



Diversity Briefing

AMERICAN MORTGAGE DIVERSITY COUNCIL | FALL 2018 EDITION



Why Homeownership Rates Lag in LGBT Communities

Despite a strong interest in owning their own home, members of the lesbian, gay, bisexual, and transgender (LGBT) community fall behind the general population in terms of actual homeownership rates, according to research published by Freddie Mac.

Freddie Mac conducted a survey among U.S. 2,313 LGBT community members aged 22 to 72 years. The study revealed that 49 percent of LGBT households were likely to own a home. This is considerably lower than the current national homeownership rate of 64.3 percent, Freddie Mac said in the research.

“We fielded this survey to get a better understanding of the current challenges facing the LGBT community, as well as their current housing choices, preferences, experiences, and aspirations,” said Danny Gardner, SVP of Affordable Lending and Access to Credit at Freddie Mac.

The study also found that gay men and lesbians were most likely to own a home, with 52 percent of respondents in this segment replying yes to owning a home, while LGBT African-Americans (30 percent) and LGBT millennials (23 percent) were the least likely to be homeowners.

Despite these odds, the survey indicated that the overall LGBT community had positive attitudes about homeownership, with three-quarters of LGBT renters agreeing that owning a home was a good financial investment and 72 percent of renters wanting to own a home in the future.

According to Freddie Mac, one of the reasons for the lower homeownership rates in the LGBT community can be put down to their tendency to relocate more frequently, with 67 percent of the respondents saying that they did not live in the same area in which they grew up.

“What we found was that several factors—including increased mobility, lower marriage and

a tendency to live in high-cost urban areas, and fears of discrimination—may be contributing to these lower homeownership rates,” Glover said.

The survey also found that more people in the LGBT community specifically seek out LGBT-friendly neighborhoods and those surveyed also cited price and safety as the most important factors when deciding where to live.

Some of the other factors that were affecting homeownership rates for this community are similar to those being faced by the general population. The survey revealed that more than half of the LGBT renters said that they either didn’t know how much was needed for a down payment on a home or thought it was more than 20 percent.

“Unfortunately, the rising cost of renting and buying combined with misunderstandings about down payments are slowing homeownership rates among the LGBT community even further,” said Gardner. “That is why as an industry—lenders, appraisers, agents, homebuilders, and Freddie Mac must understand LGBT housing needs, recognize their challenges, and educate them on the buying process.”



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From the Chair

As we progress beyond a successful Fall membership meeting and look forward to the remainder of 2018, I am humbled and gratified to be able to call the devoted members of the American Mortgage Diversity Council partners in securing an inclusive mortgage industry. Through your efforts, the organization has taken immense strides in the latter half of 2018. Action and progress has been our rallying cry, and our membership has answered the call at every turn.

But action alone is not productive. Strategic planning is key to the efforts of any organization. That's why the AMDC is fortunate to have to have an advisory council, elected by the membership and charged with driving the strategic direction of the organization. This group of distinguished industry veterans provides advice and guidance to me, going the extra mile to ensure that the AMDC holds true to its mission.

Please read ahead to learn more about the progress on the AMDC's critical objectives. I'm proud of what this organization is accomplishing and consider it an honor to serve alongside you as we further the cause of diversity and inclusion within our industry. Thank you for your commitment and I welcome any ideas and feedback that you may have.



Kind Regards,

Kathy Cummings

*SVP, Neighborhood Lending; Homeownership Solutions and Affordable Housing Programs;
Bank of America
Chair, American Mortgage Diversity Council*

Kathy Cummings leads the Homeownership Solutions and Affordable Housing Programs team for Bank of America Home Loans Neighborhood Lending organization. Cummings assists in identifying and making available affordable housing programs offered by Housing Finance Agencies, local governments, and nonprofits across the country. Additionally, she is responsible for managing non-profit strategic relationships and Bank of America's Connect to Own® fee for service program offering.



Strengthening the Role of Women in the Workplace

Though progress has been made in the effort to elevate women to roles of greater prominence in the workplace, much work remains to be done to ensure that true equity is achieved.

Consider the current landscape and outlook for female business leaders:

- » The number of women in the labor force is projected to increase between 2014 and 2024, while men's share of the labor force expected to decrease.
- » Female representation among CEOs at the NAFE Top Companies increased to 14 percent in 2018, outpacing the S&P 500 which remains at 5 percent.
- » Thirty-seven percent of senior managers are women, while almost half of promotions to manager level and above go to women.
- » Twenty-one percent of Board Directors at the S&P 500 are female compared with 30 percent in the NAFE Top Companies.
 - » The share of women in the highest-paid category has dropped significantly, from 41 percent to 36 percent.
- » Women are advancing but their wages aren't. They're being promoted to senior level positions, but not to the highest paying roles.
 - » For every dollar earned by a man in the U.S., a woman earns 76 cents.

- » The average annual salary for a woman in US ages 25-34 is \$37,804 vs. \$55,380 for a man. At this rate, women won't reach pay equity until 2052.

The American Mortgage Diversity Council is committed to fostering a culture of gender equality and respect within the mortgage industry. To that end, the organization has unveiled a statement of support for industry organizations to sign on to, affirming their commitment to gender equality in the workplace. The statement includes but is not limited to issues of pay, advancement, and cultivating respectful workplace cultures.

"Promoting equality regardless of race, ethnicity, culture, religion, style, sexual orientation, or gender identity is paramount to the mission of the American Mortgage Diversity Council," said AMDC Executive Director Derek Templeton. "This statement of support affirms our deeply held belief that discrimination, be it institutional or otherwise, has no place in the workplace."

For more information on the gender equality statement of support, or to add your company's name to the growing list of committed organizations, please visit mortgagediversitycouncil.com/gender-equality.

New Resources for Diversity Certification Seekers

For many organizations, the process of obtaining certification as a Woman-Owned Business Entity or a Minority-Owned Business Entity may not be entirely clear. To alleviate the pain of obtaining these certifications and more, the Supply Chain Subcommittee of the American Mortgage Diversity Council (AMDC), chaired by Edmond Buckley of Aspen Grove Solutions and including members from Altisource, Laudan Properties, Richard M. Squire & Associates, and ZVN Properties, built a simple reference guide to aimed at those attempting to gain certification under one the recognized categories.

This guide, provided free of charge to the mortgage industry, gives organizations the info they need to navigate the regulatory framework upon which the practices of supply chain diversity are built. The guide lays out the specific procedures and documentation requirements for many of the mortgage industry's most common certifications. Recognized diversity certification categories include, in addition to the two mentioned previously: HBCU or Minority Institute, 8(a)-Classification, Small Business Entity, Service Veteran-Owned, LGBT-Owned, and Historically Underutilized Business Zones. Each section of the guide details the requirements for these categories of certification.

The AMDC book also includes information on Diversity Status Regulation, such as the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the Housing and Economic Recovery Act of 2008. The guide represents another example of the AMDC's commitment to promoting diversity and inclusion throughout the mortgage industry and providing a platform for collaboration of mortgage industry leaders for the advancement of diversity and inclusion dialogue. The document may be accessed by visiting mortgagediversitycouncil.com/resources.



Mrs. Laura Bush, First Lady of the United States (2001-2009) and Five Star Institute President and CEO Ed Delgado discuss her work for women around the world.



Michael Ruiz, Director of Supplier Diversity at Fannie Mae served as lab director and master of ceremonies.

AMDC Leads the Discussion on Diversity and Inclusion at the Five Star Conference

The Five Star Conference & Expo represented the opportunity for leaders in the mortgage servicing industry to come together and discuss the issues that matter for driving progress. The American Mortgage Diversity Council was once again proud to host its semiannual member meeting at the conference to discuss organizational business. This year, AMDC members were called upon to lead the discussion on diversity and inclusion for the broader industry through the inaugural Five Star Diversity and Inclusion Lab, a three-hour session devoted to educating the industry on the most pressing challenges facing diversity practitioners and

discussing tangible steps that can be taken to cultivate a more inclusive culture.

The Lab was Hosted by AMDC member Weathercheck and led by lab director Michael Ruiz, Director of Supplier Diversity at Fannie Mae. Throughout the event, AMDC members delivered presentations and led the discussion.

- » Randy McMichael of McMichael Taylor Gray kicked off the presentation with a stirring 50-year retrospective on the anniversary of the Fair Housing Act, addressing not only the legal underpinnings of the act but also the spirit and context from which it came into being.
- » Dana Dillard, EVP Corporate & Social Respon-

sibility at Mr. Cooper; gave a presentation on aligning D&I initiatives with business objectives, focusing on offering tangible examples of steps that can be taken to increase employee buy-in for your diversity strategy.

- » Bill Fahey, VP Office of Minority and Women Inclusion (OMWI) at Fannie Mae spoke about the steps that the GSE is taking to implement D&I strategies across their organization.
- » Demetrius Gray, CEO at WeatherCheck, gave an interesting talk on the cutting-edge topic of machine ethics and how it mitigates unfairness in algorithmic mortgage decision-making programming.
- » Dominica Groom, VP of Diversity and Inclusion at Freddie Mac, gave an interactive presentation on the need for organizations to implement diversity and inclusion into their company culture.

A special keynote conversation between Mrs. Laura Bush, First Lady of the United States (2001-2009), and Five Star Institute President and CEO Ed Delgado capped off the event.



Randy McMichael, Managing Partner at McMichael Taylor Gray commemorates the Fair Housing Act.



Dana Dillard, EVP at Mr. Cooper speaks on building better diversity and inclusion programs within your organization.



The AMDC conducts its semiannual member meeting at the Five Star Conference and Expo.



Bill Fahey, VP Office of Minority and Women Inclusion, Fannie Mae, accepting on behalf of Ms. Brown.

AMDC's Chairman Brown Honored at Women in Housing Leadership Awards Ceremony

In September, the 2018 Women in Housing Awards Banquet recognized five women who have made a mark on the industry through the presentation of the inaugural Keystone Awards.

At the Banquet, Charmaine Brown, Diversity Director, Office of Diversity and Inclusion at Fannie Mae and Vice Chair of the AMDC, took home the Cultural Leader Award. This award recognizes industry leaders who have successfully fostered forward-thinking company cultures and workplaces through corporate strategies and initiatives that have led to tangible, positive

outcomes for colleagues company-wide and beyond. Finalists included Jan Duke COO, a360 Firm Solutions; Riham El-Lakany VP and CMO, Freddie Mac; Yvette Gilmore VP, Single-Family Servicer Performance, Freddie Mac; and Ann Thorn EVP, Mortgage and Vehicle Servicing, Bank of America.

Accepting the award on her behalf, Bill Fahey, VP, Office of Minority and Women Inclusion, Fannie Mae said that Fannie Mae was very fortunate to have Brown on their team.

AMDC Founder Recognized for Diversity and Inclusion Efforts

The Council for Inclusion in Financial Services (CIFS) hosted the 2018 CIFS Diversity and Inclusion Awards at the 2018 FinServ Expo, where Ed Delgado, President and CEO of the Five Star Institute, was presented with the Fusion Award for "implementing inclusive practices that produced a culture that embraces a collage of thought, race, gender, generations, and preferences."

This award was given to Delgado in honor of his efforts toward the formation of the American Mortgage Diversity Council (AMDC), a professional association for mortgage industry operators that provides a platform for collaboration of industry leaders for the advancement of the dialogue surrounding

diversity and inclusion.

"I am humbled and honored to accept this award," Delgado said. "Diversity and inclusion are inextricably tied to the future of mortgage banking. It is my honor to work alongside many champions in our industry to ensure that our policies, practices, and workforce reflect the diverse nature of our consumer base."

These awards were presented to those in the financial services industry who have driven initiatives through philanthropy, technology, and business practices, and who demonstrate an ongoing commitment to changing the landscape of their industry by cultivating diversity, creating an inclusive culture, and championing underrepresented groups.

AMDC Hosts Webinar Covering Inclusive Hiring Practices

The American Mortgage Diversity Council (AMDC) presented a webinar titled "The Do's and Don'ts of Diverse Hiring in the Workplace," with Randy S. Miller, President of Randall S. Miller & Associates, P.C. The webinar is part of a larger series which provides industry professionals and diversity practitioners with practical education to deepen their knowledge on issues related to diversity and inclusion.

The focus of this presentation centered around federal court employment discrimination lawsuits, which have reached an all-time high, the monetary and reputational expenses of which can cause irreparable harm to a company. Within this discussion, Miller touched on best practices for success in ensuring that your organization's hiring practices encourage diversity and protect the bottom line.

The AMDC provides a platform for collaboration of mortgage industry leaders for the advancement of diversity and inclusion dialogue. The organization fosters discussion and promotes action through active participation with mortgage lenders, servicers, and related service providers. AMDC regularly engages with various federal agencies with respect to policy and procedure impacting diversity and inclusion across the mortgage industry.

THE AMDC IS PLEASED TO WELCOME THE FOLLOWING NEW MEMBERS



Since 1997, Apex Asset Management has been a consistent, reliable leader in the collections industry. As an organization that believes in continuous learning and improvement, Apex recognizes the importance of being actively involved in industry-related affiliations. These organizations allow us the opportunity to stay informed, connect with partners, and enhance performance through education and resources.



Celebrating 50 years of excellence, Five Brothers consistently provides innovative, regulatory-compliant asset management solutions that save time, eliminate errors and increase efficiency for residential mortgage servicers nationwide. Proven on-the-ground field services, experience-based partnering, advanced technology, and knowledgeable customer service professionals empower our clients to maximize asset preservation while reducing costs and mitigating risk.



JGM Property Group is a woman-owned, minority small business located in Southeast Michigan. Established in 2001, the company provides a variety of services in the property management and inspection fields. The company provides services to large lending and mortgage institutions and nationwide property management firms. Expanding from a single customer base in 1998, JGM Property Group now supports and performs over 75,000 inspections and over 3,500 contracting orders a month.



McMichael Taylor Gray is a full-service default and creditor's rights law firm delivering quality, cost-effective legal services for financial institutions throughout most of the Southeast. The founding partners of MTG established a forward-thinking, client-focused law firm, centered on an unwavering commitment to the following core values: excellence, integrity, honesty, and respect. They believe that their competitive advantage is defined by their diverse team of professionals, forward-thinking culture, and commitment to excellence.



As a women-owned small business, SVN AuctionWorks is committed to supporting businesses that are minority- or woman-owned by utilizing its AMDC membership to promote diversity through advocacy. The organization strives to conduct the most professional and effective live, online, and sealed-bid auctions. Our online marketplace attracts buyers and sellers of commercial and residential real estate and personal property from around the world.

SAVE THE DATE APRIL 23, 2019

THE POLITICS

PROMOTING THE WELFARE OF HOMEOWNERSHIP

The officials making critical decisions on the direction of the housing economy are working together with the mortgage industry to ensure that sensible regulations are in place to protect the industry and the customers that it serves. With representation from the BCFP, HUD, FHFA, Fannie Mae, Freddie Mac, Ginnie Mae, and others, the annual Five Star Government Forum is a day-long gathering where leaders in mortgage servicing and the federal government engage in open dialogue about the industry's most pressing issues.

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CRITICAL ISSUES. TANGIBLE RESULTS. AMERICAN MORTGAGE DIVERSITY COUNCIL SPRING MEETING

Join us at the American Mortgage Diversity Council Spring 2019 Member Meeting, where leaders from AMDC member organizations will come together to discuss critical updates on AMDC initiatives and develop solutions towards advancing the agenda of diversity and inclusion in the U.S. residential mortgage industry.



» RSVP TO DEREK TEMPLETON AT DEREK.TEMPLETON@THEFIVESTAR.COM «