



Diversity Briefing

AMERICAN MORTGAGE DIVERSITY COUNCIL | SUMMER 2020 EDITION

“This analysis highlights the financial tightrope many households walk in our vital service industries.”

—Skylar Olsen, Senior Principal Economist, Zillow



Minority Households Face Greater Threat of ‘Housing Insecurity’

Latinos, Asian Americans, and African Americans are amongst the most affected groups.

A report by Zillow shows that minority homeowners have been adversely affected by the impacts of COVID-19.

The report states that, of 22 million Americans who have filed unemployment insurance claims over the past month, 12.7% of those who lost jobs were Latino American, 10.2% were Asian American, and 10.1% were African American.

Additionally, Zillow reports that non-white households face a greater renter burden and have less left over for other expenses once they pay their rent or mortgage.

White households in the industries hit hardest by coronavirus spent 25.1% of their income

on rent, Black households spent 28.3% on rent, Latino households are at 30%, and Asian American households are just over that at 30.6%.

“This analysis highlights the financial tightrope many households walk in our vital service industries,” said Skylar Olsen, Senior Principal Economist, Zillow. “While it’s encouraging that many who receive government assistance appear to be on solid footing for a few months, it’s important to remember that some workers will see labor disruptions, such as a loss of hours,

that don’t qualify them for these unemployment benefits that are so crucial right now. If the pandemic were to last beyond the summer, it could have lasting impacts that push many more into housing insecurity.”

Zillow added that lower-income households could face housing insecurity if workers go without income for two months. The report said only white households would stay within the affordability guideline at 29.4%. Black households would jump to 33.2% of income spent on rent, Latino American households to 34.8%, and Asian American households to 35.7%.

If a worker were to go four months without pay, that would rise to 35.3% for white households and at least 40% for non-white households.

After three weeks of declines, Black Knight reported on June 26 that the number of loans in forbearance plans rose to 8.8%. This is a slight increase from the 8.7% previously reported. In total, an additional 79,000 loans went into forbearance plans for the week prior, which brings the total number of loans in forbearance to 4.68 million.



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SPRING 2020 EDITION



From the Chair

During the past several months, the COVID-19 pandemic has impacted our world dramatically. As companies are adapting to changes across the environment, one thing that should remain at the forefront is their commitment to diversity and inclusion.

A diverse and inclusive organization brings together varied opinions where the best ideas can grow and where challenges are met with creative, outside-the-box solutions.

As we navigate this period of unprecedented change, I want to share a few thoughts on how inclusion principles are at the heart of the support and empathy we should strive to extend to those around us, even as we practice social distancing.

Especially during times of uncertainty, leaders have a responsibility to foster a culture that is inclusive, respectful, and safe for their employees. Inclusive principles—such as respecting each team member's unique characteristics and contributions—are fundamental building blocks that provide both strength and competitive advantage.

Here are some ways that leaders can foster a more inclusive environment for their workforce.

We are all adjusting and dealing with different situations during this time. Remember to check in with your team members just to ask how they are doing.

As companies transition employees to working remotely, more communication is happening via phone and video conferencing. Make a consistent effort to hear varying viewpoints during meetings. Pause to ask what others think and make sure to give credit where credit is due, even if the person who came up with an idea isn't on the call.

In a largely remote environment, create time for informal conversation similar to what you would experience at the watercooler or in the hallway to get to know your employees. This level of connection builds rapport and shows your commitment to their well-being.

Have intentional discussions with your employees that recognize their work. Explain why you value them. Acknowledge them at the individual level for specific achievements or even small wins to show you truly care and take part in their successes.

Offer employees the opportunity to expand their professional and personal goals by supporting further education, learning a new skill, or developing a hobby or passion.

For more inclusive meetings, encourage employees to send agendas and materials in advance so everyone feels prepared.

Schedule meetings at a convenient time for all, or rotate meeting times to support teams in various time zones.

When inclusion is present, we feel appreciated and accepted. We are compelled to accomplish our tasks because of the sense that we matter and that others depend on us. When inclusion exists, there is two-way communication, our differences are valued, and trust levels are high.

By creating a culture of inclusion and embracing the strengths, perspectives, and skills of your workforce, you will contribute to increased job satisfaction and employee retention, making your organization more successful.



Lola Oyewole

VP, Human Resources and Chief Diversity & Inclusion Officer,
Ocwen Financial Corporation

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Promoting an Atmosphere of Inclusion

The AMDC Advisory Council is committed to promoting diversity and inclusion within the mortgage and housing industry. The Council's leaders are spreading the message of social integration and inclusiveness.

AMDC is now gaining new professionals—including a Vice Chair and three new members. Individuals who are passionate about diversity and inclusion have also helped form several additional subcommittees this year. Please meet AMDC's full council and subcommittee leaders below.

Advisory Council Members



Chair

Lola Oyewole

VP, Human Resources and Chief
Diversity & Inclusion Officer
Ocwen Financial Corporation



Vice Chair

Jodi Gaines

Chief Client Officer, EVP of Government
Relations & Business Development
Insight One Financial



April Alexander

National Community Development &
Outreach Manager
Prosperity Home Mortgage



Charmaine Brown

Senior Consultant
Alignment Strategies



Amanda Buffington-Gunderson

VP of Marketing Business Relations
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Tamara Haskins

First VP, Diversity & Inclusion
PennyMac



Michael Ruiz

Director, Supplier Diversity
Fannie Mae



Joe Velazquez

SVP, Neighborhood Lending
Bank of America

Subcommittee Leaders

Education & Community Outreach



Chair

Joe Velazquez

SVP, Neighborhood Lending, Bank of
America



Chair

Denia Ray

SVP, MSI and Board Member of
Insight One Solutions



Chair

Edmond Buckley

Brand Ambassador,
Aspen Grove Solutions

The Importance of Authenticity in Diversity and Inclusion

Author **Matthew Freeman** discusses the ways the housing and mortgage industries can foster a more diverse and inclusive workforce.



Matthew Freeman is the co-author of *Overcoming Bias: Building Authentic Relationships Across Differences*. Along with fellow co-author, Tiffany Jana, Freeman uses stories, exercises, and activities to help readers reflect on personal experiences and uncover how hidden biases are formed.

Freeman recently spoke to AMDC about how the mortgage and housing industries can foster a more inclusive and diverse workforce.

What are your thoughts about the increased awareness diversity and inclusion efforts have received over the past year?

Freeman: On the one hand, I think it's great. It's important for our industries, for our communities, for people to be paying attention to

diversity and inclusion. Diversity is only going to increase in the United States, so efforts to make sure that everybody can participate fully in their jobs and workplaces and the housing market, all of those things are important.

There are a couple of pitfalls that come along with that kind of increased attention, however. One is the potential for folks to just "check the box." If we see that there's this increased pressure to be seen as doing something about it, there's going to be some folks who say, "All right, we need to do something," but they're not really invested or committed in it. I've talked to a lot of folks who are working for organizations where they've put somebody in a diversity office, but they haven't given them training or empowered them to make real, authentic changes.

Also, once there is some money attached to diversity and inclusion efforts, then sometimes you get a rush of folks who aren't qualified, aren't invested, who are just coming to cash in on the trend. Those are two things to be looking out for, and both of those come back to the idea of authenticity. Are you really trying to do this or you doing it because it seems like something that people expect of you or so that you can make some money off the trend?

Overall, it's always positive for folks to be focusing on how to create truly, authentically inclusive communities. You just have to make sure that the folks you are working with are doing it as well and as well-intentioned as they can.

What can housing and mortgage professionals do to grow a more diverse workforce?

Freeman: I'll tie that back in with my answer to the first question, which is about authenticity. People can tell whether or not you're committed to meaningful diversity and real inclusion in your workforce. If you have nice words on your webpage or in your advertisement for a new job, and then people show up and don't feel like their voice matters, or their expertise is honored, or their perspectives from their lived experience are welcomed into the workplace, they're not going to stick around.

We saw that with law firms. They did a huge push to get more folks of color and women into the law offices, but they didn't stick around. They had a huge retention issue. That kind of authenticity of commitment to this is important. The second thing is, just realize how important it is to your businesses' bottom line. The diversity of this country is only increasing, and there are tons of folks who are underrepresented in terms of homeownership, so if we are going to reach out to those folks, it's in your best interest to have a diverse workforce of folks who understand the different experiences that people in the community have, who are seeking to buy homes, many of them for the first time. Having that kind of authentic commitment to it and realizing how important it is to your bottom line are things that would go a long way towards helping folks in that industry be successful.



Recognizing Top Latino Mortgage Originators

NAHREP recognizes the efforts made by Latino professionals to help achieve sustainable and affordable homeownership.

The National Association of Hispanic Real Estate Professionals (NAHREP) released its sixth annual Top 250 Latino Mortgage Originators Report, recognizing the top-producing Latino mortgage professionals across the United States. This year's report, sponsored by Radian, ranked individual originators based on both the number and dollar volume of transactions in 2019 and represents over \$10 billion in combined sales volume.

"Congratulations to this amazing group of loan originators who continue to break ground in

helping people achieve their dream of homeownership," said 2020 NAHREP President Sara Rodriguez. "A lot of new homeowners were created thanks to their hard work, passion, and excellence."

NAHREP congratulated the professionals among the Top 250 Latino Mortgage Originators for their efforts and contributions to sustainably growing intergenerational wealth through homeownership. The Hispanic homeownership rate has increased annually for five consecutive years,

and NAHREP noted that access to affordable mortgage credit is essential for those gains to continue.

New American Funding led the way as the company with the most honorees, followed by loanDepot and Wells Fargo Home Mortgage. Lizzy Hoeffler of CrossCountry Mortgage in Phoenix, Arizona, was the leading originator for the third year in a row—the first and only originator to hold the top slot for multiple consecutive years.

"Radian is proud to celebrate the accomplishments of the Top 250 Mortgage Originators, who share our commitment to making sustainable and affordable homeownership a reality," said Brien McMahon, Senior EVP and Chief Franchise Officer, Radian. "The hard work and dedication of these extraordinary individuals help guide their customers through the most significant financial transaction of their lives, and we are thrilled to partner with NAHREP to support them."

The AMDC Is Pleased to Welcome...



American Mortgage Service Co. was started on July 9, 1975, in Cincinnati by Emil and Elvera Bergdolt. Their dream was to help individuals realize the dream of homeownership, and they felt it was critical for those people to be able to deal with a reputable, honest, and family-based company. Since those humble beginnings, American Mortgage has grown into a multistate lender but it has always kept its focus on its core mission. The company now has over 40 locations. Annual lending approaches \$1 billion with mortgage products to serve any customer. American Mortgage has successfully focused its business development on relationship growth with real estate agents, homebuilders, and former customers.



Located in New York and San Francisco, Blend brings simplicity and transparency to consumer banking. Blend forms partnerships with banks and lenders to ensure consumers have access to a less stressful, more accessible lending experience. Blend isn't disrupting lending but rather making it better for everyone involved. Accessibility, transparency, and simplicity are the core pillars Blend uses to build partnerships—to deepen consumer relations at every significant financial moment of peoples' lives. Blend provides home lending, mortgage, home equity, and consumer banking services for banks, credit unions, and mortgage banks.



DEVAL is the only non-bank, Hispanic, woman-owned special loan servicer in the nation, specializing in subservicing for residential real estate assets, primarily for Hispanic “high-touch” loans. DEVAL has provided financial, real estate, and management consulting services to clients since 2002. Founded by Deborah Garcia-Gratacos, DEVAL is a Delaware limited liability company.



Hogar Hispano Inc. (HHI) is a not-for-profit 501(c)(3) corporation founded by UnidosUS in 2004. Formed to flexibly manage different types of real estate assets, HHI works in partnership with other community-based organizations to support housing, neighborhood stabilization, and wealth preservation for both Latino and low-income families. HHI is dedicated to helping families/individuals prevent foreclosure and to creating new housing opportunities in the United States and Puerto Rico. HHI works with socially minded public and private funds and investors sophisticated enough to understand the impacts their investments have on constituents and their communities.



Independence Title takes pride in standing apart from its competitors by keeping jobs local, believing that the best way to provide customers with comprehensive information on property is by standing side-by-side with them on the ground in Texas. Independence Title is headquartered in Central Texas and has over 70 branch locations to serve consumers.



Planet Home Lending is the smart choice for your mortgage needs. Unlike a bank, mortgages are all Planet Home Lending does. Every day, borrowers across America come to Planet for assistance with their home purchase and refinance needs. At Planet Home Lending, mortgage loan specialists happily and professionally provide services without ever uttering a word of “mortgage mumbo jumbo.”

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Study: Hispanic Borrowers Vulnerable During COVID-19

A new report by the Urban Institute reveals that while Hispanic homeowners contributed to the success of the post-2007 housing recovery, analysis shows the Hispanic recovery from COVID-19 may not be as significant.

The report notes that Hispanics are the fastest-growing U.S. demographic, accounting for 57.6% of total population growth in 2018 and 40.4% of household growth over the past decade.

During that same timespan, Hispanic homebuyers accounted for 51.6% of the total U.S. net homeownership growth. In 2018, the Hispanic population contributed \$371 billion to the house share of the GDP—or 10.9%—compared to just 6.5% in 2000.

Urban Institute suggests there are three factors at play that could hurt Hispanic homeowners. The

report states that Hispanic have higher debt relative to income. Hispanic borrowers are also highly concentrated in California, New York, and Texas where housing costs are high relative to national averages.

Because of their concentration in high-cost markets, Hispanic homebuyers have high debt-to-income (DTI) ratios on average. Urban reports that the median DTI ratio for Hispanic homebuyers was 42% in 2018, compared with 28% for all U.S. homebuyers, and more than one-third of Hispanic homebuyers had DTI ratios about 45%.

Hispanic homebuyers also have smaller down payments, with the median Hispanic homebuyers at 3.5% compared to the 10% rate for all homebuyers.

More than 70% of Hispanic homebuyers purchased homes with less than 10% down. Hispanic

homebuyers are also more likely to acquire the Federal Housing Administration (FHA) mortgages, which accept as little as 3.5% down but have higher monthly payments.

The analysis also said Hispanics also have more vulnerable incomes, as a higher share of Hispanic workers are employed in industries and occupations that are most vulnerable to the COVID-19 pandemic's economic ramifications than any other racial or ethnic group.

About 11% of the Hispanic labor force works in food and accommodation, compared with 7.6% of the general population, and about a quarter of Hispanic labor force participants are service workers, compared with 17.8% of the general population.

'The Time for Gender Equality Is Now'

Charmaine Brown speaks on the struggles facing minorities and women, and about what companies can do to promote a diverse workforce, especially in the current socially distanced environment.

Charmaine Brown is a senior consultant for Alignment Strategies and previously worked as a Director of External Outreach Engagement for the Office of Minority and Women Inclusion for Fannie Mae. During her career, she's been focused on creating increased value for the workforce, workplace, and marketplace.

Brown spoke with AMDC about how companies can promote an inclusive atmosphere within a remote working environment and the barriers standing in the way of women and minorities from advancing their careers.

How can companies promote an inclusive atmosphere in this challenging environment?

Brown: We have to start with what inclusion looks like. We need to be clear about what inclusion is—what are the behaviors that are associated with inclusion and belonging. Inclusion and belonging are really intertwined. What we know is, when employees feel included, they're more likely to speak up, even when their opinions may not be popular. They're less likely to try to change who they are so that they can fit in or to be their authentic selves.

This is harder to accomplish in a virtual environment because you don't have the benefit of being able to read the clues that you would get, or the signals that you would get from personal interactions. You have to be really, really intentional

about making sure that you're looking at how your employees are engaging in the meetings virtually, if anybody seems to be more quiet than normal.

You may be on a team where most of you have children, and it's possible that you start your meetings where you talk about family. Well, think about the employees who may not have children, or whatever the topic may be of the day where most of the people in the group may share that similarity. Think about the people who are farthest from the norm and what you can do to be intentional and to engage those people. It's possible, but you just have to work hard around it. Especially in times like this.

What are your thoughts on the efforts the housing and mortgage industries have taken to promote a more diverse workforce?

Brown: Investors like to say that their investment strategies yield alpha benefits. And the way that I think about diversity, equity, and inclusion is that it creates alpha. The business case has been made time and time again, and yet we see these stubborn gaps that don't seem to move for women and minorities, even when you take into account educational attainment and experience.

For example, women are out-earning men in terms of undergraduate degrees. Women earned undergraduate degrees, I believe, at a rate of 57% versus men at 43%, and master's degrees at 60%

versus 40% for men. You've got that glass ceiling that continues to crystallize, as well as the sticky floor, just holding our women and minorities down; we're not able to advance.

I applaud the work of the House Financial Services Committee. The hearings that they held last year, the topics were right on point and they were very insightful. I also applaud the actions of Goldman. I hope to see more leaders follow suit. We really need to do more to start to attack these barriers that are impeding the progress of women and minorities. I'm interested to see what comes next from the House Financial Services Committee, and again, I hope to see other leaders follow the actions of Goldman. I think it's time. I think the time for gender equality is now.



Charmaine Brown is a passionate, award-winning diversity, equity, and inclusion thought leader and strategist. Known for her work with C-suite executives, she has more

than 20 years' experience partnering with and creating spaces for executives and teams to uncover barriers that impede their understanding of the moral and business imperative of diversity, equity, and inclusion. She's worked with executives at First Citizens Bank, the Mortgage Bankers Association, and the National Association of Real Estate Brokers, and is the former head of Outreach and Engagement in Fannie Mae's Office of Minority and Women Inclusion (OMWI).



American Mortgage Diversity Council

Where Diverse Groups Share Common Goals.

The American Mortgage Diversity Council (AMDC) promotes diversity and inclusion throughout the mortgage industry. The organization provides a platform for collaboration among mortgage industry leaders for the advancement of diversity and inclusion dialogue.

We want you to be part of the AMDC

Connect with mortgage leaders and collaborate to promote diversity and inclusion in our industry. We provide tools and strategies to create an understanding and appreciation of individual differences in thought, experience, race, ethnicity, culture, religion, style, sexual orientation, and gender identity.

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Contact Us

If your company is interested in the AMDC, please contact

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