



2019 OMWI ANNUAL REPORT TO CONGRESS



Office of Minority and Women Inclusion



Message from the OMWI Director

In accordance with the reporting requirements of Section 342(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, I am pleased to submit the 2019 Annual Report of the Federal Housing Finance Agency’s (FHFA or Agency) Office of Minority and Women Inclusion (OMWI), which provides an overview of FHFA’s diversity and inclusion program, including its workforce demographics, contracting data, and diversity and inclusion strategies and initiatives.

This Report addresses our statutory diversity and inclusion responsibilities under the Housing and Economic Recovery Act of 2008 (HERA). It describes the Agency’s progress in expanding its contracting opportunities within the organization and among its regulated entities, and reports on its significant activities during calendar year 2019, including Agency successes achieved and challenges to overcome.

In 2019, FHFA transitioned to new leadership: first under an interim Director in January, and then to a permanent Director in April after Senate confirmation. Director Mark A. Calabria has fully embraced the Agency’s core values: Respect, Excellence, Integrity, and Diversity, stating in a June 4, 2019 invitation to Agency employees that, “as we work toward a greater appreciation of our unique differences, let’s also celebrate what binds us together as a community.”

OMWI is invested in leading the Agency’s continued efforts to improve employee engagement and build an inclusive workplace. I commend the commitment and valuable support of FHFA to our diversity and inclusion mission.

Sincerely,
Sharron P. A. Levine
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 the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac) (together, “Enterprises”), and the Federal Home Loan Bank System, which includes 11 Federal Home Loan Banks (FHLBanks) and its fiscal agent, the Office of Finance. The Agency’s mission is to ensure that Fannie Mae, Freddie Mac, and the FHLBanks (collectively, the regulated entities) operate in a safe and sound manner to foster competitive, liquid, efficient, and resilient (CLEAR) national housing finance markets that support sustainable homeownership and affordable rental housing. Since 2008, FHFA has also served as the conservator of Fannie Mae and Freddie Mac. FHFA’s functions are carried out by nine divisions and offices at its headquarters in Washington, DC. FHFA’s Office of Inspector General is also located on-site.

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 of 2010 (Dodd-Frank Act).² OMWI is responsible for leading the Agency’s efforts to advance diversity and inclusion, by developing and implementing standards for:

- 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.³

FHFA is among eight federal financial agencies, often referred to as the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) agencies 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 MWOB contractors;
- the successes achieved and challenges faced by the Agency in operating minority and women outreach programs;
- the challenges the Agency may face in hiring qualified minority and women employees and contracting with qualified MWOBs; and

¹ See 12 U.S.C. § 4501 *et seq.*

² See 12 U.S.C. § 5452.

³ See 12 U.S.C. § 5452(b)(2).



- any other information, findings, conclusions, and recommendations for legislative or Agency action, as the OMWI Director determines appropriate.⁴

In 2019⁵ FHFA's OMWI was divided into four branches: Agency Diversity and Inclusion; Diversity and Inclusion Supervision (Policy and Examination); EEO Services; and OMWI Operations. The staff consists of the OMWI Director, together with Diversity and Inclusion Specialists; Financial Institution Examiners; Policy, Data, Management, and Program Analysts; and EEO Specialists.

The Agency Diversity and Inclusion branch collaborates with FHFA divisions and offices to implement diversity and inclusion strategic goals and objectives that promote workforce and supplier diversity through the Agency's Minority and Women Outreach Program.

The Supervision branch is responsible for supervision, policy oversight, and examination of the regulated entities' diversity and inclusion programs.

EEO Services implements FHFA's EEO Program, which includes FHFA's policies concerning EEO law and workplace harassment. Its functions also include EEO counseling, alternative dispute resolution, complaint processing, harassment prevention, analysis and guidance, compliance reporting, and training.

The OMWI Operations branch provides the office with support for administration, data analytics, budgetary preparation and analysis, and operational controls management and oversight.

In 2019 the Agency continued to implement its second *OMWI Strategic Plan for FY 2019 – FY 2021*, the guiding framework for OMWI to execute goals and objectives that align with FHFA's overall Strategic Plan and meet statutory diversity and inclusion requirements. OMWI's priorities are designed to satisfy its three strategic goals:

- Goal 1: Strengthen the Understanding of Diversity, Inclusion, and Equal Opportunity to Drive Cultural Awareness.
- Goal 2: Deliver Meaningful Diversity and Inclusion Communication.
- Goal 3: Ensure OMWI Organizational Sustainability.

⁴ See 12 U.S.C. § 5452(e) and (g). The seven other federal financial agencies are: the Departmental Offices of the Department of the Treasury (Treasury); Federal Deposit Insurance Corporation (FDIC); Board of Governors of the Federal Reserve System and each Federal Reserve Bank; National Credit Union Administration (NCUA); Office of the Comptroller of the Currency (OCC); Securities and Exchange Commission (SEC); and Bureau of Consumer Financial Protection (CFPB).

⁵ The Agency underwent a reorganization in early 2020 that placed EEO Services under a new Office of Equal Opportunity and Fairness, which will also house the non-EEO alternative dispute resolution and FHFA internal harassment prevention functions.



B. FHFA Workforce Diversity and Inclusion

The majority of FHFA's workforce consists of economists, policy analysts, accountants, financial institution examiners, attorneys, and financial analysts, all with expertise in housing finance and policy. These mission-critical occupations (MCOs) require highly skilled practitioners with substantive knowledge of, and significant experience in, examining, analyzing, or evaluating large complex financial institutions and mortgage finance products and services. Historically, minorities and women have been significantly underrepresented in some of these MCOs. FHFA, however, works diligently to attract outstanding talent from other financial regulatory agencies, the private sector, and academia to enable it to achieve its mission. A diverse workforce that understands and can respond to the housing finance needs of an increasingly diverse population is essential to that goal.

FHFA's Minority and Women Outreach Program⁶ is administered by OMWI and is designed to promote diversity and inclusion within the Agency's workforce and contracting, as well as EEO. Through the leadership of OMWI, the Agency has continued to build and retain an accomplished and diverse workplace. The following section (Workforce Diversity) provides information on the demographics of the Agency's workforce, as well as its related diversity and inclusion strategies, successes, and challenges.

I. Workforce Diversity

OMWI collaborates with the Agency's Office of Human Resources Management (OHRM) to collect and analyze employee data. OMWI reviews workforce data over a five-year period to gauge its progress, using demographic data for the federal sector and the Civilian Labor Force (CLF) for benchmark comparisons. Since OMWI began tracking and analyzing relevant Agency data, FHFA's total workforce count has remained relatively stable. In 2019, however, FHFA experienced a modest growth in its hiring.⁷

FHFA encourages all employees to report their race, gender, and disability status for purposes of accuracy.⁸ The Agency's total minority population increased slightly from 42.93 percent in 2018 to 43.94 percent in 2019. It was 40.97 percent in 2015. The following groups comprised FHFA's minority workforce in 2019: African American (22.05 percent); Hispanic (2.02 percent); Asian (13.97 percent); Native American (0.17 percent); and two or more races (5.72 percent).⁹

⁶ See 12 CFR 1207.

⁷ For example, in 2011 the total employee count was 544; in 2012, 585; in 2013, 594; in 2014, the count decreased to 555 mostly due to retirements, and slightly increased to 559 in 2015. By 2016, the employee count rose to 582 and to 593 in 2017. In 2018 the employee count dropped slightly to 587. In 2019 staffing increased to 594.

⁸ 592 out of 594 (99.66 percent) employees self-identified in 2019 compared to 559 (100 percent) in 2015.

⁹ Employees who self-identified as two or more races have ancestry from more than one of the following groups: White, Black or African American, Hispanic, Native Hawaiian/Other Pacific Islander, Asian, or Native American.



A comparison of the data in **Tables 1** and **2**¹⁰ reflects an increase of 2.97 percentage points for all minorities at FHFA. There was, however, a slight decline of 0.22 percentage points for women representation in 2019. The slight decline was attributable to an increase in the overall number of employees in 2019 but with a countervailing increase in the number of men (315 in 2015 and 336 in 2019, or 21 men) compared to women (244 in 2015 and 258 in 2019, or 14 women), which resulted in the percentage decrease. The number of minority women and men has grown since 2015.

Table 1: FHFA Workforce by Race, Ethnicity, and Gender as of December 31, 2019

Race and Ethnicity	Female		Male		All	
	#	%	#	%	#	%
Total	258	43.43	336	56.57	594	100.00
Non-Minority	114	19.19	217	36.53	331	55.72
Total Minorities	144	24.24	117	19.70	261	43.94
Unidentified Race/Ethnicity	0	0.00	2	0.34	2	0.34
African American	86	14.48	45	7.58	131	22.05
Hispanic	4	0.67	8	1.35	12	2.02
Asian	33	5.56	50	8.42	83	13.97
Native American	0	0.00	1	0.17	1	0.17
Two or More Races	21	3.54	13	2.19	34	5.72

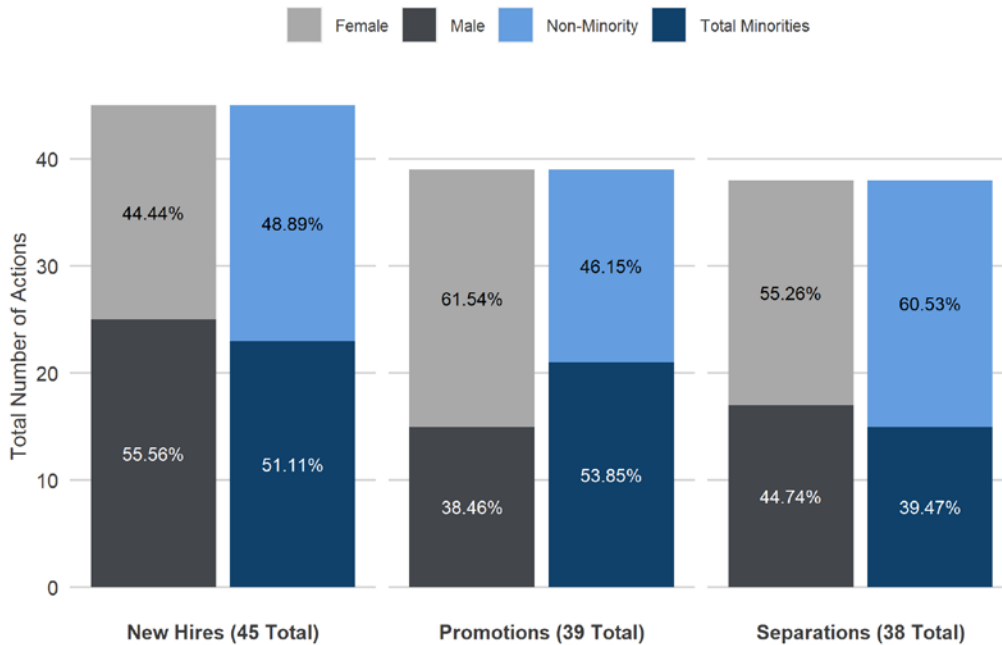
Table 2: FHFA Workforce by Race, Ethnicity, and Gender as of December 31, 2015

Race and Ethnicity	Female		Male		All	
	#	%	#	%	#	%
Total	244	43.65	315	56.35	559	100.00
Non-Minority	113	20.21	217	38.82	330	59.03
Total Minorities	131	23.43	98	17.53	229	40.97
African American	83	14.85	39	6.98	122	21.82
Hispanic	4	0.72	7	1.25	11	1.97
Asian	26	4.65	44	7.87	70	12.52
Native American	0	0.00	1	0.18	1	0.18
Two or More Races	18	3.22	7	1.25	25	4.47

¹⁰ Percentages in Tables 1 and 2 may vary by 0.01 points due to rounding.



Figure 1: FHFA Employment Actions in 2019 by Minority and Gender Group Status



OMWI also reviews data from hiring, promotions, and separations to gain insight for recruitment strategies, career mobility, and retention. FHFA employment actions in 2019 are reflected graphically above in **Figure 1**. More than half of the employees who left the Agency last year were women (55.26 percent), although both new hires and promotions compensated for the separations and accounted for higher percentage points (44.44 percent hired and 61.54 percent promoted) in 2019 than in 2018 (42.42 percent hired and 25.35 percent promoted). The recent incremental rise in minority and women promotions is helping to diversify the face of management at FHFA.

New Hires – Of the 45 employees hired in 2019, minorities and women represented 51.11 percent and 44.44 percent, respectively. While the 2019 FHFA hiring rate was higher for minorities than both the CLF (27.64 percent) and the federal workforce (36.86 percent), the hiring rate for women remained above the federal workforce benchmark of 43.81 percent but fell below the CLF at 48.14 percent. See **Table 3** for a comparison of FHFA’s 2019 workforce data to the two benchmarks.

Promotions – Of the 39 employees promoted in 2019, minorities and women represented 53.85 percent and 61.54 percent, respectively; 46.15 percent of the promotions went to non-minority employees; 23.08 percent to African Americans; 12.82 percent to Asians; and 12.82 percent to employees who identified as two or more races.

Attrition – Of the 38 employees who left the Agency in 2019, 39.47 percent were minorities and 55.26 percent were women.



II. FHFA Workforce Comparison

FHFA evaluates the composition of its workforce against the federal workforce and the CLF. Federal workforce data is provided by the Office of Personnel Management (OPM), and CLF information is released by the U.S. Census Bureau from the 2010 Census. As shown in **Table 3**, the overall representation of minorities in FHFA’s workforce (43.94 percent) was higher than both benchmarks, although the levels of minority representation varied among the specific minority groups.

Table 3: Workforce Comparison (in percentages)

Race, Ethnicity, and Gender	Federal Workforce as of March 2019 ¹¹	Civilian Labor Force as of 2010 ¹²	FHFA Workforce as of December 31, 2019
Total Male	56.17	51.86	56.57
Total Female	43.81	48.14	43.43
Non-Minority	61.20	72.36	55.72
Total Minorities	37.12	27.64	43.94
Unidentified Race/Ethnicity	1.68	0.00	0.34
African American	18.14	12.02	22.05
Hispanic	9.10	9.96	2.02
Asian	5.97	3.90	13.97
Native American	1.64	1.08	0.17
Two or More Races	1.76	0.54	5.72

¹¹ FedScope: Federal Workforce Data. Fiscal Year 2019. <https://www.fedscope.opm.gov>.

¹² CLF Data as of 2010; U.S. Census Bureau; <https://www2.census.gov/library/publications/2011/compendia/statab/131ed/tables/labor.pdf>



2019 OMWI Annual Report to Congress

Six MCOs support FHFA’s mission: Economist (0110); Policy Analyst (a subset of the Management and Program Analyst series (0343)); Accountant (0510); Financial Institution Examiner (0570); General Attorney (0905); and Financial Analyst (1160). **Tables 4 and 5** show participation rates and the racial/ethnic and gender representations within each MCO at FHFA in 2019 compared to 2015.

Table 4: FHFA Top Six Mission Critical Occupations as of December 31, 2019¹³

Race, Ethnicity, and Gender	Economists 0110		Policy Analysts 0343		Accountants 0510		Financial Institution Examiners 0570		Attorneys 0905		Financial Analysts 1160		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Total	39	100.00	43	100.00	23	100.00	184	100.00	39	100.00	64	100.00	392	100.00
TM	24	61.54	19	44.19	13	56.52	122	66.30	22	56.41	41	64.06	241	61.46
TF	15	38.46	24	55.81	10	43.48	62	33.70	17	43.59	23	35.94	151	38.54
Total Non-Minority	24	61.54	24	55.81	11	47.83	110	59.78	26	66.67	37	57.81	232	59.18
Total Minorities	15	38.46	19	44.19	12	52.17	73	39.67	13	33.33	27	42.19	159	40.56
Unidentified M/F	0	0.00	0	0.00	0	0.00	1	0.54	0	0.00	0	0.00	1	0.26
WM	15	38.46	10	23.26	7	30.43	82	44.57	14	35.90	24	37.50	152	38.78
WF	9	23.08	14	32.56	4	17.39	28	15.22	12	30.77	13	20.31	80	20.41
AAM	0	0.00	1	2.33	2	8.70	16	8.70	4	10.26	7	10.94	30	7.65
AAF	2	5.13	6	13.95	0	0.00	15	8.15	2	5.13	6	9.38	31	7.91
HM	0	0.00	0	0.00	1	4.35	6	3.26	0	0.00	1	1.56	8	2.04
HF	0	0.00	0	0.00	0	0.00	1	0.54	1	2.56	0	0.00	2	0.51
AM	8	20.51	3	6.98	2	8.70	15	8.15	2	5.13	8	12.50	38	9.69
AF	3	7.69	2	4.65	6	26.09	12	6.52	1	2.56	4	6.25	28	7.14
NAM	0	0.00	1	2.33	0	0.00	0	0.00	0	0.00	0	0.00	1	0.26
NAF	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
2M	1	2.56	4	9.30	1	4.35	2	1.09	2	5.13	1	1.56	11	2.81
2F	1	2.56	2	4.65	0	0.00	6	3.26	1	2.56	0	0.00	10	2.55

*Keys: TM-Total Male; TF-Total Female; WM-White Male; WF-White Female; AAM-African American Male; AAF-African American Female; HM-Hispanic Male; HF-Hispanic Female; AM-Asian Male; AF-Asian Female; NAM-Native American Male; NAF-Native American Female; 2M-Two or More Races Male; 2F-Two or More Races Female

¹³ Percentages may vary by up to 0.02 points due to rounding.



Table 5: FHFA Top Six Mission Critical Occupations as of December 31, 2015¹⁴

Race, Ethnicity, and Gender	Economists 0110		Policy Analysts 0343		Accountants 0510		Financial Institution Examiners 0570		Attorneys 0905		Financial Analysts 1160		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Total	36	100.00	32	100.00	25	100.00	153	100.00	36	100.00	68	100.00	350	100.00
TM	27	75.00	19	59.38	16	64.00	102	66.67	19	52.78	45	66.18	228	64.01
TF	9	25.00	13	40.63	9	36.00	51	33.33	17	47.22	23	33.82	122	35.99
Total Non-Minority	25	69.44	21	65.63	13	52.00	97	63.40	24	66.67	43	63.24	223	63.06
Total Minorities	11	30.56	11	34.38	12	48.00	56	36.60	12	33.33	25	36.76	127	36.94
WM	18	50.00	14	43.75	10	40.00	71	46.41	13	36.11	28	41.18	154	43.31
WF	7	19.44	7	21.88	3	12.00	26	16.99	11	30.56	15	22.06	69	19.75
AAM	0	0.00	1	3.13	1	4.00	13	8.50	3	8.33	8	11.76	26	8.28
AAF	0	0.00	3	9.38	0	0.00	12	7.84	4	11.11	6	8.82	25	7.96
HM	0	0.00	0	0.00	1	4.00	5	3.27	0	0.00	1	1.47	7	2.23
HF	0	0.00	1	3.13	0	0.00	1	0.65	1	2.78	0	0.00	3	0.96
AM	8	22.22	3	9.38	2	8.00	12	7.84	2	5.56	7	10.29	34	8.28
AF	1	2.78	1	3.13	6	24.00	10	6.54	1	2.78	1	1.47	20	6.05
2M	1	2.78	1	3.13	2	8.00	1	.65	1	2.78	1	1.47	7	1.91
2F	1	2.78	1	3.13	0	0.00	2	1.31	0	0.00	1	1.47	5	1.27

*Keys: TM-Total Male; TF-Total Female; WM-White Male; WF-White Female; AAM-African American Male; AAF-African American Female; HM-Hispanic Male; HF-Hispanic Female; AM-Asian Male; AF-Asian Female; 2M-Two or More Races Male; 2F-Two or More Races Female.

- Economists (0110)** – Similar to 2015, there were no African American men or Native American economists at FHFA in 2019. Nevertheless, the percentage of minority economists overall increased from 30.56 percent in 2015 to 38.46 percent in 2019, which exceeded both the federal workforce and CLF benchmarks. The improvement was attributable to an increase in African American women (0 percent in 2015 to 5.13 percent in 2019), and Asian women (2.78 percent in 2015 to 7.69 percent in 2019). The percentage of women economists overall grew from 25 percent to 38.46 percent in 2019.
- Policy Analysts (0343)** – The Policy Analysts occupational series experienced the greatest growth at FHFA in 2019 compared to 2015. There were almost twice as many women policy analysts (24 out of 43 employees) in 2019 accounting for 55.81 percent compared to 40.63 percent (13 out of 32 employees) in 2015. Minority representation

¹⁴ Percentages may vary by up to 0.01 points due to rounding.



also increased from 34.38 percent in 2015 to 44.19 percent in 2019. In both cases, participation rates for minorities and women exceeded the federal workforce and CLF benchmarks.

- **Accountants (0510)** – The number of accountants at FHFA remained steady from 2015 to 2019 with no major increase in hiring or expansion. **Table 4** shows the same number of minority accountants (12) across the five-year benchmark with a slight reduction in nonminority accountants (13 in 2015 to 11 in 2019). That reduction resulted in minority accountants surpassing nonminority employees at the rate of 52.17 percent in 2019 compared to 48 percent in 2015, while also exceeding both benchmarks. There were no African American, Hispanic, Native American, or bi- or multiracial women accountants.
- **Financial Institution Examiners (0570)** – FHFA experienced a 20.26 percent increase in the number of examiners over the last five years (153 to 184 examiners). The proportion of male examiners was on par with women examiners, while the percentage of minority examiners increased from 36.6 percent to 39.67 percent as a result of 17 net new hires over the five-year period. More particularly, modest growth occurred among African American and Asian examiners, as well as biracial and multiracial examiners.
- **Attorneys (0905)** – The Office of General Counsel (OGC) experienced a net increase of three attorneys over the past five years (from 36 in 2015 to 39 in 2019). Similar to other MCOs, OGC had no Native American attorneys in 2019. Most demographic groups increased by one person, but the number of African American women attorneys declined with the net loss of two employees during the last five years.
- **Financial Analysts (1160)** – FHFA experienced an increase in minority financial analysts (36.76 percent in 2015 to 42.19 percent in 2019), which also exceeded both benchmarks. In particular, Asian women financial analysts increased from 1.47 percent in 2015 to 6.25 percent by the end of 2019.



III. Management

FHFA’s management team consists of employees with leadership skills and broad perspectives from years of experience in government, private sector, and/or academia. These employees are classified under the FHFA executive pay band category Leadership Level (LL) and the supervisory or upper management grades EL-14 through EL-15. **Tables 6 - 9**¹⁵ depict the number and percentage of FHFA’s EL-14 and EL-15 supervisors, as well as executives, by race, ethnicity, and gender in 2019 compared to 2015.

Table 6: Diversity in FHFA’s EL-14 and EL-15 Supervisors as of December 31, 2019

Race and Ethnicity	Female		Male		All	
	#	%	#	%	#	%
Management Total	26	41.94	36	58.06	62	100.00
Non-Minority	15	24.19	22	35.48	37	59.68
Total Minorities	11	17.74	14	22.58	25	40.32
African American	9	14.52	4	6.45	13	20.97
Hispanic	0	0.00	2	3.23	2	3.23
Asian	0	0.00	5	8.06	5	8.06
Two or More Races	2	3.23	3	4.84	5	8.06

Table 7: Diversity in FHFA’s EL-14 and EL-15 Supervisors as of December 31, 2015

Race and Ethnicity	Female		Male		All	
	#	%	#	%	#	%
Management Total	29	43.94	37	56.06	66	100.00
Non-Minority	19	28.79	26	39.39	45	68.18
Total Minorities	10	15.15	11	16.67	21	31.82
African American	6	9.09	4	6.06	10	15.15
Hispanic	1	1.52	2	3.03	3	4.55
Asian	0	0.00	4	6.06	4	6.06
Native American	0	0.00	1	1.52	1	1.52
Two or More Races	3	4.55	0	0.00	3	4.55

A comparison of the data in **Table 6** and **Table 7** shows a decrease in women supervisors from 43.94 percent in 2015 to 41.94 percent in 2019, but an increase in the percentage of minority women supervisors from 15.15 percent to 17.74 percent. Additionally, the total number of minority supervisors increased from 31.82 percent to 40.32 percent.

¹⁵ Percentages for Tables 6-9 may vary by 0.01 points due to rounding.



Table 8: Diversity in FHFA’s Executives as of December 31, 2019

Race and Ethnicity	Female		Male		All	
	#	%	#	%	#	%
Management Total	13	27.66	34	72.34	47	100.00
Non-Minority	7	14.89	29	61.70	36	76.60
Total Minorities	6	12.77	5	10.64	11	23.40
African American	3	6.38	3	6.38	6	12.77
Hispanic	1	2.13	1	2.13	2	4.26
Asian	1	2.13	1	2.13	2	4.26
Two or More Races	1	2.13	0	0.00	1	2.13

Table 9: Diversity in FHFA’s Executives as of December 31, 2015

Race and Ethnicity	Female		Male		All	
	#	%	#	%	#	%
Management Total	16	32.65	33	67.35	49	100.00
Non-Minority	7	14.29	29	59.18	36	73.47
Total Minorities	9	18.37	4	8.16	13	26.53
African American	5	10.20	3	6.12	8	16.33
Hispanic	2	4.08	1	2.04	3	6.12
Asian	0	0.00	0	0.00	0	0.00
Two or More Races	2	4.08	0	0.00	2	4.08

Table 8 compared with **Table 9** shows a decrease in women executives from 32.65 percent in 2015 to 27.66 percent in 2019, and minority women executives from 18.37 percent to 12.77 percent over the five-year period.

IV. Internships

The Agency sponsors its annual Pathways Summer Internship Program for college and graduate students, as well as recent college graduates, to create a pipeline of talented applicants from which future positions may be filled. The program provides meaningful training and career development opportunities for individuals interested in a career in financial services or the federal government, especially those pursuing an undergraduate or graduate degree in economics, financial or business management, statistics, mathematics, accounting, and information technology. These internships are paid positions where students are provided assignments that correlate to their path of study (e.g., finance, economics, human resources, law, and technology). In 2019 22 summer interns were selected to shadow staff and attend weekly “Brown Bag” lunch sessions facilitated by speakers from across FHFA. At the end of the



program, most of the interns delivered final high-quality presentations demonstrating their newly acquired knowledge and on-the-job training and skills.

FHFA announced its 2019 internship opportunities on USAJobs, the federal government’s recruiting website, and on the Agency’s website. OHRM and OMWI conducted outreach to numerous colleges and universities (through their career services websites), including Historically Black Colleges and Universities and Hispanic-Serving Institutions. **Table 10** shows the diversity profile of the summer interns hired in 2019.

Table 10: 2019 Summer Interns by Race, Ethnicity, and Gender as of December 31, 2019¹⁶

Race and Ethnicity	Female		Male		All	
	#	%	#	%	#	%
Intern Total	12	54.54	10	45.45	22	100.00
Non-Minority	5	22.73	4	18.18	9	40.91
Total Minorities	7	31.82	6	27.27	13	59.09
African American	4	18.18	2	9.09	6	27.27
Hispanic	0	0.00	0	0.00	0	0.00
Asian	3	13.64	3	13.64	6	27.27
Native American	0	0.00	0	0.00	0	0.00
Two or More Races	0	0.00	1	4.55	1	4.55

V. Successes

a. Management Development and Employee Training

Both managers and employees require certain skills and abilities to succeed and grow in their respective positions. FHFA emphasizes the value of outstanding leadership and recognizes that executives, supervisors, and managers are the key to ensuring a culture of inclusion across the Agency. To that end, FHFA’s self-directed leadership development model uses training to support management and program accountability by combining traditional classroom-based training with online learning. This “blended” learning approach is used to offer multiple courses on diversity and inclusion and EEO topics using different delivery methods. This strategy aligns with **OMWI Strategic Plan Goal 1** (Strengthen the Understanding of Diversity, Inclusion, and Equal Opportunity to Drive Cultural Awareness).

To sustain long-term organizational excellence, FHFA recognizes that it must provide structure and strategies that enable its leaders to manage diversity, measure results, devise innovative approaches based on data, and be accountable. In 2017 FHFA developed, approved, and implemented a Diversity and Inclusion/EEO Competency in the Job Performance Plans (JPP) of

¹⁶ Percentages may vary by 0.01 points due to rounding.



FHFA managers and supervisors to drive accountability. The Diversity and Inclusion/EEO Competency is consistent with Equal Employment Opportunity Commission (EEOC) guidelines regarding the evaluation of executives, supervisors, and managers. In 2019 OMWI also began examining whether to elevate diversity and inclusion by incorporating it into the Key Results Areas (KRAs) of the JPP rather than as a competency. KRAs are specific objectives to be performed against which employees are rated. In 2020 OMWI will explore specific diversity and inclusion-related KRAs as a mechanism to make the mission more tangible for managers and supervisors who are held to a greater level of accountability. For example, if managers and supervisors are evaluated and compensated, in part, based on diversity objectives, they have a vested interest in accepting responsibility (i.e., being held accountable) for specific outcomes.

Diversity and inclusion training is offered every year at FHFA's Annual Management Conference. The 2019 Conference, titled "Great Leaders – Great Employees – Great Results," convened over 100 FHFA supervisors, managers, and executives who benefited from the presentations of external and internal speakers. The FHFA Director opened the Conference by emphasizing the important role that leaders play in making FHFA "a great place to work." The EEO Director presented the module, "Building Your EEO and Diversity and Inclusion Competency," and other contributors focused on Employee Engagement, Resilience, Emotional Intelligence through a Diversity and Inclusion Lens, and Building Commitment and Motivation to Maximize Performance.

Periodically throughout 2019, FHFA offered a seminar called "Leading with Respect" for supervisors, managers, and executives, facilitated by experts from the EEOC who provided tools to promote a workplace free from harassment. In December 2019 the Agency held a two-day training program – "Essential Supervisor Skills" – covering skills that supervisors and managers need to master, including recruiting/hiring, compensation and performance management, employee development, taking corrective action, and addressing leave issues.

Section 342 of the Dodd-Frank Act requires the OMWI Director to develop EEO Standards, which were completed in 2016.¹⁷ In 2019 the Agency continued implementing the EEO Standards, which "provide the foundation for a workplace community that delivers EEO and [diversity and inclusion] accountability, programs, and services with excellence, integrity, and respect."¹⁸ As part of the implementation process, FHFA developed an internal workgroup to review Agency activities and assess whether existing activities were within the purview of the EEO Standards. Senior leaders demonstrated their commitment to this effort by nominating staff members from different divisions and offices to participate in the workgroup and serve as

¹⁷ 12 U.S.C. § 5452(b)(2)(A).

¹⁸ An excerpt from FHFA's FY 2017 EEO Policy Statement, which introduced the EEO Standards to the Agency's workforce. The six FHFA EEO Standards are Assessment, Communication, Talent, Inclusion, Oversight, and Network. The Standards were designed to reflect EEOC's MD-715 six-pillared model EEO program, with the goal of formalizing and complementing principles of equity and fairness to be integrated into all Agency employment actions. The EEO Standards align with EEO principles and diversity and inclusion best practices. They support FHFA's core values of Respect, Excellence, Integrity, and Diversity, and the Strategic Plans of both FHFA and OMWI.



liaisons to OMWI. Workgroup members met with divisions and offices to determine whether the activities met the EEO Standards. The group compiled a comprehensive list of activities and events that formed the Agency's baseline for the EEO Standards. The workgroup continued gathering data throughout FY2019 to evaluate the status of the Agency's progress with the EEO Standards against that baseline.

As a proactive prevention strategy, EEO Services and the Office of Congressional Affairs and Communications (OCAC) produced an EEO training video presenting simulated workplace scenarios with EEO implications, together with basic information about individual employee protections. Additionally, EEO Services provided comprehensive EEO-based training to divisions and offices that requested it.

For 2019, EEO Services achieved 100 percent compliance with the mandatory training requirements of the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (No FEAR Act).¹⁹ FHFA trained over 500 employees through 18 in-person and online sessions to maximize attendance. The training included FHFA employee survey data and reality-based scenarios to engage the audience and generate discussion. It also included exercises designed to encourage respect and a brief video on harassing behaviors to avoid in the workplace. The training concluded with a "lightning round" competition to test participants' knowledge and reinforce the fundamentals of the No FEAR Act. Most employees participated in-person, which enabled them to ask questions and engage with their colleagues directly. The biennial training provides employees with resources and information on the EEO complaint and FHFA harassment prevention processes, and alternative dispute resolution options to address workplace conflict. Under the No FEAR Act, federal agencies are accountable for violations of the antidiscrimination and whistleblower protection laws and must post both quarterly and annual statistical data relating to federal EEO complaints on their public websites and notify employees and job applicants about their rights under these federal laws.

Each year, training is also made available online via webinars addressing discriminatory harassment and how to encourage workplace civility that reduces disrespectful conduct before it leads to a harassment complaint. In 2019 FHFA approved OMWI's request to institute mandatory training for EEO and diversity and inclusion to emphasize their importance to the Agency. Online training modules will cover Harassment Prevention, an EEO Overview, Unconscious Bias (for non-supervisors), and Diversity and Inclusion, among other relevant topics.

Additionally, FHFA's Learning Academy launched the 15-week Franklin Covey Learning Journeys training program, making it available to all employees in 2019. The program consisted of two tracks: Leading Self (for employees) and Leading Others (for managers and supervisors), and included modules on communication skills, conflict management, adapting to and leading

¹⁹ Public Law 107-174, 116 Stat. 566.



change, leading with integrity and fostering trust. OHRM celebrated the 15 FHFA participants who completed the program and plans to offer it again in 2020.

For succession planning purposes and to build a potential talent pipeline, throughout 2019, FHFA also offered “Leading at Any Level,” a two-day workshop that explored strategies for applying leadership principles to an employee’s current role, regardless of their classification or experience. That course was designed for non-managerial employees whose success relies on a co-dependent relationship (e.g., a team lead role). “Coaching for Results” provided another leadership development opportunity for aspiring team leaders, supervisors, managers, and executives.

b. Diversity and Awareness Education for the Workforce

OMWI is responsible for leading FHFA’s inclusion efforts. It accomplishes that by offering several programs, including specialized cultural educational programming through its Special Emphasis Program (SEP), which is consistent with **OMWI Strategic Plan Goal 1** (Strengthen the Understanding of Diversity, Inclusion, and Equal Opportunity to Drive Cultural Awareness) and **Goal 2** (Deliver Meaningful Diversity and Inclusion Communication).

To foster awareness among employees and drive inclusion within the Agency, OMWI collaborates with the SEP Committee²⁰ to develop and organize SEP events. Three SEP areas are specifically required by regulation: the Hispanic Employment Program, Federal Women’s Program, and Program for Persons with Disabilities.²¹ In addition, FHFA has SEP events to highlight other cultural groups whose histories and contributions are not widely understood, shared, or appreciated. OMWI organized events to commemorate the following national heritage and historical days/months: Martin Luther King, Jr. Day; African American History Month; Women’s History Month; Holocaust Remembrance Day; Asian American and South Pacific Islander Heritage Month; Lesbian, Gay, Bisexual, and Transgender Month; Women’s Equality Day; National Hispanic Heritage Month; National Disability Awareness Month; Veterans Day; and Native American Heritage Month. These programs increased employees’ understanding of the cultural contributions and value of diversity, in general, and of a diverse workforce, in particular. Several employees participated as the main presenter in some programs, while others participated in secondary roles in other presentations.

While all the SEP events were successful and meaningful, the National Disability Awareness Month program was particularly noteworthy. Deaf FHFA employees, along with a deaf Environment Protection Agency employee, presented an outstanding program that addressed the question: “How can we better communicate with our colleagues who are deaf and hard-of-hearing?” The speakers came from different backgrounds and represented different generational outlooks on life as a deaf person and the ways they communicate with the hearing world. One

²⁰ The SEP Committee was formed by OMWI in July 2018, as an inclusion strategy, to facilitate the development and production of SEP events.

²¹ See 29 CFR 1614.102.



described having suddenly lost his hearing at age three, and the other two were born deaf. Three American Sign Language (ASL) interpreters were present to facilitate communication between the audience and each of the speakers. The deaf presenters also provided suggestions to improve Agency accommodations for deaf employees. Before the program ended, the audience was taught a few common ASL greetings and phrases. That inspiring event, which attracted numerous employees, provided a unique learning experience for the Agency. (See **Appendix A** for a detailed listing of the 2019 programs.)

OMWI sought and obtained approval for developing and implementing a sponsorship program to expand opportunities for divisions and offices to sponsor SEP events. The proposal was developed to try increasing employee awareness of such events and improve attendance and participation.

The SEP Committee also assisted in drafting a charter to create a Diversity Advisory Council (DAC). The DAC was proposed in 2019 to serve as a communication link between the workforce and Agency leadership to help implement specific elements of the OMWI Strategic Plan. The DAC is a vehicle through which ideas can be vetted with the goal of creating a fair and equitable work environment, increasing diversity and inclusion within team environments, and developing techniques that support the inclusion of all employees.

Diversity awareness and education is facilitated by OMWI's frequent use of the FHFA intranet, the weekly internal newsletter, and networked television monitors throughout the Agency, all of which keep employees informed of SEP programming and other diversity and inclusion activities and training, as well as EEO policies.

OMWI monitors whether FHFA employees with disabilities are provided the appropriate tools and resources they need to succeed at work. FHFA's Section 508²² working group brings together the offices responsible for communications, information technology, EEO, procurement, diversity and inclusion, legal services, and human resources to oversee the design and execution of Section 508 remediation activities and offerings for internal and external users of FHFA information. FHFA redesigned its template for reporting quarterly and annual No FEAR data, updated all internal forms, and established 508-compliant, service-providing Teletypewriter (TTY) capabilities to make pertinent Agency information more accessible for potential candidates and others with visual disabilities. In addition, Section 508 requirements are included in FHFA solicitations to provide accessible information technology platforms and products for individuals with disabilities. The Agency hired a 508 Compliance Specialist who, since early 2019, has collaborated with each division and office to provide training and to enhance compliance.

²² Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C §794d), requires, in part, that all electronic and information technology that is developed, procured, maintained, or used by each federal department or agency be made available to the public in formats that provide comparable access to all people including persons with disabilities, unless an undue burden would be imposed on the department or agency.



The law requires employers to provide reasonable accommodation to an employee or job applicant with a disability, unless doing so would cause significant difficulty or expense for the employer. A reasonable accommodation is any change in the work environment (or in the normal course) to assist an individual with a disability with applying for or performing the duties of a job, or enjoying the benefits and privileges of employment.²³ FHFA's reasonable accommodation (RA) coordinator is responsible for ensuring that RA requests are timely processed and approved. In 2019 FHFA completed 19 RA requests and included funds in the annual budget to hire a sign language interpreter in 2020.

As part of the onboarding process for newly hired employees, OHRM routinely presents an OPM video that illustrates and demonstrates the concept of diversity and inclusion and their relevance in the workplace. The video reinforces the importance of being open to different ideas and approaches and working collaboratively to reach the best, most informed decisions.

FHFA's Ethics Office within OGC delivered annual ethics training that demonstrated the meaning of FHFA's core values, including diversity. The training utilized game-based sessions that emphasized the importance of avoiding actions that may be "lawful but awful." Quarterly ethics newsletters highlighted the 14 Principles of Ethical Behavior, updates from the U.S. Office of Government Ethics, and other information supportive of diversity and inclusion. New FHFA employees received an in-person ethics briefing as part of the orientation process. In 2019 the Ethics Office introduced new modules within the FHFA Ethics mobile application to provide employees with ready answers to common ethics questions and concerns. The ethics app, which includes summaries of federal ethics rules and agency policies, as well as contact information for FHFA's Ethics Office, FHFA-OIG, U.S. Office of Government Ethics, and the U.S. Office of Special Counsel, reaffirms FHFA's commitment to promoting its core values and the highest level of integrity.

c. Workforce Culture – Employee Engagement

An engaged workforce maximizes an organization's ability to achieve its goals and leadership plays a vital role in charting that course. FHFA leadership has demonstrated its full commitment. In 2019, both Acting Director Joseph Otting and Director Calabria expressed their strong support and advocacy for EEO compliance and diversity and inclusion.

During his short tenure, Acting Director Otting issued an Equal Employment Opportunity, Anti-Discrimination, and Anti-Harassment Policy Statement to all Agency employees. An excerpt from his statement follows:

As Acting Director of the Federal Housing Finance Agency, I am pleased to affirm to you my commitment, and that of the entire senior leadership of the Agency, to the principles of equal

²³ See Americans With Disabilities Act of 1990, 42 U.S.C. § 12101 *et seq.* and the Rehabilitation Act of 1973, as amended, 29 U.S.C § 791(b).



employment opportunity. It is an organization-wide commitment to provide every individual an equal opportunity in all of our employment programs and professional activities and to maintain an environment that is free from unlawful discrimination in all aspects of our operations, including recruitment, hiring, promotions, career development, awards, and retention efforts. We also reaffirm our commitment to maintaining an environment in which employees are safe, free from harassment and bullying, and feel confident that if issues arise they will be investigated and addressed appropriately.

On his arrival to the Agency, Director Calabria promptly signed FHFA's first *Diversity and Inclusion Policy Statement* (see **Appendix B**), immediately followed by his issuance of an *EEO Policy Statement* (see **Appendix C**) and *EEO Anti-Harassment Policy Statement* (see **Appendix D**). In doing so, he stated the following:

These policies express our commitment to a work environment where everyone is treated with dignity and respect and has the right to succeed based on conduct, merit, and performance. FHFA does not tolerate offensive behavior, discrimination, or harassment. These policies apply to all of us.

OMWI met with managers from the Divisions of Bank Regulation (DBR) and Enterprise Regulation (DER) to explore how to increase their respective divisions' level of engagement in following the FHFA *Diversity and Inclusion Policy Statement*, and how to support **OMWI Strategic Goals 1-3**. OMWI also assisted DBR and DER in their efforts to reach diverse candidates for internships and permanent positions by sharing recruitment resources (e.g., websites and organizations). One divisional employee accompanied an OMWI staff member to outreach events to enhance the recruiting experience for potential candidates by providing more pointed descriptions of open positions and that division's operations. Moreover, OMWI agreed to assist both divisions with developing internal diversity and inclusion action plans, as well as materials to address the training needs of their employees at all levels.

Motivated by a vision of FHFA as a world-class regulator, the Agency's new leadership has identified the improvement of employee engagement as a significant priority. To that end, in the spring of 2019, FHFA collaborated with the non-profit, non-partisan Partnership for Public Service²⁴ (the Partnership) to undertake comprehensive due diligence of the engagement scores from the Federal Employee Viewpoint Survey (FEVS). The Partnership conducted 15 agency-wide focus groups to document employees' assessments of various aspects of the Agency's environment and operations that contributed to their level of engagement. The divisions and offices then continued working with the Partnership, using the information collected as a basis for developing and implementing action plans designed to improve the employee work experience and strengthen workforce engagement. Participation in the focus groups was voluntary and the information provided was treated as confidential, with participants representing a cross-section of employees from all different levels.

²⁴ Since 2003, the Partnership has produced the Best Places to Work in the Federal Government rankings, aimed at providing federal agencies with tools and resources to improve employee engagement.



An Agency-wide Employee Engagement Team was established to determine how to maximize employee engagement and improve employee recognition. Team members were selected by their division and office leadership to serve as engagement ambassadors. After findings shared internally from the Partnership focus groups indicated that most employees were supportive of a recognition program, the Employee Engagement Team then designed and implemented a new FHFA annual awards program – FHFA Annual Excellence Awards – which occurred at the end of 2019 in a ceremony that publicly recognized and celebrated the outstanding work of employees within specific categories.

The Agency was proactive in encouraging employees to respond to the FEVS, which resulted in FHFA receiving its best engagement score of 66.7 out of 100 since its formation in 2008. This score placed FHFA above the small-agency median score for the first time in its history. The strong encouragement from the Agency’s leadership resulted in an 88 percent participation rate, the highest-ever overall rate, which was 11 percentage points higher than the 2018 rate, 20 points higher than other small independent agencies, and 45 points higher than responses government-wide. Moreover, the Agency significantly improved its standing in the 2019 Best Places to Work survey in the Federal Government Rankings, moving up four spots to 13th out of 28 small agencies.

OPM developed an Inclusion Quotient (IQ) Index taken from a subset of diversity and inclusion-related questions it includes annually in the FEVS. The questions measure quantitatively the extent to which employees think their agency promotes and respects diversity, with the resulting scores considered as benchmarks for measuring the agency’s progress. OMWI reviewed FHFA’s overall FEVS IQ Index scores for the specific factors associated with inclusion involving “open-mindedness” and compared them to scores from previous years to gauge the Agency’s progress toward greater inclusion. See **Table 11**.

FHFA leadership, with guidance from OMWI, plans to continue its focus on the goal of raising staff engagement and morale to a higher level. While the scores are above the government-wide median rate, they indicate management and performance challenges that OMWI will continue to monitor for improvement.

Table 11: FHFA Scores on Diversity and Inclusion-Related FEVS Questions

FEVS Questions	2019	2018	2017	2016	2015
Q34 – Policies and programs promote diversity in the workplace (e.g., recruiting minorities and women; training in awareness of diversity issues; and mentoring).	63.4%	68.50%	69.00%	69.42%	63.17%
Q45 – My supervisor is committed to a workforce representative of all segments of society.	75.1%	77.90%	81.00%	78.05%	73.63%
Q55 – Supervisors work well with employees of different backgrounds.	66.5%	67.90%	66.00%	65.07%	56.45%

After the FEVS results became public, FHFA’s senior leadership and Employee Engagement Team ambassadors scheduled action planning meetings with the Partnership in December to



identify priority areas, determine the root causes of workforce issues, and decide on key actions to be designed to improve employees' experience in the workplace. Those actions will be consolidated in a collective Agency Employee Engagement plan containing each division and office plan. This initiative aligns with the goal of creating an engaging and accountable workplace that supports FHFA's values and mission.

Consistent with **OMWI Strategic Plan Goal 3** (Ensure Organizational Sustainability), the Agency is seeking to develop the means and ways that support long-term sustainability and effectiveness of its diversity and inclusion mission. In 2017 OPM administered the first Diversity and Inclusion Climate Survey on behalf of FHFA with the goal of identifying any gaps between FHFA's approach to, and employees' understanding of, diversity and inclusion. The Agency used the results to establish a baseline against which future assessments would be compared. In 2019 OMWI partnered with OPM again to administer the second FHFA Diversity and Inclusion Climate Survey to measure FHFA's progress two years later. FHFA is in the process of comparing the results from the 2019 Climate Survey with the 2017 results and, together with the FEVS IQ Index results, designing solutions to specific issues that adversely affect employee engagement.

In 2019 the Agency continued a series of open houses, first begun in 2017 by OMWI, to increase employee awareness and knowledge about the different functions within each division and office. Based on a 2017 Town Hall survey that recommended establishing more informal settings to encourage inter-office conversations, OMWI hosted the first open house to better acquaint employees with its functions, introduce its staff, and showcase its roles and responsibilities for various projects and initiatives. The other divisions and offices followed OMWI's example with their own open houses that provided an informative overview of their respective functions, roles, and responsibilities.

In 2018 FHFA's Division of Housing Mission and Goals (DHMG) launched its Peer-to-Peer Mentoring Program with dual goals of creating opportunities for shared learning and career development and strengthening interpersonal relationships. Since the launch of the program, many of the mentoring relationships, which were initially intended to last for only six months, have continued. The program has also grown to include new participants, some of whom are employees of divisions and offices outside of DHMG. In June 2019, the Diversity and Inclusion Working Group of DBR began creating a mentoring program for new staff and launched an outside speaker series on diversity and inclusion for the division.

FHFA's internal Alternative Dispute Resolution (ADR) Policy was created in 2019. The new policy describes several ADR approaches for resolving conflict or workplace concerns that participants can use in place of more adversarial resolution methods, such as litigation. It also provides guidance on the process and responsibilities of parties participating in non-EEO ADR. ADR is a voluntary process, but all employees are encouraged to take advantage of it under the right circumstances. In 2019 OMWI started crafting proposals for the creation of a training module for ADR services. FHFA will offer ADR training in 2020.



Cultivating more relationships with external organizations that successfully promote diversity continues to be an important component to the success of FHFA's Minority and Women Outreach Program. Through 2019 OMWI participated in outside panels and the OMWI Director delivered keynote addresses at events to share the Agency's expertise and learn about the latest information on diversity and inclusion trends. See **Appendix E** for a listing of those activities.

OMWI also continued to forge stronger collaborative relationships with the OMWIs of the other FIRREA agencies and pooled its resources to take advantage of networking opportunities for joint workforce diversity projects. In May 2019, FHFA joined with the FIRREA OMWIs to host their first symposium to better educate federal diversity and inclusion practitioners. The theme of the symposium was: "OMWI: Leading the Way to Cultural Transformation." Director Calabria welcomed the inaugural gathering with a statement on the importance of diversity and inclusion. Other featured speakers included CFPB Director Kathy Kraninger; Representative Joyce Beatty, Chair of the House Financial Services Committee's Subcommittee on Diversity and Inclusion; and Representative Ann Wagner, the Subcommittee's Ranking Member, all of whom encouraged diversity within and across the financial regulatory sector.

The event, which was organized by OMWI staff from FHFA, SEC, NCUA, OCC, CFPB, FRB, FDIC, and the Department of Treasury, consisted of more than 12 different workshops, breakout sessions, and peer roundtables, allowing for the involvement of every participant. More than 100 people were brought together to focus on a number of specialized issues such as: "How Barrier Analyses Shape Diversity Strategies;" "Developing Conscious Inclusive Behaviors in the Procurement Process;" "Benchmarking Diversity and Inclusion Best Practices in the Financial Services Industry;" and "Applying Metrics, Analytics, and Dashboards into Actionable Strategies." Survey results indicated that participants benefited greatly from the opportunity to foster greater collaboration and learn innovative diversity and inclusion practices and strategies with an open exchange of ideas.

Additionally, just as FHFA itself cultivates strong relationships with the other FIRREA agencies to discuss and understand financial and regulatory policy, practices, and trends, OMWI does the same with other FIRREA OMWIs. FHFA hosted a joint annual end-of-year meeting, which serves as a platform for collaboration to assess mission progress, foster camaraderie among agencies with a shared mission, and strengthen interagency connections for pooling resources and sharing information.

d. Diversity Recruitment

FHFA's ongoing recruitment strategy established new external networking opportunities while also seeking additional sources from which to develop a diverse pool of applicants, including Hispanics, individuals with disabilities, and veterans. OMWI and OHRM staff met periodically to collaborate on recruiting and hiring strategies and participate in joint recruitment activities and outreach events sponsored by professional associations and other organizations serving minorities, women, veterans, and the disabled. The following is a list of representative events:



- **Georgetown University Government and Nonprofit EXPO 2019**
- **Recruit Military Career Expo**
- **Association of Latino Professionals in Finance and Accounting Convention**
- **Ascend National Convention and Career Fair**
- **Atlanta University Center Consortium**
- **Minority Access College and Career Showcase**
- **National Black MBA Association 41st Annual Conference and Exposition**
- **Prospanica (Association of Hispanic Professionals) Conference and Career Expo**
- **2019 Annual HBCU Career Development Marketplace**
- **University of Maryland Applied Economics Career & Networking Fair**
- **Equal Opportunity Publications – Careers & disABLED Career Expo**

FHFA's enhanced recruitment strategies in 2019 resulted in a total of 23 minority and 20 female employees being hired among the 45 new employees, including 14 African Americans, six Asians, and three individuals who identified as two or more races. While the availability and representation of minority and female financial examiners and economists remains low overall in the financial regulatory field, FHFA was successful in hiring a minority economist and several minority examiners, including two minority female examiners in 2019. Those positions are in the Agency's MCO series. OMWI has adopted the regular practice of acknowledging successful collaboration throughout FHFA and sends notes to the divisions and offices to express appreciation for support of the Agency's diversity and inclusion initiatives.

As part of the EEO Standards implementation process mentioned earlier, OMWI also instituted data calls to the divisions and offices to obtain information on how they were performing relative to the EEO Standards. Data collection and assessment is a primary method of driving accountability for integrating the principles of equity and fairness into routine employment practices. OMWI's 2019 data call initiatives were designed to establish a baseline of performance to determine how closely aligned the Agency's practices were with the EEO Standards.

The first data call focused on FHFA recruitment to identify consistent, transparent, and equitable recruitment practices across the Agency. The easy-to-use data call format asked 10-15 specific questions on existing recruitment metrics, sources, and tools employed by OHRM and other divisions and offices. OMWI's collection and review of the data allowed it to assess if FHFA's procedures were effective, whether any practices might lead to potential barriers for EEO groups,



and whether the information could facilitate diverse hiring at all levels and assist in the development of EEO/Agency Action Plans.

OMWI conducted a second data call on the employee onboarding experience, employee development opportunities, workforce planning, and the employee exit process. Collection and review of the data has allowed OMWI to identify an informed, meaningful baseline of employment lifecycle activities and measure any future progress toward improvement in those areas.

VI. Challenges

FHFA is engaged in an ongoing effort to attract, develop, and retain the best diverse talent possible. The Agency is optimistic about its latest hiring results. Even as it explores potential opportunities, FHFA faces certain unavoidable limitations in that it has significantly fewer hiring opportunities than other larger financial regulatory agencies, as well as a very low attrition rate. The Agency also recognizes that, despite its outreach efforts and recent recruiting success, the FHFA Hispanic workforce continues to be underrepresented (2.02 percent).

For data collection, the Agency must work within the constraints of a database system populated with information voluntarily provided by applicants. The number of applicants who choose to respond drives the response rate and accuracy of our assessments. The Agency currently has USAJobs applicant flow data from 2017 through 2019 and is working on completing the collection of additional data from other Agency hiring activities. In 2019, to present this data in a format that hiring managers can use effectively, OMWI developed a dashboard that visually calculates and displays the applicant pool and selection rates by demographic group at the divisional and office levels. The dashboard now includes brief overviews of the applicant pool at different stages, Four-Fifths Rule analyses,²⁵ and data organized by divisions and offices and demographic categories.

The Agency is evaluating the data gathered in the dashboard to determine how many employment applications FHFA is receiving from minority and other traditionally underrepresented groups, and the rate at which these applicants are being referred to selecting officials and ultimately selected for employment. The Agency also has an internal applicant flow system to capture applicant flow data for non-USAJobs staffing vacancies.

The available data show that FHFA has a diverse applicant pool. The Agency will continue using its proven recruitment strategies to ensure that the Agency maintains that diversity. In addition, OMWI is collecting data on Agency recruitment procedures facilitated by a survey tool

²⁵ The Uniform Guidelines on Employee Selection Procedures utilize a standard known as the “4/5ths” or “80 percent” rule. The selection rate for any group which is less than 80 percent of the rate for the group with the highest rate in a particular selection will generally be regarded by the federal enforcement agencies as evidence of adverse impact while a greater than four-fifths rate will generally not be regarded as evidence of adverse impact.



that OMWI has developed. This tool allows the Agency to assess the effectiveness of existing procedures used throughout the recruitment process.

FHFA contracted with a management consulting firm to conduct a barrier analysis to assist the Agency in evaluating its recruitment and advancement policies, procedures, and practices with respect to minority groups, including persons with disabilities. Project objectives included identification of barriers to equal opportunity and advancement to higher ranks, and development of recommendations to help FHFA eliminate any identified barriers and improve its recruitment and advancement efforts in service of the Agency's diversity and inclusion mission.

The consulting firm used a wide array of resources and methods to conduct FHFA's barrier analysis, such as FEVS results, MD-715 reports, the Agency's strategic plans, and talent management policies and procedures. It also analyzed Agency workforce and applicant flow data. Finally, the consulting firm conducted interviews and focus groups with FHFA staff. Small group interviews were also conducted among non-supervisors and supervisors regarding individuals with disabilities and their allies to ascertain which policies, procedures, or practices might potentially lead to EEO disparities.

OMWI, OHRM, and the Office of the Chief Operating Officer met with the consulting firm to discuss the results of the EEO/Diversity and Inclusion Barrier Analysis (Analysis). The Analysis showed triggers in the FHFA hiring process, and it highlighted institutional, attitudinal, and physical barriers at FHFA. The consulting firm also provided recommendations and presented the results to the Agency's Policy and Management Review Committee.

FHFA will continue to address these challenges, where practicable, by taking the following actions:

- Execute the project plan to assess applicant flow data;
- Continue to collaborate across the Agency to drive greater understanding of diversity and inclusion and the attendant benefits;
- Facilitate succession planning;
- Use targeted recruiting strategies to expand outreach to Hispanic talent and continue Agency internship programs to ensure diversity and inclusion in the pipeline; and
- Train hiring managers on practical steps to take in order to mitigate bias in the hiring process.



C. FHFA Business Diversity and Inclusion

I. Contracting Activities and Five-Year Analysis

FHFA's diversity and inclusion obligations extend to its contracting activities. To meet its commitment to promote diversity and ensure the inclusion and utilization of MWOBs in the Agency's business activities, FHFA strives to increase the percentage of funding obligated under contract actions with MWOBs, consistent with legal standards. The Agency compiled and analyzed its contracting actions and reported its total contracting dollars obligated to MWOBs as part of the Agency's *Fiscal Year 2019 Performance and Accountability Report*.

For purposes of this report, contracting actions include contract awards and contract modifications. Contract obligations²⁶ reflect the total amount of dollars obligated and de-obligated on contracts throughout calendar year 2019.

In 2019 FHFA executed 474 contract actions with a total spend of \$48,405,308 (an increase from \$44,857,375 in 2018), of which 172 contract actions were with MWOBs for a total spend of \$10,742,889.²⁷ The 172 contract actions with MWOBs represent 36.29 percent of all contracting actions and 22.19 percent of the total spend by FHFA.

²⁶ The terms "contract obligations" and "contract spend" are used interchangeably.

²⁷ Building leases and interagency agreements are not included in the total actions and spend reported.



Tables 12 and 13 provide a historical breakdown, from 2015 through 2019, of contracting actions and percentages, as well as the dollar value of obligations to MWOBs.

Table 12: FHFA Five-Year Contracting Actions Overview 2015 – 2019

Business Type by Race, Ethnicity, and Gender	Calendar Year									
	2019		2018		2017		2016		2015	
	#	%	#	%	#	%	#	%	#	%
FHFA Contract Actions	474	100.00	512	100.00	499	100.00	509	100.00	532	100.00
All Other Businesses	302	63.71	289	56.45	285	57.11	348	68.37	378	71.05
MWOBs²⁸	172	36.29	223	43.55	214	42.89	161	31.63	154	28.95
Minority-Owned	100	21.10	146	28.52	136	27.25	96	18.86	89	16.73
<i>Women-Owned</i>	114	24.05	138	26.95	151	30.26	100	19.65	93	17.48
Asian American	32	6.75	45	8.79	43	8.62	34	6.68	40	7.52
<i>Women-Owned</i>	9	1.90	21	4.10	18	3.61	10	1.96	6	1.13
Native American	12	2.53	24	4.69	19	3.81	16	3.14	9	1.69
African American	26	5.49	27	5.27	45	9.02	20	3.93	11	2.07
<i>Women-Owned</i>	16	3.38	15	2.93	37	7.41	12	2.36	7	1.32
Hispanic American	30	6.33	50	9.77	29	5.81	26	5.11	29	5.45
<i>Women-Owned</i>	17	3.59	25	4.88	18	3.61	13	2.55	15	2.82
Women-Owned <i>No Minority Status</i>	72	15.19	77	15.04	78	15.63	65	12.77	65	12.22

²⁸ For the MWOBs category, the number reported is the number of Women-Owned businesses (no minority status), Minority-Owned businesses (but not Women-Owned), and businesses that are both Women- and Minority-Owned. 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 13: FHFA Five-Year Spend Overview 2015 – 2019²⁹

Business Type by Race, Ethnicity, and Gender	Calendar Year									
	2019		2018		2017		2016		2015	
	# of Dollars Obligated	% of Dollars Obligated	# of Dollars Obligated	% of Dollars Obligated	# of Dollars Obligated	% of Dollars Obligated	# of Dollars Obligated	% of Dollars Obligated	# of Dollars Obligated	% of Dollars Obligated
FHFA Total Dollars Obligated	\$48,405,308	100.00	\$44,857,375	100.00	\$43,674,403	100.00	\$45,472,226	100.00	\$35,912,677	100.00
All Other Businesses	\$37,662,420	77.81	\$30,974,016	69.05	\$32,040,693	73.36	\$31,659,029	69.62	\$25,360,057	70.62
MWOBs³⁰	\$10,742,889	22.19	\$13,883,359	30.95	\$11,633,710	26.64	\$13,813,197	30.38	\$10,552,620	29.38
Minority-Owned	\$7,156,617	14.78	\$11,806,069	26.32	\$9,765,176	22.36	\$12,580,108	27.67	\$6,642,508	18.50
<i>Women-Owned</i>	\$8,151,429	16.84	\$7,655,685	17.07	\$7,464,210	17.09	\$8,203,188	18.04	\$7,445,529	20.73
Asian American	\$1,210,467	2.50	\$6,608,888	14.73	\$4,482,438	10.26	\$6,097,325	13.41	\$3,808,266	10.60
<i>Women-Owned</i>	\$148,945	0.31	\$1,058,309	2.36	\$1,713,152	3.92	\$1,634,915	3.60	\$1,130,948	3.15
Native American	\$272,178	0.56	\$281,037	0.63	\$281,017	0.64	\$349,622	0.77	\$128,946	0.36
African American	\$1,012,364	2.09	\$749,528	1.67	\$827,917	1.90	\$1,798,508	3.76	\$944,375	2.63
<i>Women-Owned</i>	\$894,894	1.85	\$744,178	1.66	\$488,962	1.12	\$1,280,047	2.82	\$937,790	2.61
Hispanic American	\$4,661,607	9.63	\$4,166,616	9.29	\$4,173,805	9.56	\$4,334,652	9.53	\$1,760,920	4.90
<i>Women-Owned</i>	\$3,521,319	7.27	\$3,775,908	8.42	\$3,393,563	7.77	\$4,055,136	8.92	\$1,466,679	4.08
<i>Women-Owned No Minority Status</i>	\$3,586,271	7.41	\$2,077,290	4.63	\$1,868,534	4.28	\$1,233,089	2.71	\$3,910,111	10.89

²⁹ Rounding causes a difference of \$1 when comparing the sum of obligated dollars for all other businesses and MWOBs to total dollars obligated in 2019.

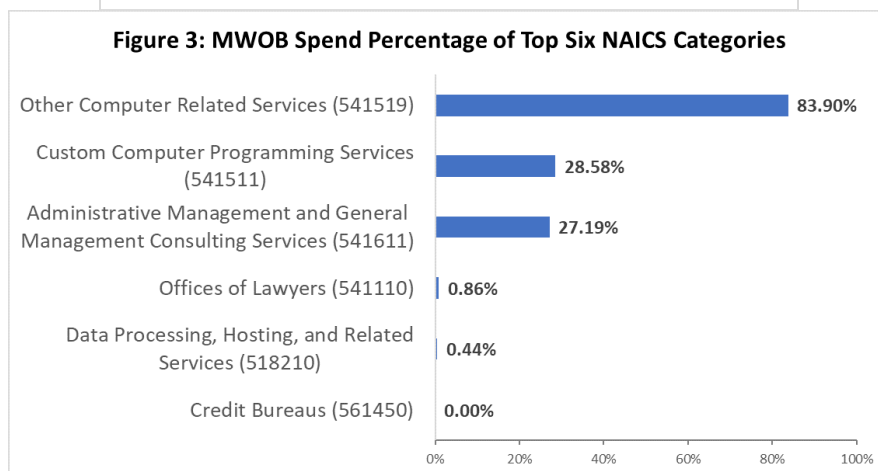
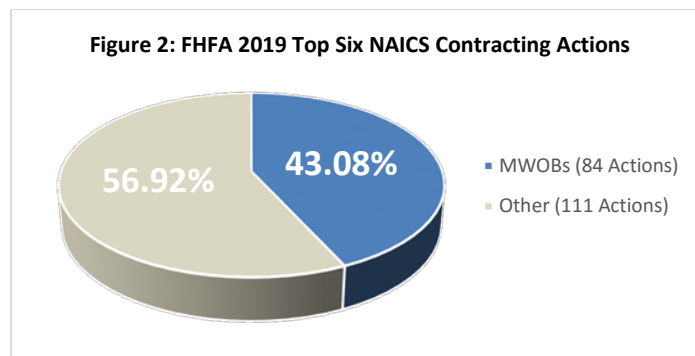
³⁰ For the MWOBs category, the number reported is the number of Women-Owned businesses (no minority status), Minority-Owned businesses (but not Women-Owned), and businesses that are both Women- and Minority-Owned. In the separate Minority-Owned and Women-Owned categories, double counting occurs as these 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.



II. FHFA 2019 Top Six NAICS Codes Contracting Actions and Spend Overview

During 2019, FHFA evaluated the contracting actions and spend as categorized under the North American Industry Classification System (NAICS). NAICS is the standard used by federal agencies in classifying business establishments for collecting, analyzing, and publishing statistical data related to the country’s economy.³¹ FHFA’s highest spends in 2019 were in the following NAICS categories and codes: Other Computer Related Services (541519); Custom Computer Programming Services (541511); Administrative Management and General Management Consulting Services (541611); Offices of Lawyers (541110); Data Processing, Hosting, and Related Services (518210); and Credit Bureaus (561450). These categories correspond generally to information technology (IT), legal, and other services.

Figure 2 illustrates the distribution of all FHFA contract actions in 2019 for the top six NAICS categories. **Figure 3** depicts the distribution of contract awards to MWOBs by NAICS Category. As shown in **Tables 14** and **15**, FHFA had 195 contracting actions in its top six NAICS codes, a total of \$36,769,552 in obligated dollars for those codes, of which 84 contracting actions, 43.08 percent, were with MWOBs.



³¹ North American Industry Classification System, 2017, U.S. Census; <https://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart=2017>.



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Table 14: FHFA 2019 Top Six NAICS Codes Contracting Actions Overview

Business Type by Race, Ethnicity, and Gender	518210		541110		541511		541519		541611		561450		Total Top NAICS	
	# Of Actions	% Of Actions	# Of Actions	% Of Actions	# Of Actions	% Of Actions	# Of Actions	% Of Actions	# Of Actions	% Of Actions	# Of Actions	% Of Actions	# Of Actions	% Of Actions
Top 6 NAICS	15	100.00	25	100.00	9	100.00	78	100.00	62	100.00	6	100.00	195	100.00
Other Businesses	14	93.33	15	60.00	7	77.78	39	50.00	30	48.39	6	100.00	111	56.92
MWOBs	1	6.67	10	40.00	2	22.22	39	50.00	32	51.61	0	0.00	84	43.08
Minority-Owned	0	0.00	5	20.00	2	22.22	24	30.77	15	24.19	0	0.00	46	23.59
Women-Owned	1	6.67	8	32.00	1	11.11	27	34.62	26	41.94	0	0.00	63	32.21
Asian American	0	0.00	1	4.00	1	11.11	10	12.82	5	8.06	0	0.00	17	8.72
<i>Women-Owned</i>	0	0.00	0	0.00	1	11.11	4	5.13	0	0.00	0	0.00	5	2.56
Native American	0	0.00	0	0.00	0	0.00	1	1.28	0	0.00	0	0.00	1	0.51
African American	0	0.00	3	12.00	0	0.00	1	1.28	10	16.13	0	0.00	14	7.18
<i>Women-Owned</i>	0	0.00	3	12.00	0	0.00	0	0.00	9	14.52	0	0.00	12	6.15
Hispanic American	0	0.00	1	4.00	1	11.11	12	15.38	0	0.00	0	0.00	14	7.18
<i>Women-Owned</i>	0	0.00	0	0.00	0	0.00	8	10.26	0	0.00	0	0.00	8	4.10
Women-Owned <i>No Minority Status</i>	1	6.67	5	20.00	0	0.00	15	19.23	17	27.42	0	0.00	38	19.49



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Table 15: FHFA 2019 Top Six NAICS Codes Spend Overview³²

Business Type by Race, Ethnicity, and Gender	518210		541110		541511		541519		541611		561450		Total Top NAICS	
	# Of Spend ³³	% Of Spend	# Of Spend	% Of Spend	# Of Spend	% Of Spend	# Of Spend	% Of Spend	# Of Spend	% Of Spend	# Of Spend	% Of Spend	# Of Spend	% Of Spend
Total 6 NAICS	\$2,594,168	100.00	\$22,019,966	100.00	\$2,068,511	100.00	\$5,119,820	100.00	\$2,676,029	100.00	\$2,291,058	100.00	\$36,769,552	100.00
Other Businesses	\$2,582,631	99.56	\$21,830,235	99.14	\$1,477,430	71.42	\$824,064	16.10	\$1,948,325	72.81	\$2,291,058	100.00	\$30,953,743	84.18
MWOBs	\$11,537	0.44	\$189,731	0.86	\$591,081	28.58	\$4,295,756	83.90	\$727,704	27.19	\$0.00	0.00	\$5,815,809	15.82
Minority-Owned	\$0	0.00	\$211,760	0.96	\$591,081	28.58	\$3,160,914	61.74	\$590,165	22.05	\$0	0.00	\$4,553,920	12.39
Women-Owned	\$11,537	0.44	\$142,971	0.65	-\$113,919	-5.51	\$3,666,271	71.61	\$736,374	27.52	\$0	0.00	\$4,443,233	12.08
Asian American	\$0	0.00	-\$2,240	-0.01	-\$113,919	-5.51	\$533,706	10.42	-\$12	0.00	\$0	0.00	\$417,535	1.14
<i>Women-Owned</i>	\$0	0.00	\$0	0.00	-\$113,919	-5.51	\$144,216	2.82	\$0	0.00	\$0	0.00	\$30,297	0.08
Native American	\$0	0.00	\$0	0.00	\$0	0.00	\$153,857	3.01	\$0	0.00	\$0	0.00	\$153,857	0.42
African American	\$0	0.00	\$165,000	0.75	\$0	0.00	\$19,413	0.38	\$590,177	22.05	\$0	0.00	\$774,590	2.11
<i>Women-Owned</i>	\$0	0.00	\$165,000	0.75	\$0	0.00	\$0	0.00	\$598,835	22.38	\$0	0.00	\$763,835	2.08
Hispanic American	\$0	0.00	\$49,000	0.22	\$705,000	34.08	\$2,453,938	47.93	\$0	0.00	\$0	0.00	\$3,207,938	8.72
<i>Women-Owned</i>	\$0	0.00	\$0	0.00	\$0	0.00	\$2,387,212	46.63	\$0	0.00	\$0	0.00	\$2,387,212	6.49
Women-Owned <i>No Minority Status</i>	\$11,537	0.44	-\$22,029	-0.10	\$0	0.00	\$1,134,843	22.17	\$137,539	5.14	\$0	0.00	\$1,261,889	3.43

³² Rounding causes sums to be off by \$1 in some instances.

³³ The terms “spend” and “obligations” are used interchangeably here.



III. Successes

a. Contract Awards

In 2019 FHFA continued to provide contract actions and funding to MWOBs, in satisfaction of the Agency's Annual Performance Plan measures for contracting. OMWI, in collaboration with the FHFA Office of Budget and Financial Management (OBFM), tracked on a quarterly basis the total number of FHFA contracting actions with, and the number and percentage of contracts awarded to, MWOBs. These measures helped to monitor the effectiveness of the initiatives and actions in which FHFA was engaged to effect greater participation by diverse firms. The measures also comply with requirements of Section 342 of the Dodd-Frank Act.

As reflected in **Table 12**, the number and percentage of MWOB contract actions decreased substantially during Calendar Year (CY) 2019 as MWOBs received 172 (36.29 percent) contract actions, compared to a record high of 223 (43.55 percent) in 2018. These figures are still above the starting benchmark of 154 contract actions awarded in 2015 (28.95 percent). Similarly, **Table 13** shows that the total amount of funding obligated to MWOB contracts declined by 8.76 percentage points (obligated contract dollars to MWOBs amounted to \$10,742,889). With respect to longer-term trends, OMWI met its target end-of-Fiscal Year 2019 performance goal (\$14.4 million), as FHFA exceeded the five-year average of contract dollars obligated to MWOBs (\$12.1 million). The recent decreases are indicative of the Agency's continuing challenge to present more opportunities for MWOBs to increase their federal sector contracting experience.

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

- Electronic access control system to a minority-owned small business (MOSB);
- File analysis tool to a women-owned small business (WOSB);
- EEO investigation services to a WOSB;
- CISCO local area network switches to a WOSB;
- Laptop technical refresh to a WOSB; and
- Executive driver and logistics support to a MOSB/WOSB

b. Supplier Diversity Outreach Program

Throughout 2019 FHFA focused its efforts on important supplier diversity outreach activities to assist potential MWOBs in overcoming any real or perceived barriers to doing business with the Agency. The activities included Agency participation in business expositions, one-on-one matchmaking sessions, and panel presentations. **Appendix F** lists the external outreach events where OMWI and/or OBFM representatives exhibited and/or were featured speakers.

Section 342 of the Dodd-Frank Act specifically requires the OMWI Director to develop standards for increased participation MWOBs in the programs and contracts of the Agency,



including standards for coordinating technical assistance to such businesses (Contractor Outreach Program Standards).³⁴ FHFA's Minority and Women Outreach Program includes a contractor outreach component. OMWI considered developing Contractor Outreach Program Standards similar to its EEO Standards to have a framework for driving the increased awareness and participation of minority-, women-, and disabled-owned businesses (MWDOBs) and to incorporate the technical assistance requirement of Section 342. In June 2019, OMWI developed, finalized, and posted the Agency's first ever Contractor Outreach Program Standards to advance diversity in procurement and contracting.

The following Standards were approved:

- **Standard # 1: Assessment** – FHFA, through OMWI, will perform Agency self-assessments at regular intervals to affirm consistency with Section 342 of the Dodd-Frank Act and FHFA diversity and inclusion goals and objectives.
- **Standard # 2: Communication** – FHFA will communicate the value of supplier diversity to internal and external Agency stakeholders and the requirement to promote business opportunities for MWDOBs.
- **Standard # 3: Talent** – Consistent with diversity and inclusion concepts and objectives, FHFA will seek to attract increased participation of MWDOBs for FHFA's business opportunities.
- **Standard # 4: Involvement** – FHFA will foster an environment exhibiting commitment, involvement, respect, and connection, where increased business opportunities for MWDOBs is encouraged and leveraged to achieve the mission of the Agency.
- **Standard # 5: Oversight** – FHFA will seek to bolster leadership accountability for MWDOB participation consistent with the Agency's diversity and inclusion policies, procedures, and applicable legal requirements, while upholding FHFA's core values.
- **Standard # 6: Network** – FHFA will collaborate with skilled resources (internal stakeholders, external contributors, and diversity and inclusion thought leaders) to incorporate and apply diversity and inclusion principles into the Agency contractor outreach program.

OMWI staff also participated in joint quarterly meetings with the FIRREA interagency OMWI Supplier Diversity Working Group (SDWG) to share best practices, experiences, and strategies for increasing supplier diversity and pooling resources for vendor outreach and technical assistance. The SDWG meetings are forums in which the agencies discuss and share best

³⁴ 12 U.S.C. § 5452(b)(2)(B).



practices to improve the effectiveness of the supplier diversity aspect of the statutory mission. As one of its first initiatives, SDWG completed the initial draft of a group charter, which defines its purpose, goals, roles, and responsibilities. The initial draft of the charter is currently under review by the OMWI Directors who expect to approve a final document in 2020.

FHFA OMWI co-sponsored a technical assistance conference in December 2019, titled “Connections that Count,” held at George Mason University in Arlington, VA. This event is a joint biennial FIRREA-sponsored conference where vendors who want to do business with the federal government receive technical assistance in completing the certification processes, which must be completed prior to bidding for government contracts. The conference had over 136 participants and consisted of four different information sessions. The data collected at the end of the conference indicated that 132 out of 136 attendees found the workshops productive and helpful. The conference was organized to comply with Section 342(c)(1) of the Dodd-Frank Act, which states that each OMWI “Director shall develop standards for increased participation of minority-owned and women-owned businesses in the programs and contracts of the agency, including standards for coordinating technical assistance to such businesses.”

c. Good Faith Effort Procedures and Review

Section 342(c)(3)(A) of the Dodd-Frank Act requires FHFA to develop procedures to determine whether a contractor or subcontractor has failed to make a good faith effort (GFE) to include minorities and women in its workforce. FHFA’s “Policy Establishing Procedures to Determine Compliance by Contractors with the Minority and Women Inclusion Contract Clause” (Good Faith Efforts Policy (GFEP)) establishes a process to determine whether covered contractors and subcontractors are making GFEs to ensure the fair inclusion of minorities and women in their respective workforces. The GFEP ensures transparency, clarity, and consistency in the GFE review process.

Most FHFA contracts over \$150,000 (covered contracts) contain a clause that requires the contractor to confirm its commitment to equal opportunity in employment and contracting and, to the maximum extent possible, consistent with applicable law, the fair inclusion of minorities and women in its workforce. Covered contractors agree to provide documentation of the GFE they have made in support of this commitment within 10 business days after a request from FHFA.

In March 2019, OMWI provided a summary of its reviews of 32 covered contractors. The contractors’ sizes ranged from small companies to large corporations and spanned the NAICS sectors identified in **Tables 14** and **15**. OMWI’s GFEP review found that all the selected contractors had submitted satisfactory information to show compliance with their GFE contractual obligation.

OMWI also considered developing new tools to capture and display information from GFE reviews to streamline the current process. Based on the expressed needs, OMWI decided to proceed with building a SharePoint site for the GFE reviewer to input contractor information and



to upload any documents that are received. This initiative is targeted for deployment in CY 2020 to correspond with the start of the next review period.

IV. Challenges

FHFA continues to face challenges in expanding its MWOB contract awards due to FHFA's size and the specificity of its requirements. The Agency's acquisition needs include highly specialized requirements that tend to make contracting with MWOBs more challenging. Likewise, IT security requirements continue to evolve due to heightened risk and awareness of cybersecurity issues, and new requirements may adversely affect participation by small businesses, including MWOBs. Despite these challenges, FHFA is committed to devoting the resources necessary to try to maintain and, where possible, increase contract dollars obligated to MWOBs. OMWI hopes that its new Contractor Outreach Program Standards will serve as a catalyst to increase MWOB contracting opportunities and drive collaboration across Agency divisions and offices to work together to identify potential opportunities for MWOBs.

D. Ensuring Diversity and Inclusion at Regulated Entities

In 2019, FHFA completed its third year of examinations of the regulated entities' diversity and inclusion program in the areas of workforce, procurement, and financial activities. OMWI completed 14 examinations, surpassing its FY2020 Performance Measure target of 10 examinations.

Under Section 1116 of HERA, FHFA has regulatory, supervisory, and enforcement authority over the diversity and inclusion programs of its regulated entities, including ensuring compliance in all of their business and activities, including workforce, procurement, and financial transactions. HERA provisions are unique to FHFA and its regulated entities because it requires each entity to establish an OMWI, or its functional equivalent, to promote diversity and ensure inclusion in all activities at every level of the respective organization, including employment, management, and contracting. FHFA's supervisory and regulatory responsibilities include OMWI's oversight and examination of the diversity and inclusion programs and activities of the regulated entities. None of the other financial regulatory agencies or their respective regulated entities have a similar obligation.

FHFA's Minority and Women Inclusion Rule³⁵ establishes minimum requirements for the implementation of the diversity and inclusion programs of the regulated entities, sets out the scope of HERA's reporting requirements, and requires the regulated entities to develop and implement strategic plans to promote diversity in all activities and at every level of their respective organizations.

³⁵ See 12 CFR 1223.



As conservator of Fannie Mae and Freddie Mac, FHFA annually establishes goals for the Enterprises. Since 2013, FHFA has created an annual “Conservatorship Scorecard” that summarizes the Agency’s priorities and expectations for the two entities and charts their performance against those goals and objectives. Published in October 2019, the 2020 Scorecard for Fannie Mae, Freddie Mac, and Common Securitization Solutions, LLC (CSS) requires the regulated entities to consider diversity and inclusion when conducting their respective business activities and initiatives. FHFA’s evaluation of Fannie Mae and Freddie Mac’s performance against the Scorecard goals is included in a Scorecard Progress Report posted on FHFA’s website.

In alignment with 12 CFR 1223 and Conservatorship Scorecard guidance, both Fannie Mae and Freddie Mac implemented a formalized process to assess and, where appropriate, integrate diversity and inclusion across their organizations, programs, and initiatives.

In 2013, Fannie Mae and Freddie Mac created Common Securitization Solutions, LLC (CSS) to develop and administer the Common Securitization Platform. Pursuant to OMWI’s statutory authority,³⁶ OMWI communicated with CSS management and provided guidance as CSS created its strategic plan. OMWI also executed its 2019 examination plan to perform a comprehensive review of CSS’s diversity and inclusion program, including the following components: Board Oversight; Strategic Planning; Organizational Framework; Supplier Diversity and Inclusion; Workforce Diversity and Inclusion; Reporting; and Compliance/Audit.

E. Operations

The responsibilities of OMWI’s Operations branch include, but are not limited to, the following activities:

- Establish and manage internal OMWI operations and managerial systems;
- Manage the development, implementation, and measurement of OMWI systems, processes and protocols;
- Manage OMWI’s strategic communications functions and services;
- Manage internal and external regulated entity relationships (FHLBank System, Enterprises, and CSS); and
- Manage internal controls and reporting requirement processes.

In 2019 OMWI developed a Data Strategic Plan for FY 2019 – FY 2021, which represents the commitment to leverage diversity and inclusion data as a strategic asset to facilitate oversight, promote transparency, and increase efficiency. It aligns with the FHFA OMWI Strategic Plan

³⁶ See 12 U.S.C. § 4501 *et seq.*



and FHFA's strategic mission in supporting mandates from HERA and the Dodd-Frank Act. This strategic approach was also developed with the OMWI Data Management Framework as guidance to ensure efficiency, effectiveness, and empowerment upon implementation.

To facilitate OMWI's reporting requirements, the data management system creates, reconfigures, and develops the following:

- Standard queries to produce tables similar to those included in past reports, which drastically reduces the need for manual calculations and enables faster turnaround;
- Queries that output data in the exact format to meet EEOC system specifications for requested files; and
- Reference queries to more effectively accommodate and respond to *ad hoc* data requests.

OMWI continues to create, update, and expand the *Business Intelligence Tools* utilized to measure and increase effectiveness in accomplishing diversity and inclusion initiatives:

- Tracker: A central repository to capture projects or activities across all branches within OMWI;
- Executive Dashboard: Allows OMWI management to stay updated on all projects in real time, with an overview of current status by team and projects;
- Bi-Weekly Summary: A shareable bi-weekly look-back on project status and progression;
- Supplier Diversity Dashboard: Captures related data across the Agency to minimize manual calculation needed for quarterly and annual reporting;
- GFE Site: Consolidates input of contractor information and documents received to conduct GFE reviews; and
- Applicant Flow Dashboard: Depicts applicant data from USAJOBS and FHFA's internal applicant tracking system to present various breakouts and automates the Four-Fifth Rule analysis.

F. Conclusion

Industry research indicates a strong connection between highly engaged employees and strong organizational performance. FHFA strongly supports employee engagement, which was demonstrated through its many initiatives in 2019, as described in the foregoing sections of this Report. Going forward, OMWI plans to collaborate with the Agency's Employee Engagement Team to explore additional ways to strengthen workforce engagement and improve the employee experience at FHFA. Moreover, OMWI has led the way in developing and implementing a wide range of policies, initiatives, and programs designed to address employee satisfaction and inform diversity awareness and inclusive behavior and will continue these efforts in 2020.



Appendix A

EEO/OMWI 2019 Special Emphasis Programs

January–Martin Luther King, Jr. Day – OMWI created a video presentation of FHFA employees’ reflections/thoughts on how the late Martin Luther King, Jr.’s life affected their lives.

February–African American History Month – Federal Home Loan Bank of Chicago President/CEO Matthew R. Feldman and Senior Vice President/Chief Diversity Officer Cedric D. Thurman spoke about their moving experience visiting Montgomery, AL with other executives and staff from the bank to learn about the harsh realities of slavery, and how implementing diversity and inclusion policies at their regulated entity helps create a better future.

March–Women’s History Month (March 21) – Toni Thibeaux, Coordinator for Cornell University’s Masters in Public Health Program, discussed how disparities in housing and public health impact low-income neighborhoods and communities and her efforts to support her Louisiana hometown. FHFA staff exchanged information about FHFA’s work in the development of affordable housing.

May–Asian Americans and Pacific Islanders Month (May 21) – Seema Agnani, Executive Director, National Coalition for Asian Pacific American Community Development (National CAPACD), discussed the umbrella mission of its community-based members and the collected data on prejudicial treatment in housing to illustrate the difficulties of different Asian American communities.

May–Holocaust Remembrance Event (May 23) – FHFA employee Phillip Millman led a Lunch and Learn titled “*A Personal Journey*” sharing his family’s experience with the Holocaust.

June–Lesbian, Gay, Bisexual, and Transgender Month (June) – Natalie Egan, transgender activist and CEO/Founder of Translator, described her life journey and its intersection with technology and diversity and inclusion.

August–Women’s Equality Day (August 26) – Cheryl McKissack Daniel, CEO, McKissack & McKissack, the first African American-owned architectural firm in the United States and the oldest African American owned architecture and engineering firm in the country, discussed her role as the first African American construction industry executive.

September through October 15–National Hispanic Heritage Month – guest economist speaker Jeffrey Vargas, President/CEO of Generationology LLC, described his Puerto Rican heritage and personal career journey to financial regulatory government sector leadership roles and offered career advice.

October–National Disability Awareness Month – OMWI and the Division of Conservatorship hosted a program on deaf awareness that featured two employees and a guest who shared their stories and how to better communicate with those who are deaf or hard-of-hearing.

November–Native American Heritage Month – Holly Johnson, a FHLBank of Topeka Board Director and Chickasaw citizen serving as Secretary of the Treasury for the Chickasaw nation, shared a video on “*The Native American Boarding School Era and the Chickasaw Perspective.*”

November–Veterans Day – FHFA hosted a luncheon to honor its military veteran employees.



Appendix B



FHFA DIVERSITY AND INCLUSION POLICY STATEMENT

The Federal Housing Finance Agency (FHFA or Agency) embraces diversity and inclusion in the workplace and marketplace. Diversity and inclusion encompasses many aspects of the workplace and is demonstrated in behaviors that encourage diversity of thought and perspective, as well as racial, ethnic, cultural, generational, and other differences at all levels of our organization. These ideals will be promoted to our employees, our regulated entities, and within our contracting standards for those who do business with FHFA. Organizations that are diverse in areas such as age, gender identity, race, sexual orientation, physical or mental ability, ethnicity, and perspective are proven to be better organizations. FHFA leadership is committed to creating an environment where everyone, from any background, can do their best work and be their unique self.

FHFA established the Office of Minority and Women Inclusion (OMWI) to drive compliance with the diversity and inclusion requirements of the Housing and Economic Recovery Act of 2008 and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. While OMWI is primarily responsible for all Agency matters relating to diversity and inclusion, FHFA's success in meeting its diversity and inclusion strategic goals and objectives depends on the active support of each and every division, office, and employee. Together, FHFA's leadership and workforce will deliver on the promise of a diverse and inclusive culture in all matters of the Agency and at all levels, in management, employment, and business activities.

The Agency is motivated not only by the need to comply but also by notions of fairness and equity because, as an Agency, we can fulfill our mission most effectively if we leverage our differences and knowledge in every facet of our business and operations, such as decision-making, policies, procedures, problem-solving, and collaboration. To that end, we will stand by FHFA's core values and its Equal Employment Opportunity (EEO) Standards and Contractor Outreach Program Standards to uphold the principles of our Agency and achieve the results for the groups we serve.

Thank you for your support of diversity and inclusion at FHFA and for helping to fulfill this important Agency mission.

For more information on FHFA's diversity and inclusion practices, FHFA EEO Standards and the FHFA Contractor Outreach Program Standards, please contact OMWI at 202-649-3806 or OMWIinfo@fhfa.gov.

Handwritten signature of Mark A. Calabria in blue ink.

Mark A. Calabria, Director

Handwritten date "10-7-19" in blue ink.

Date

Public



Appendix C



FHFA EEO POLICY STATEMENT

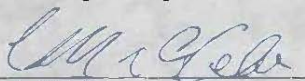
As the Director of the Federal Housing Finance Agency (FHFA or Agency), I unequivocally support Equal Employment Opportunity (EEO). FHFA is an equitable workplace where all persons have the right to work and advance on the basis of merit, ability, and potential. We prohibit discrimination based on race, color, religion, gender (including pregnancy, gender identity, and sexual orientation), national origin, disability (physical or mental), age (40 years of age or over), genetic information (including family medical history), retaliation, parental status, and marital status. I believe that I, along with all of us, am subject to the Agency's equal employment processes, anti-harassment, and anti-discrimination policies.

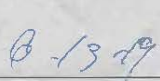
FHFA seeks to prohibit discrimination in every aspect of personnel policies, program practices, and operations. This prohibition also applies to working conditions, including, but not limited to, recruitment, hiring, merit promotion, transfer, reassignment, training, career development, benefits, and separation. FHFA recognizes that employees, former employees, and applicants for employment have the right to file EEO complaints within **45 calendar days** after an alleged discriminatory event or personnel action occurs, or within **45 calendar days** after they become aware of an alleged discriminatory event or action.

FHFA does not tolerate retaliation against anyone who engages in protected EEO activity. Everyone at the Agency is expected to oppose discriminatory practices and cooperate with the EEO complaint process, investigations, and harassment inquiries. Managers and supervisors are encouraged to participate fully in alternative dispute resolution. In addition, workplace harassment is not tolerated. Managers and supervisors are responsible for documenting and promptly correcting harassing conduct in the workplace, and employees are reminded of their duty to avoid engaging in harassing behavior. FHFA employees can report harassment by contacting Harassment Prevention at HarassmentPrevention@fhfa.gov or at (202) 649-3964.

Further, FHFA has implemented [EEO Standards](#) that demonstrate the Agency's commitment to the principles of EEO, and diversity and inclusion (D&I) of the Agency's workforce and senior management. The Standards provide the foundation for a workplace community that delivers EEO and D&I accountability, programs, and services. The Agency will continue to use these Standards as a basis for improvement and growth as we support a model EEO program. This EEO Policy Statement will be posted in our workplace and be publicly available to promote awareness of FHFA's commitment to EEO. For information on the EEO complaint process and counseling, contact EEO Services at (202) 649-3816, via e-mail at eeoservices@fhfa.gov, or on the FHFA intranet at <http://intranet.fhfa.gov/default.htm#/1197>.

Thank you for your support of EEO and D&I at FHFA, and for helping to fulfill the Agency's mission of maintaining a workplace free of discrimination.


Mark A. Calabria


Date

Public



Appendix D



FHFA EEO ANTI-HARASSMENT POLICY STATEMENT

I want to reaffirm the Federal Housing Finance Agency's (FHFA or Agency) commitment to a professional work environment free from unwelcome or offensive behavior. Employees and contractors are responsible for cultivating a workplace that values all individuals and treats everyone with dignity and respect. When unwelcome or offensive behavior is based on an Equal Employment Opportunity (EEO) protected status such as race, color, religion, gender (including pregnancy, gender identity, and sexual orientation), national origin, age (40 years of age or older), disability, genetic information (including family medical history), retaliation, parental status, or marital status, and is severe or pervasive enough to create a hostile or abusive working environment, or it results in a tangible employment action, such behavior is unlawful discriminatory harassment.

FHFA will proactively prevent and address discriminatory harassment in the workplace by conducting prompt and thorough inquiries into allegations and taking appropriate corrective action as needed. Managers and supervisors are responsible for documenting and promptly correcting harassing conduct in the workplace, and employees are reminded of their duty to avoid engaging in harassing behavior. All employees, including managers and Agency leaders, are accountable for harassment and related misconduct regardless of whether the conduct rises to the level of a violation of law.

Harassment includes, but is not limited to, offensive jokes, slurs, epithets or name-calling, physical assaults or threats, intimidation, ridicule or mockery, insults or put-downs, offensive objects or pictures, and interference with work performance. It is any unwelcome severe or pervasive conduct that adversely affects the terms, conditions, and privileges of employment; unreasonably interferes with a person's work performance; or creates an intimidating, hostile, or offensive work environment. Sexual harassment is characterized by unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature. FHFA specifically prohibits harassment based on disability, which may include unfair treatment due to speech impairments, behavioral, learning, or intellectual disabilities, disfigurements, dwarfism, traumatic brain injuries, or hearing impairments.

Employees experiencing or witnessing these behaviors should report them immediately to a supervisor, manager, the OMWI Harassment Prevention Liaison, the OHRM Director, or EEO Services. FHFA will not tolerate retaliation against anyone who reports harassment or participates in subsequent inquiries. FHFA will address harassment violations under its [Conduct and Discipline Policy](#), and may take disciplinary actions, up to and including termination, for those engaged in harassing or retaliatory behavior.

Anyone who believes they have been subjected to EEO-based harassment and wishes to file a separate EEO complaint must contact EEO Services and/or an EEO Counselor **within 45 calendar days after the incident**. For more information about the EEO counseling process, view the EEO Services intranet website at <http://intranet.fhfa.gov/default.htm#/1197>. To obtain additional information about FHFA's [Anti-Harassment Policy, Procedures, and Responsibilities](#), or to report harassment, contact Harassment Prevention at (202) 649-3964 or by email at HarassmentPrevention@fhfa.gov.

Each of us is responsible for treating one another with professionalism and respect, and we must all cooperate to maintain a workplace free from harassment.


Mark A. Calabria


Date

Public



Appendix E

OMWI 2019 Outreach Activities

National Diversity Coalition Town Hall Meeting Conference – a coalition of member organizations advocating for the underserved, policy changes, and increased financial support directed at community programming on homeownership, financial literacy education for youth and adults, affordable housing, and resources that improve quality of life.

Washington, D.C. – March 2019

The Forum on Workplace Inclusion – a convening hub for those seeking to grow professional leadership and effectiveness skills in the field of diversity, equity, and inclusion by engaging people, advancing ideas, and igniting change.

Minneapolis, MN – April 2019

Five Star Government Forum – a national conference that fosters business partnerships among the federal government, its prime contractors, and small, minority-owned, service-disabled veteran-owned, HUBZone, and women-owned businesses.

Washington, D.C. – April 2019

First Joint OMWI Symposium – “*Leading the Way to Cultural Transformation,*” a full-day conference hosted by FHFA in concert with seven other OMWI financial regulatory agencies.

Washington, D.C. – May 2019

Securities Industry and Financial Markets Association 2019 Diversity and Inclusion Conference, “*Fostering a Diverse and Inclusive Financial Industry,*” – FHFA’s OMWI Director joined OMWI Directors from FDIC and SEC to share regulatory perspectives on diverse and inclusive workplaces.

New York, NY – May 2019

Atlanta University Center Consortium – OMWI staff attended career fair held at Morehouse College for outreach to underrepresented groups and women in financial services industry positions. Comprised of four member institutions – Clark Atlanta University, Morehouse College, Morehouse School of Medicine, and Spelman College – the Atlanta University Center Consortium is the world’s oldest and largest contiguous association of private, historically Black colleges and universities.

Atlanta, GA – September 2019

2019 Society of Human Resource Management Diversity & Inclusion Conference – a full-day conference where diversity practitioners, senior managers and recruiters gain diversity and inclusion tools, resources, and innovative strategies to mitigate bias and transform workplace culture.

New Orleans, LA – October 2019



Appendix F

OMWI 2019 Supplier Diversity Outreach

US Women’s Chamber of Commerce National Small Business Contracting Summit – small business owners’ event with emphasis on networking and topics on cybersecurity, branding, marketing, and business growth strategies.

Arlington, VA – March 2019

Women’s Business Enterprise National Council National Conference & Business Fair – the largest conference of its kind for women business owners in the U.S. that features matchmaker sessions and networking opportunities.

Baltimore, MD – June 2019

Annual Elite Service-Disabled Veteran Owned Business (SDVOB) Conference – a nationwide 501(c)(19) veterans services organization with the mission of assisting SDVOBs to start and grow their businesses; the conference furthers that cause by providing SDVOBs opportunities to meet and collaborate with government agencies and prime vendors who understand the value of utilizing SDVOB partners.

Manhattan, NY – August 2019

National Minority Supplier Development Council Annual Conference – advances business opportunities for certified minority business enterprises and connects them to corporate members; it has a membership of more than 12,000 certified minority-owned businesses who are seeking business opportunities with government agencies.

Atlanta, GA – October 2019





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