000	100.0	\$3,469,886	100.0	\$79,963,456	100.0
MWOBs	\$139,080	0.5	\$16,944,354	84.7	\$8,541,042	61.6	\$2,922,024	42.7	\$0	0.0	\$0	0.0	\$28,546,499	35.7
Non-MWOBs	\$30,644,091	99.5	\$3,071,709	15.3	\$5,313,867	38.4	\$3,917,405	57.3	\$5,000,000	100.0	\$3,469,886	100.0	\$51,416,957	64.3
Minority-Owned	-\$37,509	-0.1	\$13,657,350	68.2	\$6,006,032	43.3	\$2,922,024	42.7	\$0	0.0	\$0	0.0	\$22,547,897	28.2
Black/African American	-\$22,509	-0.1	\$73,822	0.4	\$3,020,148	21.8	\$0	0.0	\$0	0.0	\$0	0.0	\$3,071,461	3.8
Asian American	-\$15,000	0.0	\$3,580,331	17.9	\$2,088,337	15.1	\$0	0.0	\$0	0.0	\$0	0.0	\$5,653,688	7.1
Hispanic American	\$0	0.0	\$8,440,843	42.2	\$0	0.0	\$2,922,024	42.7	\$0	0.0	\$0	0.0	\$11,362,867	14.2
Native American	\$0	0.0	\$1,562,353	7.8	\$897,548	6.5	\$0	0.0	\$0	0.0	\$0	0.0	\$2,459,901	3.1
Women-Owned	\$154,080	0.5	\$12,368,900	61.8	\$5,374,056	38.8	\$0	0.0	\$0	0.0	\$0	0.0	\$17,897,036	22.4
Black/African American	-\$22,509	-0.1	\$0	0.0	\$2,785,528	20.1	\$0	0.0	\$0	0.0	\$0	0.0	\$2,763,018	3.5
Asian American	\$0	0.0	\$1,214,458	6.1	\$53,519	0.4	\$0	0.0	\$0	0.0	\$0	0.0	\$1,267,976	1.6
Hispanic American	\$0	0.0	\$7,867,438	39.3	\$0	0.0	\$0	0.0	\$0	0.0	\$0	0.0	\$7,867,438	9.8
Non-Minority	\$176,589	0.6	\$3,287,004	16.4	\$2,535,010	18.3	\$0	0.0	\$0	0.0	\$0	0.0	\$5,998,603	7.5

⁴¹ Rounding causes sums to be off by \$1 in some instances. The presented values are nominal.

III. Successes

a. Contract Awards

FHFA routinely monitors its contracting activities with MWOBs on a quarterly basis. These metrics serve to fulfill statutory requirements and assess the impact of DEI efforts in promoting greater representation of diverse firms.

According to **Table 15**, the total number of contracting actions rose by 11.8 percent, increasing from 721 in 2022 to 806 during 2023. Additionally, the number of contracting actions specifically involving MWOBs surged by 18.5 percent, climbing from 346 in 2022 to 410 in 2023.

Table 16 reveals that funds obligated to MWOBs experienced a significant increase from 2019 to 2023, growing by \$6,582,821 or 22.0 percent. The 2023 MWOB obligation surpassed the previous record in 2022.

FHFA successfully awarded the following new major contracts to diverse suppliers:

- Deduplication storage system appliances to a Minority-Owned Small Business (MOSB) / Women-Owned Small Business (WOSB);
- Full lifecycle support services to for an Enterprise Service Automation solution to an MOSB/WOSB;
- IT training assessment services to an MOSB;
- Laptop hardware refresh to a WOSB; and
- Oracle licenses and support services to an MOSB.

b. Supplier Diversity Program

In 2023, FHFA's Supplier Diversity team continued to collaborate with MWOBs. These firms have consistently expressed a keen interest in conducting business with the Agency.

Additionally, the team actively contributed to shaping performance benchmarks, standards, and a



best practice framework. These efforts are aimed at fostering greater business opportunities for MWOBs.

After a period of inactivity lasting over two years, the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) agencies reestablished their Supplier Diversity Working Group in 2023. The primary objective of this group is to benchmark and exchange best practices among its members. FHFA's Supplier Diversity team actively participated in this initiative, providing valuable insights. As a result of this collaborative effort, OMWI now has the capability to offer recommendations to Agency stakeholders regarding the inclusion of MWOB sources in competitive procurement processes.

Section 342 of the Dodd-Frank Act specifically requires the OMWI Director to develop standards for increased participation of MWOBs in the contracts of the Agency.⁴² To further support this effort, OMWI has a Supplier Diversity Dashboard that provides a centralized repository of supplier diversity data used to monitor Agency contract obligations and contract awards. The automated dashboard has the flexibility to perform multi-year trend analyses across the various demographic categories of vendors.

IV. Challenges

While FHFA experienced a historic increase in the number of contracting actions and obligated dollars awarded to MWOBs in 2023, room for improvement remains in representation across the Agency's top six NAICS categories. For example, existing contractual relationships and a lack of specialized institutional knowledge or industry substitutes resulted in reduced or no opportunity to introduce MWOBs in Offices of Lawyers (541110), Investment Banking and Securities Intermediation (523150), and Credit Bureaus (561450). Equipped with the supplier diversity program and Supplier Diversity Dashboard, FHFA will continue to focus on MWOB representation in the Office of Lawyers (541110) NAICS, as well as in other categories.

⁴² 12 U.S.C. § 5452(b)(2)(B).



D. Ensuring Diversity and Inclusion at FHFA Regulated Entities

FHFA ensures that the regulated entities have D&I programs through its supervision and examination authorities, as well as in its role as conservator of the Enterprises.

I. D&I Supervision and Examination

Under Section 1116 of HERA, FHFA has regulatory, supervisory, and enforcement authority over the D&I programs of the regulated entities. To implement Section 1116 of HERA, FHFA adopted the MWI Rule⁴³ in 2010, setting forth the minimum requirements for diversity programs as well as reporting requirements for the regulated entities. Pursuant to the MWI Rule, each of the regulated entities must implement 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 activities at all levels of the regulated entity, including in management, employment, procurement, insurance, and all types of contracts.⁴⁴ The MWI Rule provides the FHFA Director with examination and enforcement authority over the regulated entities' D&I programs, stating that “[t]he Director may conduct examinations of a regulated entity’s activities under and in compliance with this part pursuant to 12 U.S.C. 4517.”⁴⁵

OMWI began D&I supervision with baseline reviews of the regulated entities in 2015 and 2016. In 2016, FHFA approved incorporation of D&I into Agency examinations. In December 2020, OMWI finalized the D&I Examination Manual to guide D&I examinations and set supervisory expectations for the regulated entities. As part of this update, FHFA implemented a new examination rating system beginning with the January 2021 examination cycle, where the regulated entities were assigned a D&I composite rating from “1” to “5.” Under this examination

⁴³ 12 CFR Part 1223.

⁴⁴ 12 U.S.C. § 4520(b).

⁴⁵ 12 CFR 1223.24.



rating system, OMWI D&I examiners completed annual D&I examinations and other reviews of D&I activities at FHFA’s regulated entities.

As a result of an internal assessment of the D&I examination function in 2022, OMWI recognized the importance of aligning the D&I examination ratings with other offices and divisions within FHFA and committed to taking a thoughtful approach to modifying the D&I rating system. In 2023, the D&I Examination function rolled out a revamped, pilot D&I examination to provide consistency and focus on critical “pillar” areas and management using the Employment, Procurement, Integration of D&I into Financial Activities, and Corporate Governance (EPIC) rating system. In 2023, FHFA completed its seventh year of examinations of the regulated entities’ D&I programs. FHFA examined the D&I programs of the Enterprises and CSS, as well as four FHLBanks,⁴⁶ and delivered the first D&I report of examination under the pilot EPIC rating system.

II. Conservatorship Scorecard

As conservator of Fannie Mae and Freddie Mac, FHFA establishes priorities for the Enterprises. Since 2012,⁴⁷ FHFA has created an annual Conservatorship Scorecard that summarizes the Agency’s priorities and expectations for both Enterprises and CSS and charts their performance against those goals and objectives. Published in January 2023, the *2023 Scorecard for Fannie Mae, Freddie Mac, and Common Securitization Solutions, LLC*⁴⁸ included consideration of D&I as one of its assessment criteria: “Each Enterprise ensures that diversity, equity, and inclusion remain top priorities in strategic planning, operations, and business development.”

⁴⁶ Beginning in the second quarter of 2022, FHFA updated the D&I examination schedule for the FHLBanks and OF. This schedule uses an extended interval where FHFA examines one of the FHLBanks or the OF each calendar quarter, resulting in each FHLBank and the OF receiving a D&I examination approximately every three years.

⁴⁷ 2012 Conservatorship Scorecard, Published March 9, 2012, <https://www.fhfa.gov/AboutUs/Reports/Pages/2012-Conservatorship-Scorecard.aspx>.

⁴⁸ 2023 Scorecard for Fannie Mae, Freddie Mac, and Common Securitization Solutions, LLC., Published January 4, 2023, *2023 Scorecard for Fannie Mae, Freddie Mac, and Common Securitization Solutions | Federal Housing Finance Agency* (fhfa.gov 2023).



In alignment with 12 CFR 1223 and Conservatorship Scorecard requirements, both Enterprises and CSS implemented formalized processes to assess and, where appropriate, integrate D&I across their organizations, and in their business activities, programs, and initiatives, specifically under the three pillars of workforce, procurement, and finance. During the first quarter of each year, the Enterprises develop strategies, goals, and quantifiable and performance-based targets and metrics for advancing D&I, with consideration of workforce, procurement, and finance opportunities. Throughout the year, the Enterprises report to OMWI on their progress towards these goals, both in quarterly meetings and through their submissions of the quarterly Scorecard Report. OMWI assesses the Enterprises' progress and provides feedback as needed to drive continuous improvement and accomplishment in the D&I Scorecard space throughout each year.

At the end of the year, OMWI reviews the Enterprises' D&I accomplishments and determines whether the Enterprises achieved their annual Scorecard targets. The D&I Scorecard process is enhanced by strong communication and collaboration between the Enterprises and OMWI throughout the year. OMWI also partners with FHFA stakeholders to provide feedback on Scorecard guidance language to ensure D&I remains embedded as a foundational component of the Enterprises' overall public Scorecard processes. In 2023, OMWI found the Enterprises showed consistent progress towards their Scorecard targets each quarter, and met their annual D&I targets by the end of the year.



E. DEI Agency Practice and OMWI Operations

The responsibilities of the OMWI DEI Agency Practice function include the following activities, designed with the goal of promoting DEIA throughout the Agency:

- Overseeing and implementing DEIA policies for FHFA’s workforce and its contracting and procurement activities;
- Coordinating with FHFA’s ERGs to manage administrative functions such as budgets, schedules, and maintaining intranet pages; and
- Developing and organizing culturally competent SEP events in collaboration with other divisions and offices.

The responsibilities of the OMWI Operations function include the following activities, all designed with the goal of creating a sustainable OMWI for the future:

- Building a foundational vision and developing a strategic plan to drive business operations;
- Measuring the overall health of OMWI, understanding how each strategic initiative impacts the office, and providing transparency into OMWI’s work to make informed decisions;
- Creating a system (processes, tools, and templates) that OMWI staff can use to understand the overall organizational structure, prioritize initiatives, and support the business strategy; and
- Ensuring that, at the project or program level, there is inclusion of appropriate stakeholders, clearly defined roles, alignment with the overall strategy, and the availability of relevant supporting tools and templates.

In 2023, OMWI Operations facilitated the use of a standardized process for tracking high-level projects consistently across all functions. The standardized process development included:

- Project tracking sheets for each function that include a work breakdown structure for each high-level project;
- Maintaining functional dashboards that highlight comprehensive project data and show, in real time, the status of each OMWI project; and



- Developing a resource management system that tracks availability and capacity of staffing resources.

OMWI's Strategic Goal 1 is to Ensure Diversity, Equity, and Inclusion in all Business and Activities of the Agency. In 2023, OMWI Operations developed tools and trainings and provided support in the execution of the office's DEI business and activities. Examples include:

- Collaborating with OHRM in the development of a Strategic Recruitment Plan that was finalized in November 2023 as part of the recommendations from the working group on Executive Order 14035; and
- Collaborating with Federal Management Partners, Inc. on the development of a DEIA framework for FHFA.

OMWI Operations also developed an FHFA Student Financial Literacy Program (FSFLP). The FSFLP helps educate and mentor inner city high school students about topics such as preparing a budget, developing and understanding the importance of a credit history, purchasing and renting a home, and using banking services. The program fulfills the Agency requirement outlined in 12 U.S.C. § 5452 (f)(5). FHFA partnered with Benjamin Banneker Academic High School in Washington, D.C. to work with students up to two hours each Wednesday and three full days throughout the academic year. The students serve as volunteers in accordance with 5 CFR 308,⁴⁹ while simultaneously earning prerequisite community service credit hours for graduation. FHFA staff volunteered to serve as financial literacy instructors, career planning instructors, presentation skill facilitators, career and college panelists, mentors, and shadowing leaders.

FHFA offered the FSFLP for the first time as a pilot program in the 2022-2023 academic year. The first year of the program was a success as evidenced by students rating the overall program highly and most volunteers stating they were either likely or very likely to volunteer for the program again. The second year of the program kicked-off at the start of the 2023-2024

⁴⁹ 5 CFR 308 allows students that volunteer with federal agencies to receive credit from their educational institution. Volunteers will not be compensated and will only be considered as employees for purposes of the Federal Tort Claims Act 28 USC § 1346 (b) and Compensation for injuries 5 U.S.C. Chapter 81.



academic year. The schedule for the 2023-2024 program includes 26 workshops, 8 mentoring sessions, 1 flash networking event, and college and career days.



F. DEI Data Management

The OMWI Data Strategic Plan for FY 2022 – FY 2024 represents FHFA’s commitment to leverage DEI data as a strategic asset to facilitate oversight, promote transparency, and increase efficiency. To ensure effective implementation, OMWI developed a Data Management Framework to align with the strategic approach. The framework applies to the supervision of FHFA’s regulated entities and processes internal to the Agency. It centers on three key areas of standardization and automation: business intelligence tools, communication, and training.

In 2023, OMWI hosted an inaugural Regulatory Reporting Conference. Approximately 60 attendees attended the two-day event, of which over 40 participants represented the 15 regulated entities. The conference focused on data reporting requirements for D&I programs at the regulated entities. Overall, attendees rated the conference highly and expressed appreciation for this opportunity for dialogue on data reporting expectations.

In addition, OMWI developed and released on a preliminary basis an Agency DEIA Index, intended to be an informational tool to present a holistic view of DEIA through various aspects of employment, management, and business activities across the Agency and each division and office. The DEIA Index includes a series of dashboards to display breakouts of workforce, employment actions (including applicant flow), procurement, and assessment (based on the FEVS data) for each division and office. The index supports FHFA in achieving its DEIA strategic goals and objectives by highlighting growth areas as well as demonstrating FHFA successes.



Appendix A

OMWI 2023 Special Emphasis Programs

January 12 – Martin Luther King, Jr. Day – OMWI and the Office of Director (OD) co-hosted a virtual program to celebrate Dr. Martin Luther King, Jr. Day. Dr. Khalil Gibran Muhammad, Ford Foundation Professor of History, Race and Public Policy at the Harvard Kennedy School, presented “Dr. King’s Legacy in a Turbulent Time,” and centered his presentation around Dr. King’s quote, “If America is to remain a first-class nation, it cannot have second-class citizens.” He discussed Dr. King’s experiences and teachings and how they may apply to today’s American Landscape.

February 22 – African American History Month – OMWI and the Division of Conservatorship Oversight and Readiness co-hosted a hybrid program to celebrate African American History Month. Dr. Felicia D. Griffin-Fennell, Director of Social and Behavioral Sciences at RISE led a discussion on “Strand by Strand: Exploring the Legacy, Resistance, and Uplifting of Black Hair.”

March 29 – Women’s History Month – OMWI and the Division of Housing Mission and Goals (DHMG) co-hosted a virtual program to celebrate Women’s History Month. Author Ashley Brown presented on her book, “Serving Herself: The Life and Times of Althea Gibson.” Ms. Brown is also an Assistant U.S. History Professor and the Allan H. Selig Chair in Sport and Society at the University of Wisconsin-Madison.

April 20 – Holocaust Remembrance Day – OMWI and the Office of the Chief Operating Officer co-hosted a virtual program to honor Holocaust Remembrance Day (Yom Hashoah). Judith Cohen, Curator at the United States Holocaust Memorial Museum presented on “Jewish Ghetto Photographers.”

May 11 – Asian American Pacific Islander Heritage Month – OMWI, FHFA AAPI-LEAD, and OCC co-hosted a hybrid Fireside Chat featuring Michael J. Hsu, Acting Comptroller of the Currency. They discussed advancing leaders in the community through opportunity.

June 08 – Lesbian, Gay, Bisexual, Transgender, Queer (LGBTQ+) Month – OMWI and the FHFA Pride Alliance ERG co-hosted a hybrid program to celebrate LGBTQ+ Pride Month. Ann Murdoch, speaker, writer, and activist, along with Karen Kendra Holmes, transgender community activist presented on “Bringing Skills to Mission.”

June 13 – Juneteenth – OMWI and OGC co-hosted a virtual program to celebrate Juneteenth. Michelle Coles, award-winning Novelist, former DOJ Civil Rights Attorney, and Public Speaker presented on “After Juneteenth: The Promise of Freedom.”

August 16 – Women’s Equality Day – OMWI and the Division of Federal Home Loan Bank Regulations co-hosted a virtual program to celebrate Women’s Equality Day. Migdalia Gonzalez, Hispanic Employment Program Manager at the Office of Civil Rights for the Federal Aviation Administration, discussed women’s equality and incorporating FHFA’s FAIR values.



Appendix A Continued

OMWI 2023 Special Emphasis Programs

September 27 – National Hispanic Heritage Month – OMWI and the Division of Accounting and Financial Standards co-hosted a hybrid event to celebrate National Hispanic Heritage Month. Judith Morrison, Senior Advisor for Social Development in the Gender and Diversity Division at the Inter-American Development Bank presented on Latin and Hispanic Identity and Housing Policy.

October 4 – National Disability Employment Awareness Month – OMWI, a number of FHFA offices, and the Disability Perspectives ERG co-hosted a virtual event in honor of National Disability Employment Awareness Month. Betsy Furler, founder of For All Abilities, LLC., gave a presentation on “Dispelling Five Myths of Disability in the Workplace” which discussed empowering employees with disabilities, reducing stigmas surrounding disabilities, and valuing individuals’ differences. Furler is a subject matter expert in disabilities, education, cognition, and language. She specializes in cognitive accessibility and workplace disability issues especially for employees with ADHD, dyslexia, learning differences, autism, and other forms of neurodiversity.

November 7 – Native American Heritage Month – OMWI and DHMG co-hosted a virtual presentation featuring James Roan Gray, the former Principal Chief of the Osage Nation. Chief Gray was the youngest Chief in the history of the Osage Nation. Chief Gray is also the great-grandson of Henry Roan – whose murder was depicted in the book and newly released film, *Killers of the Flower Moon*. Chief Gray discussed the “Reign of Terror” on the Osage Nation, where an unknown number of indigenous people were murdered for their land rights.

November 28 – Native American Heritage Month – FHFA, National Endowment for the Arts (NEA), National Endowment for the Humanities (NEH), and OCC co-hosted a hybrid presentation in observance of Native American Heritage Month celebrating tribal sovereignty and identity. Dr. Maria Rosario Jackson, NEA Chair; Chef Sean Sherman (Oglala Lakota), NATIFS; and Shelly C. Lowe (Navajo), National Endowment for the Humanities Chair were the speakers for the event.



Appendix B

ACRONYM	DEFINITION
Agency	Federal Housing Finance Agency
AANHPI	Asian Americans, Native Hawaiians, and Pacific Islanders
AAPI-LEAD	Asian-American Pacific Islander Leadership, Engagement, Affinity, and Diversity Employee Resource Group
CLF	Civilian Labor Force
CoP	Community of Practice
CSS	Common Securitization Solutions, LLC
CY	Calendar Year
D&I	Diversity and Inclusion
D&I ROE	Diversity & Inclusion Report of Examination
DOES	District of Columbia Department of Employment Services
DEI	Diversity, Equity, and Inclusion
DEIA	Diversity, Equity, Inclusion, and Accessibility
DHMG	FHFA’s Division of Housing Mission and Goals
Dodd-Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010
EEO	Equal Employment Opportunity
EL	Employee Level
Enterprises	Fannie Mae and Freddie Mac
EPIC	Employment, Procurement, Integration of D&I into Financial Activities, and Corporate Governance
ERG	Employee Resource Group
FAIR Values	FHFA’s core values: Fairness, Accountability, Integrity, and Respect
Fannie Mae	Federal National Mortgage Association
FEVS	Federal Employee Viewpoint Survey
FHFA	Federal Housing Finance Agency
FHLBanks	Federal Home Loan Banks
FIRREA	Financial Institutions Reform, Recovery, and Enforcement Act of 1989
FOH	Federal Occupational Health
Freddie Mac	Federal Home Loan Mortgage Corporation
FSFLP	FHFA Student Financial Literacy Program
FY	Fiscal Year
HERA	Housing and Economic Recovery Act of 2008
HSSIP	High School Scholars Internship Program
ICT	Information Communications Technology
JCC	Jewish Culture Club



Appendix B Continued

ACRONYM	DEFINITION
LGBTQ+	Lesbian, Gay, Bisexual, Transgender, Queer +
LL	Leadership Level
MCO	Mission-Critical Occupations
MOSB	Minority-Owned Small Business
MWI Rule	FHFA’s Minority and Women Inclusion Rule
MWOB	Minority- and Women-Owned Business
NAICS	North American Industry Classification System
NATIFS	North American Traditional Indigenous Food Systems
NEA	National Endowment for the Arts
NEH	National Endowment for the Humanities
NEO	New Employee Orientation
OF	Office of Finance
OGC	FHFA’s Office of General Counsel
OHRM	FHFA’s Office of Human Resources Management
OMWI	FHFA’s Office of Minority and Women Inclusion
OPM	U.S. Office of Personnel Management
OTIM	FHFA’s Office of Technology and Information Management
PDN	Professional Diversity Network
PSIP	Pathways Summer Internship Program
QC	Quality Control
RCLF	Relevant Civilian Labor Workforce
Regulated Entities	Fannie Mae, Freddie Mac, CSS, the FHLBanks, and OF
SEP	Special Emphasis Programs
USOGE	U.S. Office of Government Ethics
VBCI	Values-Based Culture Initiative
VERA	Voluntary Early Retirement Authority
VeRG	Veterans Employee Resource Group
VSIP	Voluntary Separation Incentive Payment
WOSB	Women-Owned Small Business



Appendix C

Four-Fifths Rule

The Uniform Guidelines on Employee Selection Procedures includes information on impact and describes the Four-Fifths Rule analysis. This approach compares each sub-category's selection rate to the highest selection rate in the same category and flag a disparity if the rate is less than four-fifths or 80 percent of the highest rate. This method was likely developed using specific data sizes.

The accuracy of this method for analyzing FHFA's data relies on how closely the original data used to create this heuristic resembles FHFA's data. FHFA, being a small agency, has a limited data selection compared to other agencies. There is a potential problem with the 80 percent heuristic, which is that the comparisons of sub-category selection rates are not independent. This is because the test criteria are based on comparing the observed rates to 80 percent of the maximum sub-category rate observed, and order statistics are generally not independent of each other.

T-Test

An alternative approach based on hypothesis testing using the t-stat was determined to better accommodate the size of FHFA's application and selection pool. With this approach, each sub-category selection rate is compared to the overall selection rate of all other sub-categories within the same category. This approach avoids creating a sample that is statistically dependent. Under the null hypothesis that the true selection rates are all equal, the test statistic would be:

$$t = \frac{\hat{p}_1 - \hat{p}_2}{\sqrt{\frac{\hat{p}_1(1-\hat{p}_1)}{n_1} + \frac{\hat{p}_2(1-\hat{p}_2)}{n_2}}} \quad [1]$$

Subscript 1 corresponds to one of the sub-categories in a category such as race and the subscript 2 corresponds to the combined value of all other sub-categories within the category. So, for example \hat{p}_1 might be the observed selection rate for Black/African Americans and \hat{p}_2 might be the observed selection rate for all races other than Black/African Americans. Similarly, n_1 would be the number of qualified Black/African American applications and n_2 would be the number of non-Black/African American qualified applications. The statistic t in Equation [1] has a Student's t-distribution with $\min(n_1, n_2)$ degrees of freedom.

An adverse impact is identified when the null hypothesis H_0 can be rejected indicating that the selection rate for a particular sub-category is statistically significantly less than the selection rate



for all other sub-categories of the category being examined. The results are based on a one-tailed t-test, with $H_0: \hat{p}_1 = \hat{p}_2$ versus $H_A: \hat{p}_1 \leq \hat{p}_2$ and an $\alpha = 0.05$. If the t-stat is less than $\alpha = 0.05$, then the result is significant for the group.

