



Diversity Briefing

AMERICAN MORTGAGE DIVERSITY COUNCIL | WINTER EDITION



House Financial Services Committee Discusses D&I in the Workforce

The Financial Services Committee discussed initiatives and heard first-hand accounts of how businesses are creating a more diverse workforce.

Five Star Staff

The House Financial Subcommittee held a meeting in October to discuss ways financial institutions, as well as other sectors, can provide more avenues for a diverse and inclusive workforce.

“Too often organizations place such a heavy emphasis on pipeline development that retention aspects to diversity and inclusion practices are often neglected,” said Congresswoman Joyce Beatty, Chair of the Financial Services Diversity and Inclusion Subcommittee.

The committee heard testimony from several diverse witnesses: Bernard Guinyard, Director of Diversity and Inclusion, Goodwin; Ruchika Tulshyan, Diversity and Inclusion Strategist and author; Patricia Mota, President and CEO of

the Hispanic Alliance for Career Advancement; Rod Graves, Executive Director of Fritz Pollard Alliance Foundation; and Laura Sherbin, Managing Director of Culture@Work.

Beatty added that business leaders—more specifically white males—often underestimate the challenges that diverse employees face. A study from 2019 shows that women and people of color are “woefully underrepresented and unrepresented” in leadership positions.”

She added that the evidence showed that for every 100 men promoted to managerial positions, only 60 black women were promoted.

“The lack of women and people of color in leadership positions will reduce a company’s ability, to 1) provide depth of consumer insight,

2) capture new markets, and 3) yield greater financial returns, which will eventually take a significant financial and competitive toe on organizations,” Beatty said.

Congressman Ann Wagner, Vice Ranking Member of the House Financial Services Committee, said the group has worked to ensure the financial industry, and all sectors, are “reaping the benefits of our country’s diversity.”

“Diversity builds collective intelligence by helping teams remain more objective, process information more carefully, and even price stocks more accurately,” Wagner said.

Guinyard said diversity and inclusion are core values at Goodwin, where it drives initiatives such as bias disruption campaigns, leadership training, sponsorship initiatives, and practice group action plans.

“We need to work even smarter and faster,” he said.

Among the items that Goodwin is promoting to help diversity and inclusion—along with investing \$1.25 million—is the enacted of the Mansfield Rule. Guinyard said that participating law firms are expected to interview diverse candidates for influential and leadership roles in their organization.

Additionally, the composition of all firm leadership positions will be made up of at least 40% diverse employees.



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From the Chair

2019 was a banner year for the American Mortgage Diversity Council.

The group added numerous new members, hosted several webinars, and participated in another successful Five Star Conference and Expo. While it is easy to look at past success, we at the AMDC are looking ahead to 2020 and all the fantastic opportunities that await.

From May 6-7, 2020, Five Star will be hosting the AMDC Member Meeting as well as Converge: The 2020 Five Star Diversity Symposium at the historic Hotel Monteleone, in New Orleans, Louisiana.

Past Diversity Symposiums have included speakers and participation from organizations such as Fannie Mae, Mr. Cooper, Ocwen Financial Corporation, and more.

This year has all the potential to be our best and most productive event yet, and we hope to see you all there.



Sincerely,

Kathy Cummings

SVP, 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.

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Getting in Line

A Fannie Mae executive discusses how to close the gender gap and career advancement for females.

Dena Jones

On November 14, I had the privilege of speaking on a panel titled, “Get in Line: Negotiate for P&L Experience Now” at the 2019 National Diversity Women’s Business Leadership Conference. It was an honor to be among so many successful women in business. Generally, the topic of the gender gap between men and women in business focuses on the importance of leadership skills, mentorship, and sponsorship—all of which are important. What we don’t talk about often enough is the importance of Profit & Loss (P&L) experience in career advancement to attain C-suite roles and ultimately CEO roles. This experience is one of the keys to closing the gender gap in the C-suite. The opportunity to speak on this topic at the conference gave me a chance to reflect on my own P&L experience and its significance to my personal career growth.

Why is P&L experience essential?

Most CEOs have held a COO or CFO position, so it is essential to have line-management P&L experience if we want to promote more women in the C-suite. When you have P&L responsibilities, you quickly understand how certain business decisions impact the bottom line and you know what “levers” to pull

to support those decisions. So, to effectively manage the P&L, you must understand the business of your organization, from the strategic priorities, to the revenue drivers, and key performance indicators (KPIs). This usually puts you at the center of critical business decisions and increases your exposure to senior leadership. You learn to operate with agility and to make the right tradeoffs that maximize business impact.

Is there a good time in a woman’s career to take on responsibility for a P&L? How can someone get started?

It is never too early in a person’s career to get started. It can begin with simply learning the inner workings of your organization. Start by taking on small projects that require ownership and management of a budget, or you can serve on a non-profit board. When I worked in Capital Markets as a new project manager, I would ask the traders on the desk lots of questions. Understanding how the traders priced and calculated revenue made me a better project manager. When I was then responsible for the project budget, I better understood the impact certain business decisions would have.

How can organizations support and encourage women into P&L roles?

Sponsorship has always made a huge difference in my career and remains a critical part of advancing women to the C-suite. Sponsors can help champion women for critical P&L roles. In my career, my job moves were primarily because a sponsor—especially male sponsors—sought me out for a special project or new role. I developed authentic, strong relationships, and I delivered results, which built trust and increased my exposure. As women, we must be ready and willing to operate outside of our comfort zone, being assertive and articulating our career aspirations.



Dena Jones is a Director, Project Management, Integrated Technology Solutions (ITS), within the COO division of Fannie Mae. She reports to the

SVP for Integrated Technology Solutions and leads day-to-day operations for ITS. Jones leads cross-functional program management activities and driving strategic alignment in support of the company’s business objectives. In addition to serving as the program management lead for large scale transformational efforts, Jones leads business office and organizational management functions across the entire ITS organization. Recognizing the importance of Diversity and Inclusion, Jones leverages her influence by advising decision makers on strategic relationships that further diversity and inclusion objectives in recruitment, hiring, and development.



Revitalizing the Mortgage Workforce

The mortgage industry's new employees today are seeking more from work, including enhanced technology, work-life balance, a diverse environment, and a sense of giving back.

Mike Albanese

“Granted, maybe this was not the best, but at least we care enough about our employees that we are willing to fight for them.”

Steve Carell's Michael Scott, the often ill-spoken leader of the fictitious Dunder Mifflin Paper Company in the TV series *The Office*, never had much luck with words. However, the quote above demonstrates a rare moment of Scott showing compassion and care for his employees. While Dunder Mifflin might not exist, the quote touches on a challenge every company must tackle: ensuring that its employees feel that sense that they are more than a number, and that the company views them as such.

With the workforce changing as millennials—and millennial priorities and values—become more prominent, how are the companies within the mortgage sector working to adapt? What are the challenges and changes that are underway as suit-and-tie culture is forced to adapt to a generation that places a premium on not just a paycheck, but on the experience of earning it?

A Changing Culture

There is no denying the fact that the workforce has changed dramatically, and quickly—and the landscape of the mortgage industry is no exception.

Entrepreneur.com published an article in 2018 on how businesses are making the shift

from being customer-centric to employee-centric.

“While the employers once ruled the market with the privilege of being able to hook the best candidates, the priorities have changed to focus more on development, transparency, and work-life balance,” the article states.

Kevin Hamilton, President and CEO of Bron Inc., agrees with this sentiment, saying he and his company believe in “taking care of your people.”

“We had this adage in the military that was, your people eat before you do. It's just one of the things that we do,” Hamilton said. “By taking care of your people, raising them up, making them better when you go into battle means that you have a better team.”

“It's about taking care of everybody else,” he added.

Aaron Samples, CEO of First Guaranty Mortgage, pointed out that it's a company's employees that usually make up the biggest line item in a profit-and-loss document. As such, it only makes sense to take care of them.

“It's our biggest investment and we take it very seriously,” Samples said. He told *MReport* that First Guaranty actually created a role focused on learning and organizational development to help create a more positive working environment.

“We're focused on employee retention and

trying to be the firm that attracts the top talent in the industry,” Samples said.

In the past, Hamilton said that, to some companies and even executives, employees were often regarded “just numbers.” However, Hamilton said he believes in the importance and the benefits of providing better care and training for employees.

With that in mind, Bron Inc. launched the “Bron Better Brain Program,” which encourages employees to get their MBA, finish their college degrees, or take courses to help them become a better person.

“I've always believed in education is a never-ending process,” Hamilton said. “I want to make sure my clients know that the associates care about them and that they are professionals.”

Bron enrolls every new associate each year in Five Star Certification. Hamilton said that 85% of enrolled Bron employees are certified within four months of being registered.

James Wade, VP of IT & Security at the Tampa Bay, Florida, office of Mortgage Contracting Services (MCS) suggested that there are two aspects that make a company a great place to work. The first element is people, plain and simple.

“Without great people by your side, it would be difficult to come to work each day and produce at a high level,” Wade said.

The second aspect Wade cites is “technology and the pursuit of continual improvements in the areas of IT security and network performance. With the changing technology roadmap and changing client needs, staying ahead in the technical game is both exciting and challenging.”

Bethany Ockerman, VP of Operations for the Lewisville, Texas, office of MCS, said MCS encourages employees to work together to solve problems, as communication is key to leadership. “[At MCS], employees are able to reach out

to any senior leader to provide ideas or discuss difficulties whenever necessary.” That chain of reliable communication can be critical within any business when it comes to ensuring that employees feel heard, valued, and capable of achieving at their highest level.

However, the challenge of providing a work-life balance along in a high-stress industry is not lost on **Nickalene Badalamenti-Kalas**, acting President of Five Brothers Asset Management Group.

“It’s a demanding job, and the greater the number of employees, sometimes that morale can be affected by a single individual on a team.” However, Badalamenti-Kalas suggested that an even bigger challenge can be ensuring that employees receive accurate information “from the top down.”

Badalamenti-Kalas also emphasized the importance of mentorship and support, and of having leaders within an organization who understand how important work-life balance is to their employees morale and productivity.

“There are no nine-to-five concrete rules anymore,” Badalamenti-Kalas said. “We can be a lot more flexible and make life easier for everybody if their situation calls for it.”

Managing Millennials

An article by Inc.com earlier this year reported that millennials (those born between 1980 and 2000) are expected to make up half of the American workforce by 2020. By 2025, millennials are forecasted to make up 75% of the global workforce.

Companies such as Ernst & Young and Accenture have already reported that millennials make up more than two-thirds of their entire employee base.

Hamilton said, unlike older generations, those in the younger workforce want more of a say in their workplace and want to feel like they’re making a bigger impact.

“They want to feel like they are providing a service and not just doing a lot of widget work,” Hamilton said. “They want to have some level of fulfillment and sense that they’re contributing to a greater good.”

Millennials also communicate much differently than other generations, and are in general more technologically inclined than any generation before them. Pew Research found that 93% of millennials have a smartphone, 55% own a tablet computer, and 86% use social media.

Hamilton said Bron Inc. recognized these changes and implemented Facebook for the workplace as a platform to showcase the positive things the company is doing and discuss updates.

“Implementing things like instant messaging, and even text messaging and Facebook, has its place,” he said. “You’ve got to find different ways to be able to communicate, because that’s what they want to be able to see.”

Samples said the workforce has certainly

changed during his career—describing the atmosphere as “you come in, you put your head down, you work hard, you collect your paycheck, and you move on.”

That mentality, he said, doesn’t work for millennials—even the older millennials who are in their early 30s. He said millennials and the younger generation are more focused on the work-life balance, working at places that are positive, and places where “they feel like their work is good.”

Echoing Hamilton’s sentiments, Samples said his company has altered how it communicates to better suit the younger generation, offering them texting services, as well as configuring the office to have more open spaces, common areas, and amenities.

Another aspect to the millennial workforce, according to **Ed Watson**, Chief Culture Officer at Fay Financial, is that millennials have a strong focus on “giving back.” He said that 80% of Fay’s employees are enrolled in its charity program, which helped donate 1,800 backpacks in July.

“Every generation has a spectrum of performance within it, and it becomes so individual. Yes, we are garnering huge benefits from the millennials in our company contributing at every level across the organization. We would have a hard time being in business without that important generation,” Watson said.

Noting the differences in generations, Samples noted that he is used to coming to work in a tie. However, he told *MReport* that he was working on an email to his employees about a Halloween costume contest and potluck—a far cry from the “buttoned up” mentality of years past.

Driving Diversity

Hamilton said that diversity is a strong focus at Bron, as 63% of his management team are women.

Hamilton said the majority of his bosses have been female, and he does believe there is a difference between how men and women are treated in the workplace. However, he noted that it is important for women to work with female leaders.

“I’m going to be so happy and so stoked when the women in my organization can be recognized like at The Five Star conferences and show that they’re making a positive impact. Those are the things that I’m going to view as measurements of success,” he said.

Badalamenti-Kalas said that Five Brothers has a significant LGBTQ and transgender population within the company, and a strong focus on ensuring that those employees need to be “treated as though they’re not different.”

“People need to feel like they belong, and so we don’t dwell on it,” she continued. “We just do what we do. You come to work, you do your job, and you acknowledge the people for or who they are and what they do.”

Ashley Taylor, AVP of Operations for MCS’

Ruston, Louisiana, office, said that a commitment to advancement from within is crucial in the modern workforce, but that hiring personnel from diverse backgrounds—and from other industries—offers many benefits.

“With a background in healthcare and higher education management, I utilize those skills to give an alternative perspective on a task or problem at hand,” Taylor said.

Watson said the biggest change he has seen in the workplace is centered around inclusion, suggesting that the shift has been “driven by both human and legislative initiatives.”

“People’s attitudes and acceptance of differences is what has evolved the most,” Watson said. “Don’t get me wrong, I’m not saying that individuals don’t deal with challenges today by any means, but the progress that we’ve made deserves positive acknowledgement.”

He added that it is important to make employees feel that they are being judged by the work that they do.

“There’s so many more derivatives of what diversity is, and that’s a good thing. We thrive on it. The diversity of a company’s people contributes greatly to its success, mostly because a culture of acceptance creates a safe climate for differences of opinion,” Watson said. “If you have that type of climate, then you’re able to garner greater efficiencies and collaboration. You need a depth of experience just to see how beneficial it is to a company.”

Over his 35 years in the workforce, Watson said he has seen the industry and its workforce change significantly. While the scope of those changes could be lost on the younger generations, he suggests that “they own the continuance of its evolution.”

Watson noted that he has two daughters in their late twenties who are now in the workforce. “I’m excited for them and excited for all of our young employees for the opportunity to be in my shoes decades from now, so they can see how further change in diversity and inclusion has made their workplaces better than,” he said. “It’s going to keep going, and it’s what makes workplaces better.”



Mike Albanese A graduate of the University of Alabama, Mike Albanese is a reporter for DS News and MReport and has worked for news publications since 2011 in Texas and Colorado. He has built a portfolio of more than 1,000 articles, covering city government, police and crime, business, sports, and is experienced in crafting engaging features and enterprise pieces. He spent time as the sports editor for the Pilot Point Post-Signal, and has covered the DFW Metroplex for several years. He has also assisted with sports coverage and editing duties with the Dallas Morning News and Denton Record-Chronicle over the past several years.



'It's Good Business'

The CEO of Prosperity Home Mortgage says promoting a more diverse and inclusive workforce is the right thing to do.

Five Star Staff



Tim Wilson is President and CEO of Prosperity Home Mortgage, where he is responsible for managing strategic business development, operations and

sales for Prosperity Home

Mortgage, LLC. He has over 25 years' management experience and expertise in the mortgage industry. Wilson has appeared as a speaker on various panels regarding Diversity and Inclusion, as well as Fair Lending.

Before joining Long & Foster, Wilson served as EVP and Director of Wholesale Lending for Wachovia, where he was responsible for managing field origination nationwide. Wilson is currently Treasurer and past Chairman of Real Estate Services Providers Council, Inc. (RESPRO), and also serves as a member of the Ellie Mae Executive Advisory Board.

Wilson spoke with AMDC about the role diversity and inclusion plays in the workforce, the steps Prosperity is taking to promoting a more diverse workforce, and why diversity is the best decision for business.

How as the role of diversity in the workforce changed during your career?

It's become far more prominent. As an industry, we in a leadership capacity are far more cognizant of it and focused on it on a day to day basis.

I've been doing this for 35 years. If you go back 30 years ago, clearly there was a lack of diversity in our industry, and in fact there still is today. If you go [industry events], you'll find that the workforce doesn't look significantly different than it did 30 years ago. Although our industry has made significant progress, there's still a ways to go.

What has your company done to promote a more diverse working environment?

We attend a significant amount of diversity seminars and diversity programs, myself included. We've become far more active over the past five years in promoting what I would call community networks that are focused on diversity.

We're a strategic part of the CFPB diversity and inclusion working group. We're a consultant for them on that. We've gone through their self-assessment, which we were one of the early adopters of and which I think every mortgage bank should do. It was an eye-opener for us. Although we excel in many areas, it points out

where you do have some weaknesses.

I'm a big advocate of the CFPB diversity and inclusion group. They hired a great leader there, and we're very focused on that. I've been a speaker at some of their events. We did one in Chicago with the Federal Reserve. All of that is centered around companies creating more diversity and inclusion in our industry.

What are some of the benefits you've seen to having a more diverse and inclusive working environment?

One thing I'm really preaching, and have been for the last several years, is that diversity and inclusion isn't just the right thing to do, it's good business. I'm a huge believer in that. All you have to do is walk into any major city—in the city, in the suburbs, anywhere in the country—and you're seeing a more diverse homeowner, a more diverse employee.

It's frankly malpractice not to focus on it, because the workforce is diverse. That group has to be elevated in our company and other companies, because that's where the homeowners are coming from. At the end of the day, our goal is to match the makeup of the community.

What are the benefits of having a very diverse and inclusive leadership?

It gets back to what the community needs are, because you've included diversity within your own workforce. You understand that community. The goal is to match your workforce. They should look like what your community looks like. That's what we've tried to do.

It's good business. It allows us to be part of the community, where the community is. That's our goal in every market we're in. Of course, the benefits are that the Hispanic population—it's growing dramatically—so that the minority workforce, especially with the millennials, are going to be the next largest homeowner group in the industry.

One of the advantages of having a more diverse workforce is we get the different opinions with different backgrounds, and it helps prevent unconscious bias. You can be focused on it, but if you're not from that diverse community, sometimes you can have an unconscious bias that you wouldn't be aware of otherwise.

Does your company participate in any special programs for leadership or outreach programs for millennials getting into the mortgage industry?

We have MCT programs where we go out to colleges and universities and specifically look for bilingual or diverse candidates to bring into our company.

One caution I have for our industry is that we need to look at the job opportunities in our industry 10 years out, not two years out. It's changing. There's going to be a lot more technology. We need to put more focus on

One thing I'm really preaching, and have been for the last several years, is that diversity and inclusion isn't just the right thing to do, it's good business.

technology-related positions in our industry with a minority workforce.

Instead, there's a heavy focus on hiring loan officers that match the community. There's going to be fewer loan officers doing more deals. The programmers and developers and technology people are where the demand is going to be. Our industry has to shift that focus to some degree. Those are great jobs with a lot of longevity.

I'm hesitant to hire, and to go out and try to attract a diverse workforce in areas that are going to have fewer job opportunities 10 years from now. We're very focused on that.

Where do you see the future of diversity and inclusion going in 2020?

I see it continuing to be on the upswing, because again, you've got to match your community, and the community is becoming far more diverse. I get back to the statement that it's not just the right thing to do, it's good business. Any company that has any foresight is very focused on growing that.

It's getting more exposure. I can't say enough about the CFPB outreach plan on diversity and inclusion. They have gotten a limited number of self-assessments from our industry, but I would encourage the entire industry to go through that. It's good data. You know where you stand with the group. We're not afraid of putting it out there on our website. I think all companies should do that and see where you stack up.



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Where Diverse Groups Share Common Goals.

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Skyhill Financial is a solutions provider for lenders, banks, mortgage servicers, institutional investors, and other financial services companies. Founded in 2001, Skyhill is leveraged by some of the nation's largest financial institutions. Skyhill's business philosophies include never allowing margins to take first priority, and putting the client first by providing a scalable yet personal boutique style of service. Skyhill has built a reputation by consistently outperforming larger firms, which has resulted in the award of exclusive business rights opportunities.





Diversity Briefing

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It's Time To Come Together. More than a corporate objective, inclusivity, when properly implemented, is a positive and effective force for millions of Americans.

Featuring powerful presentations and collaborative roundtable discussions, the 2020 Five Star Diversity Symposium will serve as a platform to advance the diversity dialogue and promote truly inclusive business practices to the benefit of individuals, their organizations, and the industry. Subject matter experts from across the mortgage industry contribute their knowledge on the latest developments in policy, compliance, education, workforce issues, and supply-chain management.

Join us in Dallas, Texas for this critical event focused on creating lasting solutions that encourage growth in diversity and inclusion practices. Register today: DiversitySymposium.com.

Want to submit topics or speaker suggestions? Contact Marcela.Bruner@TheFiveStar.com.

SAVE THE DATE

MAY 6-7, 2020

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