



2020 OMWI ANNUAL REPORT TO CONGRESS

JANUARY 2020 – DECEMBER 2020



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 2020 Annual Report (Report) of the Federal Housing Finance Agency's (FHFA or Agency) Office of Minority and Women Inclusion (OMWI).

It is fair to say that 2020 was a year marked by global and domestic events of a “shock and awe” quality. The events of the year called upon organizational leaders to put their best foot forward and demonstrate the ability to bring their teams together to mobilize for change and innovation in policies, initiatives, and activities that concurrently met both the moment and the mission. Through the vision and leadership of FHFA Director Dr. Mark A. Calabria, the Agency rose to meet the rapidly changing needs of its workforce as it transitioned to and maintained an unexpectedly long-term, mandatory telework posture. At the same time, FHFA was immediately able to flex its regulatory and policy muscle to manage the potentially dire consequences to renters and homeowners threatened by the severe effects of the COVID-19 pandemic.

Separate and apart from the pandemic, through the resources provided by OMWI, FHFA was instantly poised to lead the Agency through emotionally charged conversations that occurred in light of the George Floyd tragedy. There was no hiding from the harsh realities of the systemic racial inequities that his death only served to underscore in critical areas such as housing and housing finance, a stark reality for FHFA and our regulated entities, given our respective missions. Nevertheless, while acknowledging and managing the dual complexity of the pandemic layered onto issues that spawned widespread social unrest throughout 2020, FHFA was able not only to stay the course in promoting diversity and inclusion (D&I), but also to demonstrate the concrete relevance of OMWI's work in the context of current events.

As required by statute, the Report provides an overview of FHFA's D&I program, including its workforce demographics, contracting data, and D&I strategies and activities. It also describes the depth and breadth of some significant initiatives that OMWI undertook and successfully executed in 2020, in many instances collaborating with other FHFA divisions and offices. We are proud of the expansive and enabling approach that the Agency has taken with regard to D&I. The Report demonstrates not only FHFA's compliance with the letter and spirit of the Dodd-Frank Act, but also the effectiveness of its D&I strategies and program relating to the Agency's workforce and supplier diversity, as well as the oversight of FHFA's regulated entities' D&I programs.

Sincerely,
Sharron P. A. Levine
OMWI Director



Table of Contents

A.	Introduction	1
B.	FHFA Workforce Diversity and Inclusion	4
	I. Workforce Diversity	4
	II. FHFA Workforce Comparison	7
	III. Management	11
	IV. Internships	12
	V. Successes	13
	VI. Challenges	18
C.	FHFA Business Diversity and Inclusion	20
	I. Contracting Activities and Five-Year Analysis	20
	II. FHFA 2020 Top Six NAICS Codes Contracting Actions and Spend Overview	23
	III. Successes	27
	IV. Challenges	29
D.	Ensuring Diversity and Inclusion at Regulated Entities	29
E.	Operations	31
F.	Conclusion	33
	Appendix A	34



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 (collectively, the regulated entities).² The Agency’s mission is to ensure that the regulated entities operate in a safe and sound manner to foster competitive, liquid, efficient, and resilient national housing finance markets that support sustainable homeownership and affordable rental housing. Since 2008, FHFA has also served as the conservator of the Enterprises. FHFA’s functions are carried out by 11 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).³ OMWI is responsible for leading the Agency’s efforts to advance diversity and inclusion (or D&I), 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.⁴

¹ See 12 U.S.C. § 4501 *et seq.*

² FHFA also supervises an affiliate of the Enterprises, Common Securitization Solutions, LLC (CSS), which acts as each Enterprise’s agent to facilitate the issuance of single-family mortgage securities. The Office of Finance is not a “regulated entity” as the term is defined by statute (see 12 U.S.C. § 4502(20)). However, for convenience, references to the “regulated entities” in this Report should be read to also apply to the Office of Finance unless otherwise noted.

³ See 12 U.S.C. § 5452.

⁴ See 12 U.S.C. § 5452(b)(2).



FHFA is among eight federal financial agencies, seven of which are collectively referred to as the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) agencies⁵ that the Dodd-Frank Act requires to submit an annual report to Congress containing the following information:

- A statement of the total amounts paid by the Agency to contractors since the previous report;
- The percentage of the amounts paid to contractors that are MWOBs;
- The successes achieved and challenges faced by the Agency in operating minority and women outreach programs;
- The challenges the Agency may face in hiring minority and women employees and contracting with qualified MWOBs; and
- Any other information, findings, conclusions, and recommendations for legislative or Agency action, as the OMWI Director determines appropriate.

In 2020 FHFA's OMWI was reorganized⁶ into three branches: Agency Internal Diversity and Inclusion, OMWI Supervision – Policy and Examinations, and OMWI Operations. The full-time staff consisted of the OMWI Director, Associate Director, Supervisory Examination Specialist, Supervisory Diversity and Inclusion Specialist, Principal Policy Analyst, Financial Institution Examiners, Program Analyst, Administrative Office Manager, Senior Data Analytics Specialist, and Management Analyst.

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.⁷ The Internal Diversity and Inclusion branch oversees related workplace training, educational Special Emphasis Programs (SEP), and coordinates the Agency's D&I activities involving data analysis, monitoring, policy development, and policy research.

The Supervision – Policy and Examinations branch is responsible for supervision, policy oversight, and examination of the regulated entities' D&I programs. The Policy section is

⁵ 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).

⁶ The Agency underwent a reorganization in early 2020 that placed EEO Services under the newly established Office of Equal Opportunity and Fairness (OEOF), which also houses the non-EEO alternative dispute resolution and FHFA internal harassment prevention functions.

⁷ 12 CFR Part 1223 Final Rule.



responsible for FHFA’s policy development and analysis of the regulated entities’ D&I obligations. The Examinations section oversees and examines their D&I programs under FHFA’s D&I Examination Manual to ensure that the regulated entities execute strategies and goals that comply with the letter and spirit of HERA and FHFA’s Minority and Women Inclusion Rule (“the Rule”).⁸ OMWI examination activities include ongoing monitoring and targeted examinations focused on the workforce, procurement, and financial transaction activities of each regulated entity. FHFA’s D&I Examination Program is used as a tool for shaping the business activities of the regulated entities, which, in turn, will contribute to a future financial services industry that fosters innovation, promotes growth, and drives sustainability through diversity and inclusion.

The OMWI Operations branch provides the office with support for administration, data analytics, budgetary preparation and analysis, and operational oversight, management, and controls. Beginning in 2020, OMWI Operations provided greater support in managing OMWI’s interactions with the regulated entities, including leading regulatory reporting calls and developing an updated *Data Reporting Manual* (DRM) for the entities. The entities use the DRM to prepare and submit the required data in the standard template provided by the Agency.

In 2020, the Agency issued *FHFA’s Strategic Plan FY 2021–FY 2024*, which included a revised set of core values – Fairness, Accountability, Integrity, and Respect (FAIR), built on the foundation of diversity and inclusion – as the pillars of the new Strategic Plan. The new Strategic Plan also contains specific objectives for the Agency’s oversight of the regulated entities’ D&I programs (Objective 2.2) and the Agency’s goals of hiring a diverse workforce to cement FHFA as a world-class regulator (Objective 3.1).

OMWI is in the final year of its *OMWI Strategic Plan for FY 2019–FY 2021*, which closely aligns with FHFA’s overall Strategic Plan and statutory D&I mission. 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.

⁸ See 12 CFR 1223.



B. FHFA Workforce Diversity and Inclusion

Through the leadership of OMWI, the Agency has continued to build and retain an accomplished and diverse workforce. This section (Workforce Diversity; Workforce Comparison; Management; Internships; Successes; and Challenges) provides information on the demographics of the Agency's workforce, as well as its related D&I 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. Similar to the other federal financial agencies, 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. Continuing the momentum of growth ushered in with new leadership in 2019, in 2020 FHFA experienced an increase in its staff size, despite the hiring challenges faced during the COVID-19 pandemic. A comparison of the data in **Tables 1** and **2** reflects an increase of 11.2 percent in Agency staff since 2016.

FHFA encourages all employees to report their race, gender, and disability status for purposes of accuracy. In increasing the Agency's workforce, FHFA has not lost its commitment to diversity and inclusion as the Agency's total minority population increased slightly from 43.9 percent in 2019⁹ to 44.3 percent in only one year's time (38 of 85 new employees were minorities). The following racial and ethnic groups comprised FHFA's minority workforce in 2020: African American (21.9 percent); Hispanic (5.3 percent); Asian (14.6 percent); and two or more races (2.6 percent).¹⁰

⁹ Federal Housing Finance Agency, Office of Minority and Women Inclusion, OMWI Annual Report to Congress (Washington, DC, 2019), 3, <https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/OMWI-2019-Annual-Report.pdf>.

¹⁰ Employees who self-identified as two or more races have ancestry from more than one of the following groups: White, Black or African American, Native Hawaiian/Other Pacific Islander, Asian, or Native American. Consistent with EEO reporting requirements, OMWI has updated the categorization of Hispanic employees so that employees self-identified as Hispanic and other race/ethnicities are categorized as Hispanic instead of Two or More races, as presented in past Annual Reports to Congress.



2020 OMWI Annual Report to Congress

Table 1: FHFA Workforce by Race, Ethnicity, and Gender as of December 31, 2020¹¹

Race and Ethnicity	Female		Male		All	
	#	%	#	%	#	%
Total¹²	274	42.5	371	57.5	645	100.0
Non-Minority	123	19.1	232	36.0	355	55.0
Total Minorities	151	23.4	135	20.9	286	44.3
Unidentified Race/Ethnicity	0	0.0	4	0.6	4	0.6
African American	88	13.6	53	8.2	141	21.9
Hispanic	15	2.3	19	3.0	34	5.3
Asian	35	5.4	59	9.2	94	14.6
Native American	0	0.0	0	0.0	0	0.0
Two or More Races	13	2.0	4	0.6	17	2.6

Table 2: FHFA Workforce by Race, Ethnicity, and Gender as of December 31, 2016

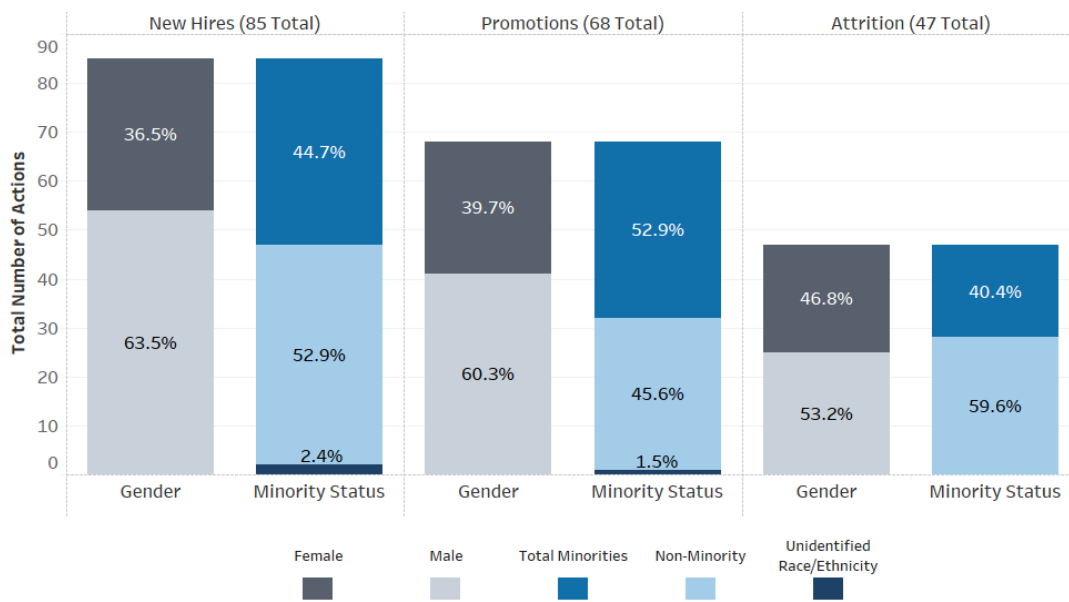
Race and Ethnicity	Female		Male		All	
	#	%	#	%	#	%
Total	259	44.7	321	55.3	580	100.0
Non-Minority	120	20.7	219	37.8	339	58.4
Total Minorities	139	24.0	102	17.6	241	41.6
Unidentified Race/Ethnicity	0	0.0	1	0.2	1	0.2
African American	89	15.3	38	6.6	127	21.9
Hispanic	14	2.4	15	2.6	29	5.0
Asian	27	4.7	42	7.2	69	11.9
Native American	0	0.0	2	0.3	2	0.3
Two or More Races	9	1.6	4	0.7	13	2.2

¹¹ Percentages in tables throughout this Report may vary by 0.2 points due to rounding.

¹² The total employee row sums the total non-minority, total minority, and unidentified employees in Tables 1 through 5 in Section B. FHFA Workforce Diversity and Inclusion.



Figure 1: FHFA Employment Actions in 2020 by Minority and Gender Group Status



OMWI also reviews data from hiring, promotions, and attrition to gain insight for recruitment strategies, career mobility, and retention. FHFA employment actions in 2020 are reflected in **Figure 1** above.

New Hires – Of the 85 employees hired in 2020, minorities and women represented 44.7 percent and 36.5 percent, respectively. While FHFA hired a higher percentage of minorities than both the federal workforce (38.2 percent) and the CLF (27.6 percent) benchmarks, the hiring rate for women remained below the federal workforce benchmark of 44.3 percent as well as the CLF at 48.1 percent. See **Table 3** for a comparison of FHFA’s 2020 workforce to the two benchmarks.

Promotions – Of the 68 employees promoted in 2020, minorities and women represented 52.9 percent and 39.7 percent, respectively, with 45.6 percent of the promotions going to non-minority employees.

Attrition – Women (46.8 percent) and minorities (40.4 percent) accounted for smaller proportions of the 47 separations from the Agency in 2020 than men and non-minority employees (53.2 percent and 59.6 percent, respectively). 2020 saw higher rates of separation from the Agency, some due to early retirement, others to voluntary departures, and others yet to mutual agreement.



II. FHFA Workforce Comparison

FHFA evaluates the composition of its workforce compared to 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 (44.3 percent) was higher than both benchmarks, although the levels of minority representation varied among the specific racial and ethnic groups.

Table 3: Workforce Comparison (in percentages)

Race, Ethnicity, and Gender	Federal Workforce as of December 2020 ¹³	Civilian Labor Force as of 2010 ¹⁴	FHFA Workforce as of December 31, 2020
Total Male	55.7	51.9	57.5
Total Female	44.3	48.1	42.5
Non-Minority	61.5	72.4	55.0
Total Minorities	38.2	27.6	44.3
Unidentified Race/Ethnicity	0.3	0.0	0.6
African American	18.4	12.0	21.9
Hispanic	9.4	10.0	5.3
Asian	6.4	3.9	14.6
Native American	1.6	1.1	0.0
Two or More Races	1.9	0.5	2.6

The majority of FHFA’s workforce consists of the following six mission-critical occupations (MCOs): Economists (0110); Policy Analysts (a subset of the Management and Program Analyst series (0343)); Accountants (0510); Financial Institution Examiners (0570); General Attorneys (0905); and Financial Analysts (1160), all with expertise in housing finance and policy. These MCOs require highly skilled practitioners with substantive knowledge of, and significant experience in, examining, analyzing, and/or evaluating large complex financial institutions and mortgage finance products and services. Historically, minorities and women have been significantly underrepresented in some of these MCOs. FHFA, however, works diligently to

¹³ U.S. Office of Personnel Management, *FedScope: Federal Workforce Data*, Fiscal Year 2020, <https://www.fedscope.opm.gov>.

¹⁴ U.S. Census Bureau, CLF Data as of 2010; <https://www2.census.gov/library/publications/2011/compendia/statab/131ed/tables/labor.pdf>.



2020 OMWI Annual Report to Congress

attract outstanding talent from other financial regulatory agencies, the private sector, and academia to enable it to achieve its mission.

Tables 4 and 5 show participation rates and the racial/ethnic and gender representations within each MCO at FHFA in 2020 compared to 2016.

Table 4: FHFA Top Six Mission Critical Occupations as of December 31, 2020

Race, Ethnicity, and Gender*	Economists 0110		Policy Analysts 0343		Accountants 0510		Financial Institution Examiners 0570		Attorneys 0905		Financial Analysts 1160		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Total	46	100.0	38	100.0	21	100.0	188	100.0	40	100.0	79	100.0	412	100.0
TM	31	67.4	17	44.7	12	57.1	130	69.2	20	50.0	51	64.6	261	63.4
TF	15	32.6	21	55.3	9	42.9	58	30.9	20	50.0	28	35.4	151	36.7
Total Non-Minority	29	63.0	22	57.9	9	42.9	106	56.4	26	65.0	47	59.5	239	58.0
Total Minorities	16	34.8	16	42.1	12	57.1	81	43.1	14	35.0	32	40.5	171	41.5
Unidentified M/F	1	2.2	0	0.0	0	0.0	1	0.5	0	0.0	0	0.0	2	0.5
WM	20	43.5	11	29.0	6	28.6	80	42.6	12	30.0	30	38.0	159	38.6
WF	9	19.6	11	29.0	3	14.3	26	13.8	14	35.0	17	21.5	80	19.4
AAM	0	0.0	1	2.6	2	9.5	23	12.2	4	10.0	9	11.4	39	9.5
AAF	2	4.4	7	18.4	0	0.0	13	6.9	2	5.0	6	7.6	30	7.3
HM	0	0.0	2	5.3	1	4.8	7	3.7	2	5.0	2	2.5	14	3.4
HF	1	2.2	0	0.0	0	0.0	2	1.1	3	7.5	1	1.3	7	1.7
AM	9	19.6	3	7.9	2	9.5	19	10.1	2	5.0	10	12.7	45	10.9
AF	3	6.5	2	5.3	6	28.6	13	6.9	1	2.5	4	5.1	29	7.0
NAM	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
NAF	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
2M	1	2.2	0	0.0	1	4.8	0	0.0	0	0.0	0	0.0	2	0.5
2F	0	0.0	1	2.6	0	0.0	4	2.1	0	0.0	0	0.0	5	1.2

*Key: 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



2020 OMWI Annual Report to Congress

Table 5: FHFA Top Six Mission Critical Occupations as of December 31, 2016

Race, Ethnicity, and Gender*	Economists 0110		Policy Analysts 0343		Accountants 0510		Financial Institution Examiners 0570		Attorneys 0905		Financial Analysts 1160		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Total	36	100.0	38	100.0	23	100.0	171	100.0	36	100.0	66	100.0	370	100.0
TM	24	66.7	20	52.6	14	60.9	112	65.5	19	52.8	42	63.6	231	62.4
TF	12	33.3	18	47.4	9	39.1	59	34.5	17	47.2	24	36.4	139	37.6
Total Non-Minority	23	63.9	23	60.5	12	52.2	110	64.3	25	69.4	39	59.1	232	62.7
Total Minorities	13	36.1	15	39.5	11	47.8	60	35.1	11	30.6	27	40.9	137	37.0
Unidentified M/F	0	0.0	0	0.0	0	0.0	1	0.6	0	0.0	0	0.0	1	0.3
WM	17	47.2	11	29.0	8	34.8	79	46.2	13	36.1	24	36.4	152	41.1
WF	6	16.7	12	31.6	4	17.4	31	18.1	12	33.3	15	22.7	80	21.6
AAM	0	0.0	1	2.6	1	4.4	14	8.2	3	8.3	8	12.1	27	7.3
AAF	2	5.6	4	10.5	0	0.0	13	7.6	3	8.3	6	9.1	28	7.6
HM	0	0.0	3	7.9	2	8.7	6	3.5	1	2.8	2	3.0	14	3.8
HF	1	2.8	1	2.6	0	0.0	2	1.2	1	2.8	0	0.0	5	1.4
AM	6	16.7	4	10.5	2	8.7	12	7.0	2	5.6	8	12.1	33	8.9
AF	3	8.3	1	2.6	5	21.7	11	6.4	1	2.8	2	3.0	23	6.2
NAM	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
NAF	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
2M	1	2.8	1	2.6	1	4.4	0	0.0	0	0.0	0	0.0	3	0.8
2F	0	0.0	0	0.0	0	0.0	2	1.2	0	0.0	1	1.5	3	0.8

*Key: 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

- Economists (0110)** – Similar to 2016, there were no African American or Hispanic men and no Native American men or women working as Economists at FHFA in 2020. Although the overall percentage of minority Economists decreased, over the five-year period FHFA increased the number of minority Economists from 13 to 16 in 2020. The number of women Economists followed the same trend, where the total number in 2020 (15) exceeded the five-year comparison (12), although women representation decreased as a percentage of total Economists (from 33.3 percent in 2016 to 32.6 in 2020).
- Policy Analysts (0343)** – The number of Policy Analysts (38) remained steady from 2016 to 2020. Despite the consistency in the size of the MCO, the gender and racial composition of Policy Analysts changed over the last five years, with a 7.9 percentage point increase in women representation, which resulted in women overtaking men as the majority in this series.



- **Accountants (0510)** – The number of Accountants at FHFA slightly decreased from 2016 to 2020 by two employees. The five-year comparison between **Table 4** and **Table 5** shows identical numbers (9) of women Accountants in 2016 and 2020, yet with a 3.8 percentage point increase in 2020 because of the smaller denominator.
- **Financial Institution Examiners (0570)** – As the Agency expands its supervision capabilities, FHFA increased the number of Financial Institution Examiners from 171 in 2016 to 188 in 2020. Notably, in 2020 FHFA saw a 35 percent increase in minority employees within this MCO compared to 2016, from 60 to 81. This expansion resulted in minority examiners representing 43.1 percent of all examiners in 2020 compared to just over a third (35.1 percent) in 2016.
- **Attorneys (0905)** – FHFA experienced a net increase of four Attorneys over the past five years (from 36 in 2016 to 40 in 2020). Women and minority Attorneys both increased by three, leading to 50 percent female representation and 35 percent minority representation in this MCO, up from 47.2 percent and 30.6 percent, respectively.
- **Financial Analysts (1160)** – FHFA experienced a significant increase in the number of Financial Analysts (79 in 2020 compared to 66 in 2016), as well as an increase in the number of women and minorities in this series, although with a slight decrease in their percentages because more of the new hires were non-minority males.



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 and 9** depict the number and percentage of FHFA’s EL-14 and EL-15 supervisors, as well as executives, by race, ethnicity, and gender in 2020 compared to 2016.

Table 6: Diversity in FHFA’s EL-14 and EL-15 Supervisors as of December 31, 2020

Race and Ethnicity	Female		Male		All	
	#	%	#	%	#	%
Management Total	29	39.7	44	60.3	73	100.0
Non-Minority	13	17.8	29	39.7	42	57.5
Total Minorities	16	21.9	15	20.6	31	42.5
African American	13	17.8	3	4.1	16	21.9
Hispanic	1	1.4	4	5.5	5	6.9
Asian	1	1.4	8	11.0	9	12.3
Two or More Races	1	1.4	0	0.0	1	1.4

Table 7: Diversity in FHFA’s EL-14 and EL-15 Supervisors as of December 31, 2016

Race and Ethnicity	Female		Male		All	
	#	%	#	%	#	%
Management Total	31	48.4	33	51.6	64	100.0
Non-Minority	17	26.6	22	34.4	39	60.9
Total Minorities	14	21.9	11	17.2	25	39.1
African American	7	10.9	4	6.3	11	17.2
Hispanic	4	6.3	3	4.7	7	10.9
Asian	1	1.6	3	4.7	4	6.3
Two or More Races	2	3.1	1	1.6	3	4.7

A comparison of the data in **Tables 6 and 7** shows a decrease in women supervisors from 48.4 percent in 2016 to 39.7 percent in 2020; however, there was a slight increase in the number of minority women supervisors, from 14 to 16. Additionally, minority supervisors increased from 39.1 percent to 42.5 percent over the five-year period, with the total number of minority supervisors increasing by twice as much as non-minority supervisors.



Table 8: Diversity in FHFA’s Executives as of December 31, 2020

Race and Ethnicity	Female		Male		All	
	#	%	#	%	#	%
Management Total	18	33.3	36	66.7	54	100.0
Non-Minority	11	20.4	29	53.7	40	74.1
Total Minorities	7	13.0	7	13.0	14	25.9
African American	3	5.6	5	9.3	8	14.8
Hispanic	1	1.9	1	1.9	2	3.7
Asian	1	1.9	1	1.9	2	3.7
Two or More Races	2	3.7	0	0.0	2	3.7

Table 9: Diversity in FHFA’s Executives as of December 31, 2016

Race and Ethnicity	Female		Male		All	
	#	%	#	%	#	%
Management Total	16	33.3	32	66.7	48	100.0
Non-Minority	7	14.6	29	60.4	36	75.0
Total Minorities	9	18.8	3	6.3	12	25.0
African American	5	10.4	1	2.1	6	12.5
Hispanic	3	6.3	1	2.1	4	8.3
Asian	0	0.0	1	2.1	1	2.1
Two or More Races	1	2.1	0	0.0	1	2.1

As the Agency has grown, with a concurrent increase in the executive staff, FHFA has been intentional in trying to increase the diverse representation at the executive level. Such attempts are a work in progress with room for considerable improvement, although there have been several successes. **Table 8** compared with **Table 9** shows an increase in the number of women executives from 16 in 2016 to 18 in 2020, though the proportion of female executives remained at 33.3 percent. The number of minority males in executive roles more than doubled from three in 2016 to seven in 2020, which represents an increase of 6.7 percentage points (from 6.3 percent in 2016 to 13 percent in 2020).

IV. Internships

Each year the Agency typically sponsors its Pathways Summer Internship Program for college and graduate students, as well as recent college graduates. Last year brought unique challenges to the program as the Agency moved to mandatory telework in March, which continued for the rest of 2020. As a result, FHFA scaled down the program, providing each division and office the choice of participating virtually or not at all, given the inherent challenges of distance learning



the entire duration of the program. Agency leaders and mentors adapted to a virtual format and accommodated a smaller group of interns.

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). **Table 10** shows the diversity profile of the 2020 summer interns.

Table 10: 2020 Summer Interns by Race, Ethnicity, and Gender as of December 31, 2020

Race and Ethnicity	Female		Male		All	
	#	%	#	%	#	%
Intern Total	6	42.9	8	57.1	14	100.0
Non-Minority	4	28.6	4	28.6	8	57.1
Total Minorities	2	14.3	4	28.6	6	42.9
African American	2	14.3	0	0.0	2	14.3
Hispanic	0	0.0	2	14.3	2	14.3
Asian	0	0.0	2	14.3	2	14.3
Native American	0	0.0	0	0.0	0	0.0
Two or More Races	0	0.0	0	0.0	0	0.0

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 combines traditional classroom-based training and online learning with multiple courses on diversity and inclusion and EEO topics. However, due to the shift to mandatory telework in March 2020, the training was offered solely online for the remainder of the year. This strategy aligns with **OMWI Strategic Plan Goal 1** (Strengthen the Understanding of Diversity, Inclusion, and Equal Opportunity to Drive Cultural Awareness).

Section 342 of the Dodd-Frank Act requires the OMWI Director to develop EEO Standards, which were completed in 2016.¹⁵ To further implement the FHFA EEO Standards, OMWI

¹⁵ 12 U.S.C. § 5452(b)(2)(A).



completed Agency-wide data collection efforts in 2020. The data collection focused on recruitment, the employment lifecycle, and supplier diversity. Such information will be used to educate employees and evaluate the effectiveness of current standards. In addition, this information can be used to determine if any enhancements are needed in FHFA's internal procedures and processes.

Each year, training is made available via webinars on discriminatory harassment and workplace civility to reduce disrespectful conduct and the probability of harassment complaints. In 2020 FHFA approved OMWI's request to institute mandatory online D&I training on unconscious bias, as well as harassment prevention, an EEO overview, and other relevant topics that informed employees about various aspects of workforce and supplier diversity, as well as EEO. OMWI provided both online self-guided training modules and division- and office-level "deeper dive" facilitated conversations about unconscious biases in the workplace.

To sustain long-term organizational excellence, the Agency has worked steadily to develop more concrete measures to evaluate its leaders in the area of diversity and inclusion, and has evolved over time, as necessary, to achieve that goal. In 2017 FHFA developed, approved, and implemented a Diversity and Inclusion/EEO Competency in the Job Performance Plans (JPP) of FHFA managers and supervisors to drive accountability. The Diversity and Inclusion/EEO Competency was consistent with Equal Employment Opportunity Commission (EEOC) guidelines regarding the evaluation of executives, supervisors, and managers. In 2019 OMWI 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 on which employees' job performance ratings are based. In 2020 OMWI continued to explore specific diversity and inclusion related KRAs as a more tangible measure of accountability for managers and supervisors. Rather than elevating the D&I KRA to a standalone Competency, as part of a larger performance management initiative, in 2020 the Agency started transitioning toward inclusion of a separate D&I/EEO Critical Element in revised 2021 Performance Standards for employees. Critical Elements are used in the performance management system to identify the most important areas of responsibility associated with an employee's job position. D&I/EEO were included in the Agency's new Critical Elements Library and as such, also incorporated into several fundamental and technical competencies associated with each FHFA occupation. All supervisors and executives then select elements from the Critical Elements Library to create their Performance Plan.

FHFA provided interactive Alternative Dispute Resolution (ADR) training to all employees during 2020, which focused on conflict resolution, differing perceptions about circumstances, and the different values brought by individuals to the workplace. FHFA's internal ADR Policy, created in 2019, describes several ADR approaches for resolving conflict or workplace concerns available to participants in lieu of more adversarial resolution methods, such as litigation. ADR is a voluntary process, but all employees are encouraged to take advantage of it under the right circumstances. In 2020, the newly created Office of Equal Opportunity and Fairness (OEOF) partnered with FHFA's Learning Academy in OHRM and the Federal Mediation and Conciliation Service to offer ADR training to the entire workforce.



The Learning Academy launched the 15-week Franklin Covey Learning Journeys training program, which was available to all employees in 2020. 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 change, leading with integrity, and fostering trust, all critical aspects to understanding how to implement and practice diversity and inclusion. OHRM celebrated the 15 employees who completed the program in 2020 and plans to offer it again.

For succession planning purposes and to build a potential talent pipeline, an activity that demonstrates the Agency's commitment to inclusion, throughout 2020, 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 his or her classification or experience. The 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.

As part of the onboarding process for newly hired employees, OMWI, in partnership with OEOF, routinely presents an OPM video that illustrates and demonstrates the concept of diversity and inclusion and its 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.

New FHFA employees received a virtual face-to-face ethics briefing as part of the orientation process. FHFA's Ethics Office within the Office of the General Counsel (OGC) provides annual ethics training to all employees, accessible online and through a mobile application, which focuses on the importance of values and avoiding actions that may be "lawful but awful." In 2020 the Ethics Office introduced new and updated modules within the ethics app to provide employees with ready answers to common ethics questions and concerns. Quarterly ethics newsletters featured principles of ethical behavior, updates from the U.S. Office of Government Ethics, and other information supportive of diversity and inclusion, which not only form the foundation of the Agency's core values, but also provide a source of guidance for ethical behavior.

b. Diversity Awareness Education for the Workforce

OMWI is responsible for leading FHFA's inclusion efforts, such as cultural education throughout the year as part of the Special Emphasis Programs (SEP). (See [Appendix A](#) for a detailed list of the 2020 events co-sponsored by OMWI and other Agency divisions.) These programs are among those that implement **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 promote inclusion within the Agency, OMWI collaborates with the SEP Committee¹⁶ to develop and organize several educational and cultural events, including three areas specifically required by regulation: the Hispanic Employment Program, Federal Women’s Program, and Program for Persons with Disabilities.¹⁷ OMWI organized events to commemorate the following groups or historic days: 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.

In March, the Women’s History Month program was cancelled due to the onset of the pandemic and the Agency’s transition to mandatory telework. In May, OMWI launched its inaugural virtual program, which celebrated Asian American and Pacific Islander Heritage Month via webinar. OMWI has continued to host the SEPs virtually and has received very positive feedback, which is reflected in the exponential increase in staff participation at each event compared to those at in-person gatherings.

FHFA regularly informs employees about D&I activities, training, and related policies through frequent postings in a weekly electronic staff newsletter, the FHFA intranet, and increased digital communications displayed on the Agency’s events rotator during remote work.

OMWI monitors whether FHFA employees with disabilities receive the appropriate tools and resources needed to succeed at work. FHFA’s Section 508¹⁸ working group brings together the offices responsible for communication, 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. In 2020 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’s 508 Compliance Specialist continues to collaborate with each division and office to provide training and to enhance compliance.

¹⁶ The SEP Committee was formed by OMWI in July 2018, as an inclusion strategy to facilitate the development and production of SEP events. The Committee was disbanded in 2020 after the FHFA Diversity Advisory Council was established in June 2020.

¹⁷ See 29 CFR 1614.102.

¹⁸ 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.



c. Workforce Culture – Employee Engagement

The Agency’s Diversity Advisory Council (DAC) Charter was approved by the FHFA Director in April 2020. The DAC was established in June 2020 and staffed with a member from each division and office. The purpose of the DAC is to support diversity initiatives across the Agency, help identify and communicate important diversity concerns to the FHFA Director and executive leadership and make recommendations on diversity and inclusion and employee engagement issues of concern.

FHFA set a record 90.3 percent response rate in the 2020 Federal Employee Viewpoint Survey (FEVS). Some 83.4 percent of FHFA employees who participated in the survey viewed their supervisor as committed to a diverse workforce, which is an 8 percentage point increase over the previous year and the highest percentage since 2015. In response to related FEVS results and other feedback, OMWI collaborated with the Learning Academy to develop the Agency’s first mentoring program in 2020 for employees interested in career development.

In response to the 2019 FEVS results, the Agency developed action items related to equity and EEO, such as providing more opportunities for employee recognition and collaboration and promoting awareness of the Agency’s EEO policies and procedures. The Agency’s Employee Engagement Committee coordinated efforts to accomplish these action items. In a similar vein, a key objective of FHFA’s 2020 Employee Engagement action plan included cultivating “a culture of engagement, equity, and inclusion” through training, employee awards, and promoting the FHFA EEO Standards, for example. Another priority in the Employee Engagement plan raised the bar for leadership effectiveness and accountability by linking D&I to job performance. In addition, each division developed their own D&I action plan, including, primarily, an assessment of employee perceptions about the climate for understanding and promoting diversity and inclusion. The action plans addressed the top one or two leading issues reported by each division’s team members. In consultation with OMWI, each division was then encouraged to identify clear tangible goals, strategies, and metrics to achieve the plan objectives. The plans were developed in 2020 and are at varying stages of completion.

d. Diversity Recruitment

FHFA’s ongoing recruitment strategy has resulted in new external networking opportunities, as well as internal collaborations from which to develop a diverse pool of applicants.

Prior to the pandemic, OMWI had not participated in any virtual recruitment campaigns. Out of necessity, the Agency transitioned to virtual recruiting, which posed some obvious challenges. OMWI’s ability to participate in large-scale career fairs was no longer an option in 2020. Still, adjustments were made to accommodate as many requests as possible to reach potential candidates virtually. OMWI and FHFA’s virtual recruiting process continues to evolve to meet the needs of all stakeholders.



In 2020 OMWI started receiving weekly alerts through OHRM about FHFA employment opportunities that may become open, allowing OMWI staff more lead time to target a diverse talent pool at universities, colleges, and organizations throughout the United States. OMWI and OHRM staff met periodically throughout the year 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 individuals with disabilities. The following is a list of representative events:

- 2020 Allied Social Sciences Association (ASSA) Annual Meeting
- Georgetown University Government and Nonprofit EXPO 2020
- Recruit Military Career Expo (Virtual)
- Association of Latino Professionals in Finance and Accounting Convention (Virtual)
- Ascend National Convention and Career Fair (Virtual)
- Gallaudet University Career Center's Spring 2020 Internship & Job Fair
- National Black MBA Association 42nd Annual Conference and Exposition (Virtual)
- Prospanica (Association of Hispanic Professionals) Conference and Career Expo (Virtual)
- 2020 Annual Historically Black Colleges and Universities (HBCU) Career Development Marketplace (Virtual)
- University of Maryland Applied Economics Spring Career & Networking Fair
- Equal Opportunity Publications – Careers & disABLED Career Expo (Virtual)

VI. Challenges

As the pandemic became more widespread in early 2020, FHFA, like many other government agencies, pivoted to mandatory telework. Examiners had to conduct virtual visits to the regulated entities rather than live meetings, which required immediate flexibility on the part of both FHFA and the regulated entities. Outreach programs also had to be conducted virtually, which resulted in several cancellations or reduced attendance by potential applicants. Although the outbreak had an isolating effect for the workforce, OMWI continued to offer diversity and inclusion virtual training and host other events as a vehicle to foster a connectivity across the Agency and with each other while working remotely. As FHFA faced the initial challenge of transitioning to a fully remote-capable workplace, the Agency provided computer equipment and



other accessories to staff, which contributed to maintaining already high levels of productivity, and in some cases, exceeding such levels.

In fall 2020, OMWI prepared for potential changes to its programming resulting from Executive Order (EO) 13950, which sought to prohibit “divisive concepts” in diversity training of federal employees. Diversity and inclusion training sessions that the Learning Academy was launching were suspended pending an Agency review of the EO and a decision on its applicability to FHFA as an independent agency. The OMWI Director also participated in discussions with the OMWI Directors of other FIRREA agencies to gauge their respective interpretations and approaches to the EO and its impact on their D&I programming going forward. Concerns relating to the EO were dismissed with the new Administration’s EO 13985, which rescinded it in early 2021.



C. FHFA Business Diversity and Inclusion

I. Contracting Activities and Five-Year Analysis

FHFA's D&I obligations also extend to its contracting activities. To meet the requirement 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.

For purposes of this Report, contracting actions include contract awards and contract modifications. Contract obligations¹⁹ reflect the total amount of dollars obligated and de-obligated on contracts throughout calendar year (CY) 2020.

In 2020, FHFA executed 569 contract actions with a total spend of \$70,322,529 (an increase from \$48,405,308 in 2019),²⁰ of which 202 contract actions were with MWOBs for a total spend of \$11,349,665.²¹ The 202 contract actions with MWOBs represent 35.5 percent of all contracting actions and 16.1 percent of the total spend by FHFA.

¹⁹ The terms "contract obligations" and "contract spend" are used interchangeably.

²⁰ The significant increase in FHFA's contract obligations from 2019 is due in large part to multi-year financial services consulting and legal services contracts associated with achieving FHFA's strategic goal and statutory obligation to responsibly end the conservatorships of the Enterprises.

²¹ Building leases and interagency agreements are not included in the total actions and spend reported.



Tables 11 and 12 provide a historical breakdown, from 2016 through 2020, of contracting actions and percentages, as well as the dollar value of obligations to MWOBs.

Table 11: FHFA Five-Year Contracting Actions Overview 2016 - 2020

Business Type by Race, Ethnicity, and Gender	Calendar Year									
	2020		2019		2018		2017		2016	
	#	%	#	%	#	%	#	%	#	%
FHFA Contract Actions	569	100.0	474	100.0	512	100.0	499	100.0	509	100.0
All Other Businesses	367	64.5	302	63.7	289	56.5	285	57.1	348	68.4
MWOBs²²	202	35.5	172	36.3	223	43.6	214	42.9	161	31.6
Minority-Owned	118	20.7	100	21.1	146	28.5	136	27.3	96	18.9
<i>Women-Owned</i>	138	24.3	114	24.1	138	27.0	151	30.3	100	19.7
Asian American	30	5.3	32	6.8	45	8.8	43	8.6	34	6.7
<i>Women-Owned</i>	7	1.2	9	1.9	21	4.1	18	3.6	10	2.0
Native American	19	3.3	12	2.5	24	4.7	19	3.8	16	3.1
African American	45	7.9	26	5.5	27	5.3	45	9.0	20	3.9
<i>Women-Owned</i>	29	5.1	16	3.4	15	2.9	37	7.4	12	2.4
Hispanic American	24	4.2	30	6.3	50	9.8	29	5.8	26	5.1
<i>Women-Owned</i>	18	3.2	17	3.6	25	4.9	18	3.6	13	2.6
Women-Owned <i>No Minority Status</i>	84	14.8	72	15.2	77	15.0	78	15.6	65	12.8

²² 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.



2020 OMWI Annual Report to Congress

Table 12: FHFA Five-Year Spend Overview 2016 - 2020²³

Business Type by Race, Ethnicity, and Gender	Calendar Year									
	2020		2019		2018		2017		2016	
	# 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	\$70,322,529	100.0	\$48,405,308	100.00	\$44,857,375	100.00	\$43,674,403	100.00	\$45,472,226	100.00
All Other Businesses	\$58,972,863	83.9	\$37,662,420	77.8	\$30,974,016	69.1	\$32,040,693	73.4	\$31,659,029	69.6
MWOBs²⁴	\$11,349,665	16.1	\$10,742,889	22.2	\$13,883,359	31.0	\$11,633,710	26.6	\$13,813,197	30.4
Minority-Owned	\$9,096,614	12.9	\$7,156,617	14.8	\$11,806,069	26.3	\$9,765,176	22.4	\$12,580,108	27.7
<i>Women-Owned</i>	\$8,615,825	12.3	\$8,151,429	16.8	\$7,655,685	17.1	\$7,464,210	17.1	\$8,203,188	18.0
Asian American	\$2,385,245	3.4	\$1,210,467	2.5	\$6,608,888	14.7	\$4,482,438	10.3	\$6,097,325	13.4
<i>Women-Owned</i>	\$245,757	0.3	\$148,945	0.3	\$1,058,309	2.4	\$1,713,152	3.9	\$1,634,915	3.6
Native American	\$505,546	0.7	\$272,178	0.6	\$281,037	0.6	\$281,017	0.6	\$349,622	0.8
African American	\$1,071,349	1.5	\$1,012,364	2.1	\$749,528	1.7	\$827,917	1.9	\$1,798,508	3.8
<i>Women-Owned</i>	\$994,413	1.4	\$894,894	1.9	\$744,178	1.7	\$488,962	1.1	\$1,280,047	2.8
Hispanic American	\$5,134,475	7.3	\$4,661,607	9.6	\$4,166,616	9.3	\$4,173,805	9.6	\$4,334,652	9.5
<i>Women-Owned</i>	\$5,122,605	7.3	\$3,521,319	7.3	\$3,775,908	8.4	\$3,393,563	7.8	\$4,055,136	8.9
Women-Owned <i>No Minority Status</i>	\$2,253,051	3.2	\$3,586,271	7.4	\$2,077,290	4.6	\$1,868,534	4.3	\$1,233,089	2.7

²³ Rounding causes a difference of \$1 when comparing the sum of obligated dollars for all other businesses and MWOBs to total dollars obligated in 2020.

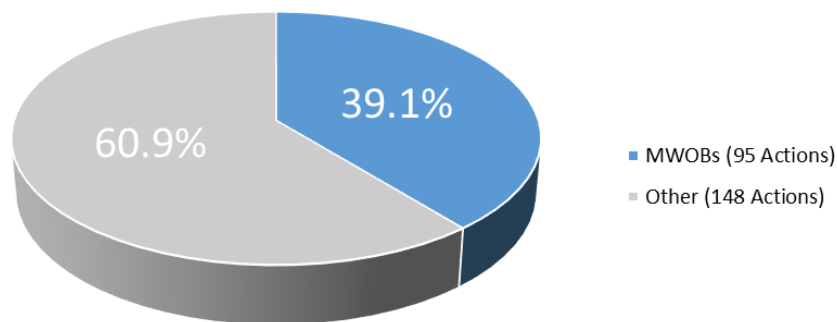
²⁴ For the MWOBs category, the number reported is the number of Women-Owned businesses (no minority status), Minority-Owned businesses (but not Women-Owned), and businesses that are both Women- and Minority-Owned. In the separate Minority-Owned and Women-Owned categories, double counting occurs as these figures include businesses that are both Minority- and Women-Owned. Therefore, if added together, the Minority-Owned and Women-Owned categories may be greater than the total number of MWOBs.

II. FHFA 2020 Top Six NAICS Codes Contracting Actions and Spend Overview

During 2020, 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.²⁵ FHFA’s highest spends in 2020 were in the following NAICS categories and codes: Investment Banking and Securities Dealing (523110); Offices of Lawyers (541110); Other Computer Related Services (541519); Administrative Management and General Management Consulting Services (541611); Direct Health and Medical Insurance Carriers (524114); and Credit Bureaus (561450). These categories correspond generally to information technology (IT), financial, legal, and other services.

Figure 2 illustrates the distribution of all FHFA contract actions with MWOBs and non-MWOBs in 2020 for the top six NAICS categories. **Figure 3** depicts the distribution of contract awards to MWOBs by NAICS Category. As shown in **Tables 13** and **14**, FHFA had 243 contracting actions in its top six NAICS codes, a total of \$52,887,345 in obligated dollars for those codes, of which 95 contracting actions, 39.1 percent, were with MWOBs.

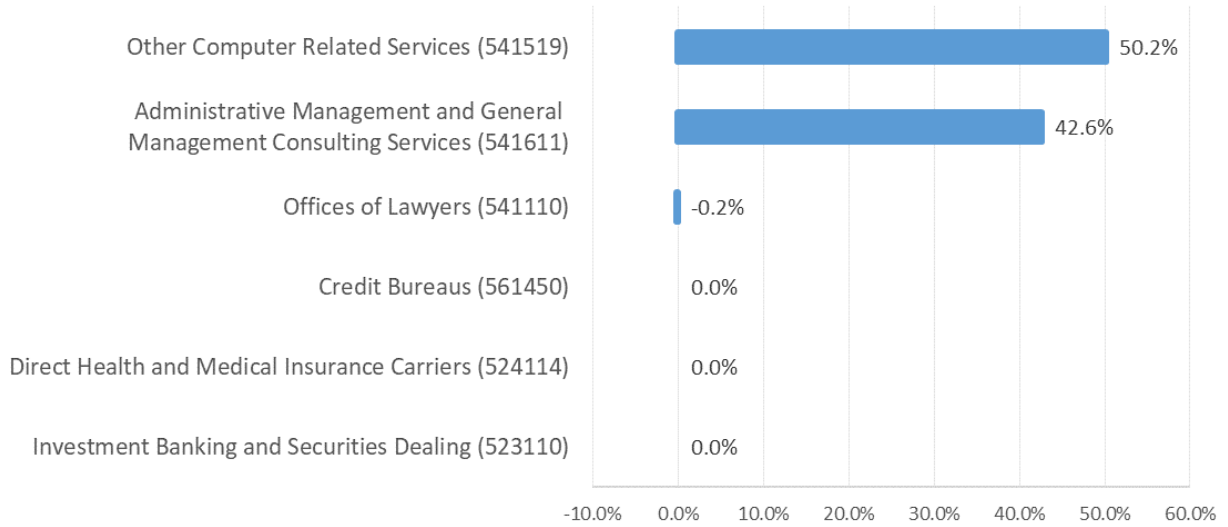
Figure 2: FHFA 2020 Top Six NAICS Contracting Actions



²⁵ North American Industry Classification System, 2017, U.S. Census; <https://census.gov/naics/>.



Figure 3: MWOB Spend Percentage of Top Six NAICS Categories



2020 OMWI Annual Report to Congress

Table 13: FHFA 2020 Top Six NAICS Codes Contracting Actions Overview

Business Type by Race, Ethnicity, and Gender	523110		541110		541519		541611		524114		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	4	100.0	41	100.0	98	100.0	85	100.0	7	100.0	8	100.0	243	100.0
Other Businesses	4	100.0	30	73.2	45	45.9	54	63.5	7	100.0	8	100.0	148	60.9
MWOBs	0	0.0	11	26.8	53	54.1	31	36.5	0	0.0	0	0.0	95	39.1
Minority-Owned	0	0.0	4	9.8	30	30.6	30	35.3	0	0.0	0	0.0	64	26.3
Women-Owned	0	0.0	9	22.0	37	37.8	23	27.1	0	0.0	0	0.0	69	28.4
Asian American	0	0.0	0	0.0	10	10.2	5	5.9	0	0.0	0	0.0	15	6.2
<i>Women-Owned</i>	0	0.0	0	0.0	2	2.0	0	0.0	0	0.0	0	0.0	2	0.8
Native American	0	0.0	0	0.0	4	4.1	0	0.0	0	0.0	0	0.0	4	1.6
African American	0	0.0	3	7.3	5	5.1	24	28.2	0	0.0	0	0.0	32	13.2
<i>Women-Owned</i>	0	0.0	2	4.9	2	2.0	22	25.9	0	0.0	0	0.0	26	10.7
Hispanic American	0	0.0	1	2.4	11	11.2	1	1.2	0	0.0	0	0.0	13	5.3
<i>Women-Owned</i>	0	0.0	0	0.0	10	10.2	0	0.0	0	0.0	0	0.0	10	4.1
Women-Owned <i>No Minority Status</i>	0	0.0	7	17.1	23	23.5	1	1.2	0	0.0	0	0.0	31	12.8



2020 OMWI Annual Report to Congress

Table 14: FHFA 2020 Top Six NAICS Codes Spend Overview²⁶

Business Type by Race, Ethnicity, and Gender	523110		541110		541519		541611		524114		561450		Total Top NAICS	
	# Of Spend ²⁷	% 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	\$9,415,000	100.0	\$24,346,665	100.0	\$8,097,542	100.0	\$5,148,481	100.0	\$2,989,386	100.0	\$2,890,272	100.0	\$52,887,345	100.0
Other Businesses	\$9,415,000	100.0	\$24,406,113	100.2	\$4,037,007	49.9	\$2,957,139	57.4	\$2,989,386	100.0	\$2,890,272	100.0	\$46,694,916	88.3
MWOBs	\$0	0.0	-\$59,448	-0.2	\$4,060,535	50.2	\$2,191,342	42.6	\$0	0.0	\$0	0.0	\$6,192,429	11.7
Minority-Owned	\$0	0.0	-\$174,448	-0.7	\$3,182,593	39.3	\$2,203,223	42.8	\$0	0.0	\$0	0.0	\$5,211,368	9.9
Women-Owned	\$0	0.0	\$40,808	0.2	\$3,239,257	40.0	\$1,057,110	20.5	\$0	0.0	\$0	0.0	\$4,337,175	8.2
Asian American	\$0	0.0	\$0	0.0	\$674,275	8.3	\$1,054,432	20.5	\$0	0.0	\$0	0.0	\$1,728,707	3.3
<i>Women-Owned</i>	\$0	0.0	\$0	0.0	\$44,674	0.6	\$0	0.0	\$0	0.0	\$0	0.0	\$44,674	0.1
Native American	\$0	0.0	\$0	0.0	\$171,876	2.1	\$0	0.0	\$0	0.0	\$0	0.0	\$171,876	0.3
African American	\$0	0.0	-\$130,597	-0.5	\$29,885	0.4	\$1,148,790	22.3	\$0	0.0	\$0	0.0	\$1,048,078	2.0
<i>Women-Owned</i>	\$0	0.0	-\$74,192	-0.3	\$10,084	0.1	\$1,068,990	20.8	\$0	0.0	\$0	0.0	\$1,004,882	1.9
Hispanic American	\$0	0.0	-\$43,851	-0.2	\$2,306,557	28.5	\$0	0.0	\$0	0.0	\$0	0.0	\$2,262,706	4.3
<i>Women-Owned</i>	\$0	0.0	\$0	0.0	\$2,306,557	28.5	\$0	0.0	\$0	0.0	\$0	0.0	\$2,306,557	4.4
Women-Owned <i>No Minority Status</i>	\$0	0.0	\$115,000	0.5	\$877,942	10.8	-\$11,880	-0.2	\$0	0.0	\$0	0.0	\$981,062	1.9

²⁶ Rounding causes sums to be off by \$1 in some instances. The presented values are nominal.

²⁷ The terms “spend” and “obligations” are used interchangeably here.



III. Successes

a. Contract Awards

OMWI, in collaboration with the FHFA Office of Budget and Financial Management (OBFM), tracked on a quarterly basis the Agency's total number of contracting actions with, and the number and percentage of contracts awarded to MWOBs. These measures comply with statutory requirements and help to gauge whether diversity and inclusion efforts result in greater representation of diverse firms.

As reflected in **Table 11**, 2020 was a year of growth for FHFA. The number of contract actions increased by 20 percent from 474 contract actions in 2019 to 569 contract actions during the 2020 calendar year (CY). Although the percentage of contract actions with MWOBs decreased slightly from 36.3 percent in 2019 to 35.5 percent in 2020, the number of contracts with MWOBs, as well as the amount of dollars obligated, increased compared to 2019. This trend of increased spend and number of contracts with MWOBs remains when compared to the five-year benchmarks set in 2016.

Table 12 shows that the total amount of nominal dollars obligated to MWOB contracts increased by 5.6 percent in 2020. Although the percentage of FHFA's contract dollars obligated is lower than in 2019, 2020 saw an increase in the amount of dollars obligated in every MWOB category apart from non-minority women-owned businesses and Hispanic American-owned businesses.

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

- IT Support to a minority- and women-owned small business (MOSB/WOSB);
- Cisco infrastructure maintenance to a WOSB;
- Veritas data security to an MOSB/WOSB;
- Laptop refresh to a WOSB; and
- Interest rate risk and credit risk modeling software to an MOSB

b. Supplier Diversity Program

Throughout 2020, FHFA has continued its work on important supplier diversity outreach activities to assist potential MWOBs in overcoming any real or perceived barriers to doing business with the Agency. Due to constraints arising from the pandemic, the Agency converted most of its supplier diversity outreach activities to a virtual platform to remain relevant in contracting. While virtual interactions are not tantamount to personal outreach on all levels, they do provide outreach opportunities that were otherwise infeasible in 2020. Nevertheless, the



Agency remains committed to expanding opportunities to more diverse business communities using innovative strategies to overcome the challenges posed by the pandemic.

Section 342 of the Dodd-Frank Act specifically requires the OMWI Director to develop standards for increased participation of MWOBs in the programs and contracts of the Agency, including standards for coordinating technical assistance to such businesses (Contractor Outreach Program Standards).²⁸ OMWI finalized the Contractor Outreach Program Standards in 2019 and, in 2020, demonstrated its adherence to Standard #1 by performing self-assessments at regular intervals to affirm consistency with Section 342 and FHFA D&I goals and objectives. The Supplier Diversity Dashboard created by OMWI provides a centralized repository of summarized supplier diversity data used to monitor Agency contract spend and contract awards. The fully automated Dashboard has the flexibility to perform multi-year trend analyses across the various demographic categories of vendors.

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 contractors and subcontractors with contracts greater than \$150,000 (covered contractors and covered contracts) are making GFEs to ensure the fair inclusion of minorities and women in their respective workforces. The GFEP drives transparency, clarity, and consistency in the GFE review process.

Most covered FHFA 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 2020, OMWI reviewed 10 covered contractors and determined they all have made a GFE to ensure the inclusion of minorities and women in their respective workforces. The documentation required to be submitted by covered contractors may include, but is not limited to: (1) Total number of employees, and the number of minority and women employees, by race, ethnicity, and gender (e.g., data from an Employee Information Report, known as the EEO-1 Report); (2) List of subcontract awards under the prime contract, including dollar amount, date of award, and the race, ethnicity, and/or gender ownership status; (3) The contractor's workforce inclusion plan (a written program summary in accordance with the Office of Federal Contract Compliance

²⁸ 12 U.S.C. § 5452(b)(2)(B).



Programs requirements) to ensure that minorities and women have appropriate and equal opportunities to enter and advance within the workforce, including outreach, recruitment, and training efforts; (4) Information similar to that required in items (1) and (3) with respect to each covered subcontractor; and/or (5) Any other action demonstrating the contractor's (and if applicable, subcontractor's) GFE to include minorities and women in its workforce.

OMWI continued to work in partnership with the Office of Enterprise Project Management (OEPM) and the Office of Technology and Information Management (OTIM) to streamline the GFE review process by working toward automating parts of the review process.

IV. Challenges

Despite the success of increasing the number of contract actions and obligated dollars awarded to MWOBs in 2020, the Agency continued to address the challenge of increasing contracting opportunities for smaller MWOBs, including the evolution of IT security requirements due to the heightened risk and awareness of cybersecurity issues. New requirements in that area are likely to adversely affect participation by small businesses, including MWOBs. Despite these challenges, FHFA is committed to devoting the resources necessary to maintain and, where possible, increase contract dollars obligated to MWOBs.

D. Ensuring Diversity and Inclusion at Regulated Entities

In 2020, FHFA completed its fourth year of examinations of the regulated entities' diversity and inclusion programs in the areas of workforce, procurement, and financial activities. OMWI completed 15 examinations, surpassing its FY 2020 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, which include workforce, procurement, and financial transactions. HERA's provisions are unique to FHFA and its regulated entities because they require 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 extend to OMWI's oversight and examination of the regulated entities, which none of the other financial regulatory agencies have.

The Rule 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.



The Agency informed the regulated entities in September 2020 that a new Diversity and Inclusion Report of Examination (D&I ROE) inclusive of a Composite Rating would be implemented in January 2021, at the beginning of the examination cycle. The D&I ROE, informed by the new rating, will more clearly present FHFA's assessment of the regulated entities' D&I program performance beyond the narratives currently included in their annual reports of examination, which historically have been issued by the safety and soundness divisions of FHFA.

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 both Enterprises 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* 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 performance against the Scorecard goals is included in a *Scorecard Progress Report* posted on the Agency'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 CSS to develop and administer the Common Securitization Platform. Pursuant to OMWI's statutory authority,²⁹ OMWI communicated with CSS management and provided guidance as CSS created its strategic plan and refined its OMWI *D&I Scorecard Report*. OMWI also executed its 2020 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.

As validation of the effectiveness of OMWI's regulatory oversight, the Government Accountability Office (GAO) assessed diversity and inclusion at Fannie Mae and Freddie Mac in 2020 and found that both Enterprises had "made progress in implementing the diversity and inclusion requirements" of FHFA's Rule. GAO issued its assessment report in September 2020 with no findings or recommendations.³⁰

²⁹ See 12 U.S.C. § 4501 *et seq.*

³⁰ U.S. Government Accountability Office, "Fannie Mae and Freddie Mac: Efforts to Promote Diversity and Inclusion," GAO-20-637 (Washington, DC, 2020), 55, <https://www.gao.gov/assets/gao-20-637.pdf>.



E. Operations

The responsibilities of OMWI's Operations branch include, but are not limited to, the following activities, all designed with the goal of creating a sustainable OMWI for the future:

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

OMWI Operations delivered on numerous strategic goals and objectives. The Data Strategic Plan for FY 2019–FY 2021 represents OMWI's commitment to leverage D&I data as a strategic asset to facilitate oversight, promote transparency, and increase efficiency across OMWI and its activities, as a whole. To ensure effective implementation, this strategic approach aligns with the OMWI Data Management Framework. This framework is used to facilitate the development of OMWI's operational structure and applies to the supervision of FHFA's regulated entities as well as processes internal to the Agency. It centers on three key areas of standardization and automation, business intelligence tools, and communications and training.

Throughout 2020, OMWI Operations tracked and managed key aspects of examination supervision:

- Provided greater support in managing OMWI's interactions with the regulated entities, including leading regulatory reporting calls, presenting examination protocols, and developing an updated DRM. The entities use the DRM to prepare and submit the required data in the standard template provided by the Agency;
- Facilitated the implementation of the new D&I ROE inclusive of the D&I Composite Rating; and
- Performed quarterly quality control (QC) reviews of regulated entities' data, including designing and deploying a data QC tracker to capture and manage the results of the reviews.



To facilitate OMWI's reporting requirements, the Operations branch utilized data systems to create, reconfigure, and develop the following solutions:

- Responded to data requests from the U. S. House Financial Services Subcommittee on Diversity and Inclusion in preparation for congressional testimony by OMWI Director Sharron Levine on September 8, 2020; and
- Introduced an efficient process to align with new reporting requirements set forth by the EEOC and provided updates to the Management Directive 715 Report data. The process is an example of continued interoffice support that OMWI provided to OEOF during its transition to a standalone unit.

As OMWI expanded throughout 2020 and continues to do so in 2021 with the hiring of additional staff, the following new tools developed in 2020 will better support OMWI's operational framework in onboarding new team members and ensuring that each receives quality training:

- The OMWI D&I Examiner Training Program rolled out additional automated, self-paced modules in 2020 in a new streamlined, online format. The final phase of the training requires attendance at specific D&I courses, at the end of which program each examiner will receive a D&I professional certificate; and
- OMWI's New Employee Orientation Training was developed by OMWI Operations into an online format in 2020, with convenient links to resources that can be easily updated digitally. The online format allowed OMWI to effectively onboard employees hired during mandatory telework.

OMWI continues to create, update, and expand its business intelligence tools to measure and increase the effectiveness of the Agency's diversity and inclusion initiatives, including the following tools:

- Tracker: A central repository to capture details of projects or activities across all OMWI branches, which has been adopted by a few other FHFA offices to build their own tracking system;
- Executive Dashboard: Allows OMWI management to stay updated on all projects in real time, with an overview of current status by team and projects;
- Applicant Flow Dashboard: Currently utilized by internal Agency stakeholders, this dashboard depicts applicant data from USAJOBS and FHFA's applicant tracking system to present various breakouts and automate EEOC's "four-fifths rule" analysis;



- **Supplier Diversity Dashboard:** Fully automated in 2020 and in use also by other Agency stakeholders external to OMWI, the dashboard captures related data across the Agency, minimizing manual calculation needed for quarterly and annual Agency reporting;
- **Examination Calendar Dashboard:** Created views to capture and manage all examination-related activities;
- **Tableau Automation:** Collaborated with OTIM to identify, research, and develop a process and procedure to connect the Tableau dashboards directly to an Agency-wide shared drive, resulting in efficiencies across the Agency;
- **Bi-Weekly Summary:** A shareable bi-weekly look-back on project status and progression that culminates in a report submitted to the FHFA Director and executive leadership; and
- **GFE Site:** An interim tool developed by OMWI was used to support GFE reviews conducted in 2020. This interim tool consolidates input of contractor information and documents received to conduct GFE reviews, but a permanent solution is still in development with OTIM.

F. Conclusion

The year 2020 began with an Agency plan to restructure OMWI by relocating the EEO Services, ADR, and the harassment prevention functions from OMWI to the newly established OEOF, which is now a standalone office reporting directly to the FHFA Director. The move, which was completed in mid-2020, underscored the heightened importance of diversity and inclusion within the Agency because it allowed OMWI to focus on its already-expansive, core statutory mission. FHFA backed up its commitment to D&I by approving an infusion of resources and additional employees for OMWI.

As OMWI's presence has grown, so has the presence of underrepresented groups within FHFA and the regulated entities. Minority representation in FHFA's workforce grew more diverse from 241 minority employees in 2016, to 286 in 2020. Representation of minorities and women across our top six MCOs rose to 41.5 percent and 36.7 percent, respectively. As OMWI completes the last year of its Strategic Plan for FY 2019–2021, employees are energized by FHFA's demonstrated commitment to its core values – FAIR, built on a foundation of diversity and inclusion – encapsulated in *FHFA's Strategic Plan FY 2021–FY 2024* that was issued in 2020.



Appendix A

OMWI 2020 Special Emphasis Programs

January – Martin Luther King, Jr. Day – OMWI presented the Citizen King DVD to FHFA employees with a follow up Q&A of prepared questions regarding the contents of the video.

February – African American History Month – OMWI and the Division of Housing Mission and Goals (DHMG) co-hosted this event featuring historian and lecturer Carroll “C.R.” Gibbs, co-author of “Black Georgetown Remembered,” who discussed the history of Georgetown’s black community. OMWI and DHMG co-hosted another presentation featuring Daniel Callis from the Division of Enterprise Regulation (DER), who discussed the life of his 19th-century relative, John Mercer Langston, the first African American elected to the U.S. House of Representatives.

March 21 – Women’s History Month – Penny Colman is the author of award-winning biographies and social histories. Ms. Colman was scheduled to speak March 26 at our agency on Frances Perkins, but the program was cancelled due to the coronavirus closings.

April 16 – Holocaust Remembrance Event – FHFA offered a video entitled “Bearing Witness: A Holocaust Survivor on Schindler’s List,” hosted by the Federal Inter-Agency Holocaust Remembrance Program and presented by Halina Silber, who was the 16th survivor on Schindler’s List.

May 21 – Asian Americans and Pacific Islanders Month – The first virtual program, presenter Jeremy Wu, Adjunct Professor at George Washington University, discussed the Journey to Equality: Hate and Hope.”

June – Lesbian, Gay, Bisexual, and Transgender Month – OMWI and the Division of Resolutions co-hosted a virtual program in recognition of LGBTQ+ Pride Month. Over 100 staff members participated in this event, which featured a discussion with Attorney Ana S. Nuñez on the fight for the advancement and inclusion of the LGBTQ+ community.

August 26 – Women’s Equality Day – OMWI and OGC hosted a virtual program with author Penny Colman, who discussed Frances Perkins, a former U.S. Secretary of Labor and the first woman to serve as a cabinet member.

September through October 15 – National Hispanic Heritage Month – OMWI and DER hosted a virtual program featuring Dr. Omar Eaton-Martínez of Prince George’s County Parks and Recreation, who spoke on “What is Black? Afro-Latinx Identity.”

October – National Disability Awareness Month – OMWI and OHRM hosted a panel discussion, “Increasing Access and Opportunity: FHFA Resources to Help You Hire and Retain Talent,” featuring OHRM staff and guest Akinyemi Banjo from the U.S. Department of Labor. OMWI and the Learning Academy also co-sponsored six weeks of American Sign Language Classes twice a day from October 8-November 12.

November – Native American Heritage Month – OMWI and DER co-hosted a virtual presentation by Timothy Romero, descendant of the Gabrieleño-Tongva Tribe in southern California. He shared a presentation on cultural awareness of native peoples’ traditions and ended with a flute tribute of “Ave Maria.”

November – Veterans Day – FHFA honored its veteran workforce with a slideshow and an announcement from Agency Director Calabria.

