Diversity Briefing

AMERICAN MORTGAGE DIVERSITY COUNCIL | FALL 2020 EDITION

MEMBER VOICES

6 Ways to Make Your Company More Meritocratic

By Suzy Lindblom

Valuing employees based on their merits is essential to the success of any company. Consciously increasing opportunities for merit-based promotion and recognition helps level the playing field for employees, supports diversity and boosts inclusion.

Here are six ways you can help your mortgage company focus on merit:

1. Create on-ramps and training programs for employees who do not have college degrees.

Insisting that all employees have, at minimum, an Associate's Degree, would automatically exclude about two-thirds of the U.S. population from the hiring pool. Not everyone was encouraged or felt the need to attend college, much less pay for it. Additionally, not all school systems are funded well enough to prepare students to earn scholarships and succeed in academia. The industry should open more doors to high school graduates.

Planet Home Lending has been running a successful entry-level hiring program for processors, funders, and verification professionals; no college degree needed. The new hires take an online industry association course, supplemented by in-house training. Once on the job, they are mentored by an experienced associate and by a subject-matter expert. The trainees get a foot in the door, the mentors gain valuable leadership skills. Both can build powerful bonds that transcend the workplace and their tenure at Planet.

2. Offer on-demand virtual learning opportunities to anyone who wants to take advantage of them.

Instead of limiting employees to participating only in the courses required by compliance standards, load up your online learning program with offerings that help people gain skills and knowledge to advance. Open those classes to anyone who would like to register.

Our servicing division continually expands the knowledge base of its customer service representatives (CSR). Cross-training helps to diversify skillsets and to build CSRs' confidence in difficult situations. CSRs who know how to handle more than one task are better able to handle customer questions without having to transfer the call, which creates a better customer experience. Not only do customers benefit from this employee empowerment, CSRs are positioned for additional specialization and/or career advancement opportunities.

3. Commit to internal promotions and create pathways for people to upskill.

Having an on-ramp into the industry is a great first step. But if merit is at the core of your culture, you need to create pathways for people to upskill. If offering continuing education to everyone is beyond your budget, consider on-the-job training.

The entry-level junior processors Planet hires have a career path highlighted when they are hired. They can move up to processor, then team leader or subject matter expert and eventually go on to become underwriters. Senior leadership at Planet includes people who have risen to their post via this pathway.

MEMBER VOICES

From the Chair

Dear Readers,

These are times of change and upheaval, not just for our industry, but the nation as a whole. During such periods, it is more important that we band together—to share experiences, gain new perspectives, and develop solutions.

In this edition of the Diversity Briefing, be sure to read the command paper released by AMDC's Education & Community Outreach Subcommittee, titled "COVID-19's Impact on the Mortgage Industry & Mitigating Risk." We hope you will gain insights on how the pandemic is impacting vulnerable communities and ways that you the industry can work together to alleviate these hardships.

Also, featured is "6 Ways to Make Your Company More Meritocratic," by member Suzy Lindblom of Planet Home Lending.

The AMDC encourages you to add your voice to these discussions, and we hope we will see you at the Fall Virtual Member Meeting, taking place on November 10.

Best regards,

Lola Oyewole
Chair, American Mortgage Diversity Council
VP, Human Resources and Chief Diversity & Inclusion Officer
Ocwen Financial Corporation

4. Boost employee connectivity via internal affinity groups, formal or informal mentoring programs and participation in industry networking organizations.

Many of us in mortgage banking are born networkers, but unless building a network is part of your job as a mortgage loan originator, it should not be the basis for whether or not you are promoted.

Creating internal affinity groups, and formal or informal mentoring programs builds connections between associates, teams, divisions and channels. Those networks help overcome the impulse to only connect with people like ourselves. The company also benefits, because talking across siloes increases synergy, idea-sharing and innovation.

Sponsor external industry organizations for women and minorities and encourage employees to participate in webinars, conferences and local meetings.

5. Incorporate merit in your values.

If you want to be a merit-based company, then people have to have equal opportunity to speak up, take on tasks and perform. Putting that concept into your company values shows you are serious about merit.

At Planet, we have three values that speak to this issue:

- Empowerment: All associates will have a voice and can be heard as an integral part of the organization.
- Leadership: We will treat each other with dignity and respect regardless of title or position.
- Nurture: We value our people, encourage their development and find strength in diversity.

6. Continue to root out systemic and individual biases.

Research from Harvard suggests that focusing only on merit-based rewards, without acknowledging or attempting to limit personal bias and stereotyping, can decrease workplace equity.

The study suggests this occurs because having merit-based rewards does not exclude people from making biased judgments when evaluating performance.

Companies should focus on merit in addition to, not instead of, working to remove barriers based on conscious or unconscious bias, structural bias, and systemic bias. Continue to help people recognize their biases so they do not let personal factors not related to performance seep into ratings and evaluations for raises, promotions and opportunities.

These are just a few of the many ways you can reward and promote employees for initiative, drive, ideas, and hard work. By making opportunity a cornerstone of your corporate culture, you will increase not only diversity and inclusion, but opportunities for your whole organization to succeed.

***Suzy Lindblom**, COO of Planet Home Lending, is known for her ability to develop process efficiencies and identify areas for potential cost savings while keeping customer service levels and loan quality high. An award-winning leader and industry expert in operations, managing risk, loss mitigation, underwriting, project management, post-closing, and compliance, Lindblom brings a balanced approach in everything from underwriting to post-closing.*

Companies should focus on merit in addition to, not instead of, working to remove barriers based on conscious or unconscious bias, structural bias, and systemic bias.

D&I NEWS BRIEF

FHFA Addresses the Language Barrier

The FHFA, which oversees Fannie Mae and Freddie Mac, recently announced new resources for Americans who need assistance with mortgage loans but who possess limited English-language proficiency. That could be causing homeowners extra hardships during an already trying time, the FHFA recognized.

"Over the past decade in the United States, the percentage of Hispanic/Latino and Asian American/Pacific Islander (AAPI) populations has increased to 18.5 and 6%, respectively," wrote Sika Pryor, Senior Policy Analyst for the Office of Housing and Regulatory Policy. "Hispanic/Latino and AAPI communities make up a majority of the estimated 26 million people in the country considered to be limited English proficient (LEP), according to Census data. LEP can make it difficult to navigate the mortgage process, which today is further complicated by the COVID-19 pandemic, especially when borrowers have trouble making their mortgage payments due to financial hardships."

With an understanding of the complex and time-sensitive nature of loss mitigation for borrowers facing economic difficulties, the FHFA along with Fannie and Freddie are working to give said borrowers access to the industry resources highlighted on the agency's Mortgage Translations Clearinghouse website.

Our goal, wrote Pryor, "is to help LEP borrowers better understand the mortgage process and determine the best path forward with more robust, on-demand language support services."

The aforementioned Mortgage Translations clearinghouse offers scripts in Spanish and four Asian languages that servicers can use with clients requesting forbearance as provided by the CARES Act.

That includes translations into the first- and second-most spoken foreign languages in the U.S.—Spanish and traditional Chinese—as well as Vietnamese, Korean, and Tagalog.

According to Pryor, "This online resource includes industry-standard glossaries of mortgage-related terms, more than 500 mortgage and homebuyer education documents, and information about live, on-demand telephonic translation services. It has downloadable versions of the Uniform Residential Loan Application (URLA), a step-by-step guide to walk LEP borrowers through applying for or refinancing a mortgage, and the revised Mortgage Assistance Application (MAAp), in Spanish, traditional Chinese, Vietnamese, Korean, and Tagalog."

D&I NEWS BRIEF

Examination of Disparate Impact Rule

Following HUD's announcement of the Department's final rule on the disparate impact standard under the Fair Housing Act, House Financial Services Committee Chairwoman Maxine Waters (D-California) has called on President Trump and HUD Secretary Dr. Benjamin Carson to reconsider. Suggesting that the new rule could make it more difficult to prove cases of housing discrimination, Waters said in a statement, "Disparate impact claims have been critical to holding industry and private actors accountable for the discriminatory impacts of their policies and practices."

Secretary Carson announced the Department's final rule on the disparate impact standard on September 10.

"The disparate impact standard allows victims of housing discrimination to seek justice in the courts by putting a stop to practices that appear neutral on their face, but that have the impact of discriminating against protected classes of people," Waters explained.

"Disparate impact claims have been critical to holding industry and private actors accountable for the discriminatory impacts of their policies and practices. ... The new rule shifts the burden of proof from the perpetrators of discrimination onto the victim, making it significantly more difficult for victims of housing discrimination to prevail in court and ultimately making it easier for discriminatory policies and practices to plague our housing markets."

In its public issuance of the "Final Rule" HUD stated that the change "establishes a uniform standard for determining when a housing policy or practice with a discriminatory effect violates the Fair Housing Act and provides greater clarity of the law for individuals, litigants, regulators, and industry professionals." Carson discussed the change back in July, when it first was recommended.

"After reviewing thousands of comments on the proposed changes to the Affirmatively Furthering Fair Housing (AFFH) regulation, we found it to be unworkable and ultimately a waste of time for localities to comply with, too often resulting in funds being steered away from communities that need them most," he said.

Carson said the Trump Administration has established programs such as Opportunity Zones that "are driving billions of dollars of capital into underserved communities where affordable housing exists, but opportunity does not."

Carson stated at the time that "programs like this shift the burden away from communities so they are not forced to comply with complicated regulations that require hundreds of pages of reporting and instead allow communities to focus more of their time working with Opportunity Zone partners to revitalize their communities so upward mobility, improved housing, and home ownership is within reach for more people," he said.

"Washington has no business dictating what is best to meet your local community's unique needs," Carson added.

The change "establishes a uniform standard for determining when a housing policy or practice with a discriminatory effect violates the Fair Housing Act and provides greater clarity of the law for individuals, litigants, regulators, and industry professionals."

—U.S. Department of Housing and Urban Development

ONE SIZE

American Mortgage Diversity Council

Where Diverse Groups Share Common Goals.

Does Not Fit All

Although progress has been made toward ensuring that the workplace is not oppressive towards LGBTQ employees, there is much work to be done in order to achieve full inclusion. In consultation with local LGBTQ communities, the American Mortgage Diversity Council published a series of eleven recommendations for making your organization more LGBTQ friendly.

TOP THREE RECOMMENDATIONS FOR GROWING LGBTQ WORKPLACE INCLUSION

#1

Train new hires in your non-discrimination policy specifically alluding to sexual orientation and gender identity.

#2

Develop a specialized internship program that targets transgender employees who show an aptitude and interest in building a career in mortgage banking.

#3

Implement executive succession plans that emphasize the development and promotion of LGBTQ executives.

» **Work toward real solutions** | Get the rest of the recommendations at **mortgagediversitycouncil.com/lgbtq-issues** «

A&D PROPERTY SERVICES | ALTISOURCE | AMERICAN MORTGAGE SERVICE CO. | ASPEN GROVE SOLUTIONS | BANK OF AMERICA | BLACK KNIGHT FINANCIAL SERVICES | BLEND, INC. | CALIBER HOME LOANS | CHENOA FUND | CORELOGIC | DEVAL LLC | EAGLE HOME MORTGAGE | FANNIE MAE | FEDERAL HOME LOAN BANK OF DALLAS | FLAGSTAR BANK | HOGAR HISPANO, INC. | INDEPENDENCE TITLE | INSIGHT ONE FINANCIAL | JGM PROPERTY GROUP INC. | MCMICHAEL TAYLOR GRAY | NATIONAL GENERAL LENDER SERVICES | NATIONAL MI | NATIONWIDE TITLE CLEARING | OCWEN FINANCIAL CORPORATION | PENNYMAC FINANCIAL SERVICES | PLANET HOME LENDING | PROSPERITY HOME MORTGAGE | RES.NET | RUTH RUHL | SAFEGUARD PROPERTIES | SCOTT & CORLEY | SEVERSON & WERSON | SKYHILL FINANCIAL | W.I.L.L. ENTERPRISES

D&I NEWS BRIEF

First Woman to Head Wall Street Bank: Jane Fraser


Jane Fraser

Citigroup has announced the appointment of Jane Fraser as its next CEO, succeeding Michael Corbat following his retirement February 2021 after eight years at the helm. With this announcement, Fraser makes history as the first woman to be named chief executive of a major Wall Street bank.

Fraser has served as Citi's President and CEO of Global Consumer Banking since 2019 and is responsible for all of Citi's consumer businesses in 19 countries, including mortgages and retail banking. From 2015 to 2019, she was CEO of Citi's Latin American region, and from 2013 to 2015 she was CEO of its U.S. Consumer and Commercial Banking and CitiMortgage. Earlier in her Citi career, she was CEO of the company's Private Bank and Global Head of Strategy and Mergers & Acquisitions. Prior to joining Citi in 2004 in the Corporate and Investment Banking division, she was a Partner at McKinsey & Company.

The Scottish-born Fraser began her career at Goldman Sachs in the Mergers & Acquisitions department in London and then worked for Asesores Bursátiles in Madrid.

"I am honored by the Board's decision and grateful to Mike for his leadership and support," said Fraser in a statement released by Citi. "The way our team has come together during this pandemic shows what Citi is made of. Our balance sheet is strong and our commitment to serving our clients and communities is even stronger.

"I will do everything I can to make all of our stakeholders proud of our firm as we continue to build a better bank and improve our returns," she added. "We will invest in our infrastructure, risk management and controls to ensure that we operate in a safe and sound manner and serve our clients and customers with excellence. Citi is an incredible institution with a proud history and a bright future. I am excited to join with my colleagues in writing the next chapter."

MEMBER ALERTS

American Mortgage Diversity Council Welcomes New PremierMember

Chenoa Fund is provided through CBC Mortgage Agency (CBCMA), a federally chartered government agency. CBCMA partners with quality mortgage lenders on a correspondent basis, their mission is to increase affordable and sustainable homeownership opportunities for creditworthy individuals who lack down payment funds.

"As one of the nation's largest down payment assistance providers, we believe in equitable access to credit for all creditworthy Americans, with a focus on increasing homeownership within minority communities. AMDC would allow our company to converse with like-minded folks within the mortgage industry to enact real change within our communities of color," stated Tai Christensen, Director of Government Affairs, CBCMA.

Chenoa Fund joins a group of diversity champions from all backgrounds, with the mission of fostering diversity and inclusion in the workforce.

A&D Property Services
Altisource
American Mortgage Service Co.
Aspen Grove Solutions
Bank of America
Black Knight Financial Services
Blend, Inc.
Caliber Home Loans
Chenoa Fund
Corelogic
Deval LLC
Eagle Home Mortgage
Fannie Mae
Federal Home Loan Bank of Dallas
Flagstar Bank
Hogar Hispano, Inc.
Independence Title
Insight One Financial
Jgm Property Group Inc.
Mcmichael Taylor Gray
National General Lender Services
National MI
Nationwide Title Clearing
Ocwen Financial Corporation
Pennymac Financial Services
Planet Home Lending
Prosperity Home Mortgage
RES.NET
Ruth Ruhl
Safeguard Properties
Scott & Corley
Severson & Werson
Skyhill Financial
W.I.L.L. Enterprises

AMDC FALL VIRTUAL MEMBER MEETING

CONNECTING ACROSS DISTANCES

NOVEMBER 10, 2020 | 1 P.M.–4 P.M. CST

AMDC invites you to RSVP for Fall member meeting, where lenders, servicers, government representatives, attorneys, and service providers from across the membership will discuss initiatives for the remainder of the year and provide updates on our diversity and inclusion efforts.

Featuring Guest Speaker

Samantha Tassone, President of Growth Fuel, LLC.

Samantha Tassone is President of GrowthFuel, a boutique professional services firm, focused on gender intelligence, how to perform under pressure, and advancing women's leadership. For more than 20 years, she has worked with public, private, and non-profit organizations and individuals to accelerate their performance. She is experienced in influencing the C-suite and has expertise in driving business strategy with exceptional results. She is a strategist, facilitator, speaker, and performance coach.

MEMBERS: Visit **MortgageDiversityCouncil.com** to register.
NON-MEMBERS: Contact Rachel Williams at **Rachel.Williams@TheFiveStar.com** or **314.525.67848** for more information.

Anywhere. Anytime.

MReport Digital

Bringing Today's Lending Headlines into Focus, *MReport* Digital Puts Mortgage Banking News at Your Fingertips

Experts you trust. People you know. News you want. *MReport* is putting essential mortgage market news at your fingertips with our new digital edition, now available online via your smartphone, tablet, or computer. Enjoy the magazine at your desk, and tap into *MReport* Digital's easily accessible platform anywhere, anytime. Committed to giving originators, servicers, and all lending professionals access to smarter perspectives, *MReport* believes it's time to think differently about the mortgage industry. Because the American Dream is evolving . . . are you?

MReport
theMReport.com

Subscribe to *MReport* and *MReport* Digital now!

Call 800.856.8060 or connect with us online at themreport.com to take advantage of our special introductory offer!

digital.themreport.com

MEMBER VOICES

Subcommittee **Command Paper**

Education & Community Outreach Subcommittee Members

Subcommittee Chair:
Joe Velazquez
SVP, Neighborhood Lending, Bank of America

Charmaine Brown
Sr. Consultant, Alignment Strategies

Kerry Franich
Co-Vice Chair, Severson & Werson

AngelaHurst
SVP, RES.NET

Mary Mbiya
VP, Diversity & Inclusion Director, Flagstar Bank

Kisha Parker
EVP, Corporate Sustainability, PennyMac Financial Services

Ulysses Smith
Head of Diversity, Inclusion & Belonging, Blend

PAPER FORWARD: This command paper was developed by AMDC's Education & Community Outreach Subcommittee to provide insight, ideas, and suggestions to help mitigate the impact of COVID-19 on businesses within the mortgage industry. The article represents a collection of ideas from the membership as gathered during AMDC's Spring Member Meeting and includes experiences that the Subcommittee hopes will lead to proactive measures for future crisis. Our aim is to equip stakeholders with information and resources that could lead to best and promising practices, given the unpredictable and evolving nature of the pandemic. Data referenced is as of writing, which was Q2 and Q3 2020.

COVID-19's Impact on the Mortgage Industry & Mitigating Risk

By AMDC's Education & Community Outreach Subcommittee

The COVID-19 pandemic is impacting business operations in unprecedented ways. The all-encompassing nature of the pandemic requires not only that business leaders pivot quickly to a virtual workforce, but also to plan for a future that is covered in a fog of uncertainty.

The total share of home loans in forbearance increased from 3.75% prior to the pandemic to 6.81% [1]. By investor type, Ginnie Mae-backed mortgages recorded the greatest increase in a week, swelling from 5.89% to 8.26%. The share of Fannie Mae and Freddie Mac loans increased as well in a week from 2.44% to 4.64%. Additionally, renters who tend to be less financially stable and have lower incomes are more likely to be displaced due to the economic impact of the pandemic.

As of this writing, 40 million Americans have filed for unemployment. The known "unknowns" of the pandemic give new meaning to the need for agility and the development of multi-pronged and multi-faceted scenario-planning.

Taking Up the Mantle

Wanting to address these important issues, the AMDC added a discussion on COVID-19 to its spring meeting agenda, which was held virtually on May 6, 2020. The leadership felt that it was important to create a space for its membership to have a conversation on how the pandemic was impacting employees and business operations within the industry. A tangential goal was to identify if there were any promising practices or themes that could lead to proactive solutions for further exploration.

Prior to engaging in the discussion, Amy Kong, President-Elect of the Asian Real Estate Association of America (AREAA) shared her perspectives on how the pandemic and the use of harmful language during this time, is specifically impacting the Asian Community.

While AMDC leadership recognize that this conversation was a point in time—and that the pandemic continues to evolve—it also became clear that the same takeaways discussed in this meeting should be shared with the industry at large. Below are takeaways from that meeting and other insights into how AMDC members companies are adapting quickly to changing business, employee, and customer needs.

The Questions Leading the Charge

During the discussion held at the AMDC Spring Member Meeting, the following questions guided the conversation. Although we did not answer all sequentially, we allowed the members' concerns and exchange to drive the discussion:

What are some of the implications that you are dealing with from a diversity and inclusion (D&I) perspective? How is this pandemic impacting the D&I initiatives in your organization? How are you ensuring a sense of inclusion and belonging in the virtual workplace?

- What are some of the lessons that you are learning during this period of enormous change?
- What are some best practices that you have implemented or are planning to implement in your organization due to our current environment?
- Do you feel that your managers are equipped to manage effectively, or are there gaps in skill sets being revealed by the pandemic?
- How are you thinking about re-entry and returning to the workplace once quarantines are lifted?
- What should AMDC be doing to support the mortgage industry during this challenging time?

Kong explained during her participation at the meeting that characterizing the pandemic as the "Chinese virus" has led to attacks on some Asian Americans. As a result of these events, AREAA submitted a letter to the Congress expressing their concerns. Kong also noted throughout the conversation that the Asian community is not a monolithic group and shouldn't be seen and treated as such. The Asian community has a rich and diverse culture and Kong offered insights into those differences to help AMDC members understand how to engage with them appropriately. Her key message was to get to know other cultures better in order to avoid making erroneous assumptions.

Lessons Learned from Past Crises

During the subprime mortgage and foreclosure crisis that occurred between 2007 and 2010, millions of homeowners across the U.S. lost their homes to foreclosure and, therefore, did not have an opportunity to regain and build wealth as the real estate market ultimately recovered. Because homes accounted for more than half of the net wealth of Black and Hispanic homeowners, the foreclosure crisis was disproportionately impactful to these communities.[2]

As we navigate the COVID-19 global health crisis, it is important that homeowners in diverse communities who are experiencing financial hardship be mindful of the relief options afforded by the federally mandated Coronavirus Aid, Relief and Economic Security (CARES) Act.

Specifically, the CARES Act provides forbearance relief and requires that companies servicing

[1] https://www.mba.org/2020-press-releases/october/share-of-mortgage-loans-in-forbearance-declines-to-681
[2] https://www.zillow.com/research/housing-bust-wealth-gap-race-23992/

federally backed mortgage loans grant up to 180 days of forbearance to borrowers who request and make an affirmation of financial hardship due to COVID-19. Servicers are not required to document the borrower's hardship, and the initial 180-day forbearance period must be extended up to an additional 180 days at borrower's request. According to Fannie Mae, by mid-May, over 4 million American homeowners had chosen to forbear on their mortgages.[3]

While forbearance programs serve an important public benefit, once the deferment period ends borrowers still face the reality that forbearance amounts must be repaid. Generally, the repayment of forbearance is determined by the type of loan and repayment may be:[4]

- in one lump sum at the end of the forbearance period
- added onto your existing monthly payments over a set number of months
- added to the end of your loan as additional payments or as a lump sum.

As job losses continue to rise as a result of COVID-19 and the economy re-opens, it is still unclear what the inevitable damage will be to the overall housing market and to individual homeowners. Zillow predicts that if COVID-19 leads to a short-term recession, then home values could drop by up to 4% through the fourth quarter of 2020 and remain depressed throughout 2021.

How can practitioners help diverse homeowners during this time who are experiencing disparate hardships? To help avoid a significant uptick in defaults and foreclosures, practitioners are urged to scale up counseling, mediation and loss mitigation programs to ensure borrowers have financially safe and affordable options for exiting forbearance plans and are not faced with penalties or adverse outcomes as they work to get back on solid financial footing.[5]

Educating Homeowners

Despite many laudable efforts to simplify the loan origination process for would-be homeowners[6], many consumers remain unfamiliar with the loan products they are obtaining. The same is true for present borrowers. For example, a recent survey of borrowers revealed that 61 percent of the respondents had either no knowledge of COVID-19 assistance programs or were unsure if the available assistance applied to them.[7]

Ensuring that borrowers clearly understand their loan terms, and the consequences and pitfalls of obtaining CARES Act forbearances, is critically important in ensuring that these borrowers avoid foreclosure.[8] In addition to the wave of forbearances the industry experienced over the past few months, lenders should also pay particular attention to home equity origination practices. Looking forward, demand for cash-out refinances is expected to increase dramatically as unemployed or underemployed borrowers experience a sudden need for cash.[9]

Changes to Underwriting Requirements

According to data provided by Ellie Mae, the pandemic has caused mortgage loan originations to dip. Despite this, Redfin reports that while the quarantine has resulted in a 25% decrease in homebuyer traffic, the sentiment to own remains high. This has resulted in the power dynamic is much more balanced. The bump in credit scores may also mean that potential homebuyers who would be considered "ready" in the next 60 days may experience a delay as they work to strengthen their credit profiles. Counseling agencies can be helpful if buyers need additional support to prepare. HUD certified counselors can be found on HUD's website.

Powerful Testimony

The House Financial Services Committee held a virtual roundtable to discuss the impact COVID-19 has had on the U.S. Housing Market.

"The harmful effects of this pandemic on the physical and mental health, financial stability, and overall way of being can be even more devastating when you are unable to pay your rent or mortgage," said Rep. William Lacy Clay, Chairman of the Subcommittee on Housing, Community Development, and Insurance.

He added that while Congress has passed trillions of dollars in stimulus packages, including the proposed $3 trillion HEROES Act, there is "much more that needs to be done.

"One of the most important things that we can do to respond to this pandemic, is to keep people in their homes," said Maxine Waters, Chairwoman of the House Financial Services Committee.

She added the pandemic could have created a wave of foreclosures and evictions that would have made it harder for the economy to recover.

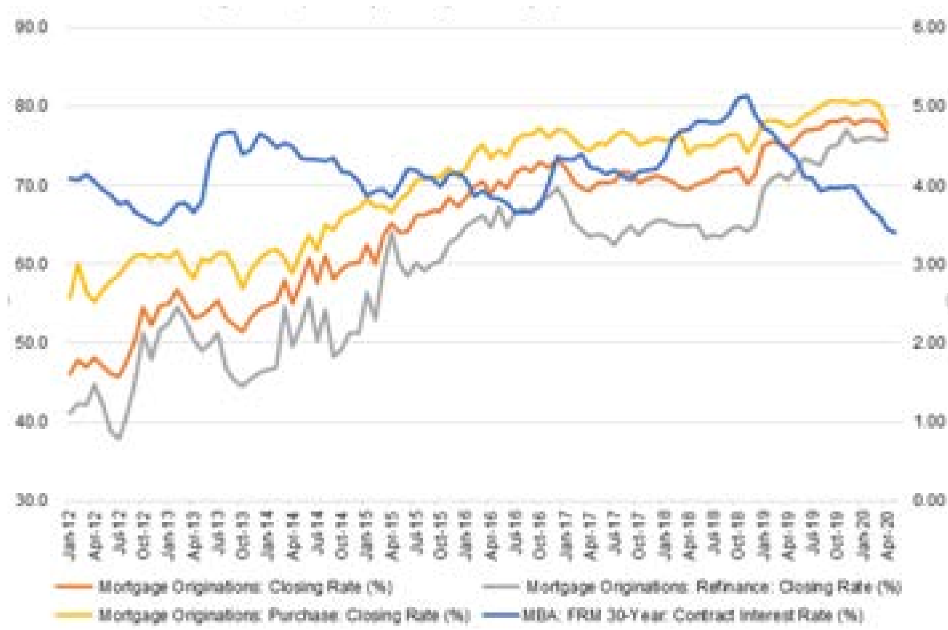
Clay said there are lessons to be learned from the Great Recession, which saw African-American homeownership fall 23%. Clay added that while many are recovering the downturn a decade ago, COVID-19 is "disproportionately" hitting minority households.

Rep. Steve Stivers, Ranking Member of the Subcommittee on Housing, Community Development, and Insurance, said Congress has taken "extraordinary" steps to address the issues and impacts of COVID-19.

"Workers who aren't getting paid because of the health crisis can't pay their rent or their monthly mortgage, so the CARES Act provided forbearance for mortgage payments and protected renters from evictions," Stivers said.

He noted that there was widespread confusion over forbearance measures and come homeowners said they "lack clarity" from servicers on what

Closing Rate (90 day rolling average) and 30Yr Fixed Rate



[3] https://www.realtrends.com/blog/real-trending-episode-76/
[4] https://www.consumerfinance.gov/about-us/blog/guide-coronavirus-mortgage-relief-options/
[5] https://www.urban.org/urban-wire/new-data-suggest-covid-19-widening-housing-disparities-race-and-income
[6] https://www.consumerfinance.gov/owning-a-home/loan-options/
[7] https://www.stratmorgroup.com/insights_article/covid-19-homeowner-experience-report/
[8] https://www.consumerfinance.gov/consumer-tools/mortgages/
[9] https://www.brookings.edu/research/the-impact-of-the-coronavirus-on-mortgage-refinancings/

they owe. Stivers, however, praised the Federal Housing Finance Agency for not only providing clarity, but also announcing lump sum payments are not required when leaving forbearance.

The roundtable included insight from Kristy Fercho, MBA Vice Chair and President of Mortgage for Flagstar Bank. She said mortgage servicers have played an "integral role in providing an unprecedented amount of payment relief for customers."

She added since March, MBA members have provided forbearance to more than 4 million customers and loans in forbearance have grown to more than 8%. Also, the average wait time for a customer has fallen from 13 minutes to 2 minutes.

During her testimony Fercho spoke to the specific toll the pandemic has had on communities of color and border communities. She noted that these communications are likely to be hardest hit due to having lower familial wealth, lower reserves for emergencies, and a higher likelihood to work in sectors hardest hit by the economic shutdowns.

Fercho outlined three important steps policy makers can take to support lenders and the communities they serve:

- Liquidity support for servicers to avoid unnecessary servicing transfers–especially for borrowers already in forbearance.
- Remove restrictions on early payment forbearance so that borrowers can obtain forbearance if they experience a hardship shortly after their loan closes.
- Finance agency loans and others targeted to low- and moderate-income households.

Re-entry Plans and Protection for Workers

As businesses begin to reopen their doors for in-office operations after several months of shelter-in-place procedures, there is a new-found emphasis on what it means to protect public health and wellbeing.

To keep employees safe, businesses should ensure they are following CDC guidelines, such as:

- Ensuring employees maintain a 6-foot distance between each other
- Posting reminders for employees to remain cognizant of their personal hygiene
- Posting recommendations on wearing cloth coverings in the office

Even with these pre-cautions, business leaders must recognize that 'normal' doesn't exist in the post-COVID, pre-vaccine world. In order to set up for the safest form of reintegration, employers should have a redesigned floor plan, health maintenance checks, and protocol for sick employees.

Additionally, some employees may not be capable of working from an office, whether due to a lack of safe transportation, no resources to care for a family member, being immunocompromised, or many other reasons. Employers will have to be cognizant and understanding of these scenarios.

There is a lot of information that has been disseminated over various means to assist with the swift change to remote workplaces, and more importantly, entire work forces. Business Continuity Plans and Pandemic Plans provide for compliance and logical instruction for the business at hand to continue, however, in order for any workforce to pivot in abrupt fashion, tending to the gaps and tending to the human aspect is critical. Likewise, preparing for a return to work carries the same criteria.

Pandemic Preparedness Plans

In response to the pandemic, the U.S. Department of Labor along with the Center for Disease Control released the Resuming Business Toolkit, while individual businesses adopted their own, supplemental COVID-19 Preparedness Plans. These plans aimed to assure appropriate training and touchpoints were maintained to keep both managers and employees engaged and informed.

RoundPoint Servicing and Mr. Cooper utilized internal communications and took to social media sites like LinkedIn. The servicers' HR departments and leadership posted and shared employees at home experiences to keep engagement high.

Supporting Real Estate Agents

While many are looking into a completely digital homebuying journey, there are still tours and transactions being done in person. While some overarching guidelines have been laid out for realty businesses, and many use "hold harmless" agreements before entering properties, extra measures must be taken to protect both employees and customers.

While following guidelines and taking measures to social distance is an appropriate way to mitigate risk, the most appropriate response to protect employees health and wellbeing pre-vaccine would be to offer the homebuying journey completely online, from initial application, to 3D, self-guided home tours, to closing on a mortgage.

"NAR understands that these unprecedented circumstances are impacting our members' ability to conduct their businesses.

—National Association of Realtors

To further support real estate agents, the National Association of Realtors (NAR) created a living guide that is periodically updated with the most recent information on shelter-in-place orders, open house guidance, transaction guidance, and more. NAR's website states, "NAR understands that these unprecedented circumstances are impacting our members' ability to conduct their businesses. Our members' success and ability to navigate these uncertain times are paramount to NAR, and we are providing this guidance to help address some of the common transactional issues we are hearing about."

Furthermore, to help REALTORS® navigate fair housing obligations, as well as some of the novel issues presented by COVID-19, NAR developed Guidance for Fair Housing Compliance During the COVID-19 Pandemic. Added guidance was provided to its members urging the use virtual showings and to limit in-person activity in all other respects to the greatest extent possible, even where real estate is deemed an "essential service." In addition, NAR included an advisement that, "agents should consult their brokers and legal counsel before using hold harmless agreements in order to assess the risk and effectiveness of such agreements. . . . In the case of a pandemic where the risks associated are not only widely known, but is also widespread, easily transmittable, and may not show symptoms for days after exposure, proving causation would be nearly impossible from a legal standpoint."

Looking Ahead

This paper represents a point in time. However, the COVID-19's impact is sure to have lasting impact and that makes it difficult to predict outcomes with certainty. The AMDC will continue to monitor events and provide opportunities for stakeholder engagement. We recognize that the impact of the pandemic varies, and our focus on diversity is grounded in knowing that the most vulnerable communities tend to be lower-income, communities of color.

This mandate requires a special obligation that we keep our focus and emphasis on these populations. The AMDC will be convening panels with leading industry experts to help you successfully navigate the current climate.

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.

Become a Sponsor

By sponsoring an AMDC webinar, you will receive exposure and be seen by policymakers, lenders, and servicers as a leader in the D&I field.

Advertise Your Brand

Utilize our newsletter publication to promote your company's product or services, gain exposure to our membership, or celebrate your diverse team.

Contact Us

If your company is interested in the AMDC, please contact **Rachel Williams** at **214.525.6848** or **Rachel.Williams@TheFiveStar.com**.