



# Diversity Briefing

AMERICAN MORTGAGE DIVERSITY COUNCIL | Winter 2020 EDITION

## MEMBER VOICES

# Aspiring Homeowners of Color Face ‘Dismal’ Circumstances

**CBC Mortgage Agency’s Tai Christensen addresses the staggering racial wealth gap and its impact on Black Americans’ ability to purchase property.**

Following his emancipation, former slave Henderson Faribault in 1860 acquired 50 acres of property and ultimately endowed homes to each of his eight children. One hundred and sixty years later, his great, great granddaughter Tai Christensen entered the mortgage industry, where she says she was distraught to discover the “dismal” situation faced by aspiring Black homeowners. Today, as Director of Governmental affairs at CBC Mortgage Agency, a national housing finance agency that provides down payment assistance, she spends much of her time working to increase homeownership in the Black community, because she does not want her story of success to be an anomaly. “I want it to be the norm for our communities of color,” she says.

**What are the most striking current statistics you’ve seen related to racial wealth disparity?**

The latest Federal Reserve survey shows that the white median family wealth had increased to \$188,000, and the median family wealth was \$24,000 for families of color\*. When you think about the disparity in those two amounts of money, the racial wealth gap is as wide now as it has ever been, and it is deeply, deeply concerning. You know, I hope that the Black community would have made some advances in increasing the wealth as a community standard, and that just has not happened.

**That is a huge disparity, indeed. Does this relate, and how, to racial disparities related to borrowing for a home?**

Right, yes. What does less wealth translate to as far as mortgages are concerned: Look at the statistics we were just discussing. The Black community as a whole has far less wealth than their white counterparts. That translates



into less money for a down payment, which means higher cost, higher mortgage premium, higher homeowners insurance and the like. Additionally, the Black and Brown communities have what is known as “thin file” in the mortgage industry, which basically means that you have little to no credit in your credit score and your credit recording. The median white credit score is 751, and the median Black credit score is 626. Again, large disparity. That means they are going to lend themselves to using FHA and other programs that will assist with people that have less than 20% down, but there are some ramifications.

Wealth, in general, fell by about 30% across the board for all racial demographics. However, from 2010-2013, Black and Hispanic families lost an additional 20% of wealth, while the white family’s wealth remained essentially

unchanged. The racial wealth gap that had increased during that time period translates to paying more for your mortgage when you finally are in a situation that you can afford to buy a home.

**What is the so-called “Black tax”?**

It’s a phrase referring to how Black Americans are paying more for their mortgages. While it is not necessarily something that is racially charged, it is related to the fact that, again, Black Americans have lower credit scores by nature, by demographic, which, as discussed, leads to less down payment, higher mortgage, and interest rates. If you go back to the neighborhoods that were redlined, way back in the 50s and 60s, a majority of those neighborhoods have higher property taxes than their corresponding white neighborhoods across town; you’re

## MEMBER VOICES

# From the Chair

Dear AMDC Readers,

What a year 2020 has been! For some, it will go down as one of the most memorable years of our lives, and for others, it has been one of the most challenging. The events of this year have impacted us in unprecedented ways and compelled us to adapt swiftly and respond to new demands, opportunities, and challenges posed by the pandemic, waves of social and economic change, and much more. Personally, my husband and I have had to learn how to navigate the world of online learning for our two daughters and provide care for the evolving needs of our elderly parents, while balancing our professional responsibilities—a dynamic, which I am sure we have in common with a lot of you. This year has made me realize that life can change in an instant and having the resilience and determination to evolve is essential.

While the pandemic may have placed restrictions on how we engage with each other, how we work, and how we socialize, one thing remains constant, and that is the thread of commonalities that exists amongst us all. The importance of having a diverse workforce and creating a culture of inclusion and belonging has been top of mind for most leaders over the past nine months. Given the collective conversation around social injustice, systemic racism, and inequality, many companies are more attuned to the need for continued learning around diversity, inclusion, and equity—concepts that impact how companies serve the diverse needs of their customers and employees.

As professionals and leaders in this industry, we should continue to encourage these conversations and discussions, as communication and openness lead to—and help with—contextual understanding of everyone around us.

As the current year ends and a new year awaits, the focus on diversity, inclusion, and equity could not be more important. Last month, I saw this saying on LinkedIn, and it resonated with me: “Diversity is a fact, inclusion is an act.” I implore us all to act as agents of inclusivity and ambassadors of diversity in the coming year. I wish you all a happy holiday season and a joyous 2021!

Best regards,



**Lola Oyewole**

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

paying higher taxes to live in a less desirable neighborhood, and these neighborhoods are communities of color. You know, people like to stick with like-minded people and people that look like them. Black and Brown folks like to buy homes in Black and Brown communities, and they're paying more for those homes, even though they're deemed “less desirable.” Black tax is just the fact that Black Americans pay more as a demographic for their mortgages than their white counterparts, and this all goes back to, again, credit scores. That really is the top tier—everything else is a trickle down from that.

### **How do you recommend dealing with these disparities?**

Foremost, we have to look at this from a grassroots approach to educating these communities of color. In my family, we talked about the importance of money, the importance of spending money wisely, raising money, the importance of keeping your credit score high, the importance of paying your bills on time. That's not typical in our communities of color. It's just not the norm. And so, we as an industry have to do our part of educating our communities of color in a grassroots way—going into these communities and talking with them about the importance of protecting their credit score, talking with them about that delicate balance of getting enough credit that you are being fiscally responsible and you have a lower risk score, as opposed to abusing credit and getting too much credit and then you're underwater.

There's a delicate balance there, and that balance needs to be taught. We need to go into these communities and talk to them about avoiding check-cashing establishments, payday lenders, these types of traps that the communities of color find themselves getting into. And it's a cycle, unfortunately, once you get one loan, then you need to get another one to pay it off, and interest rates get outrageous. And then also [there are] places like the rental center places where no credit is needed to buy furniture. That's fine, but you're not doing anything to help your credit score as a borrower. While you could get the big screen TV for the \$100 a month or whatever it is, with no credit needed, that really is not helping yourself or, quite frankly, helping your community. So, we've got to do what we can as a mortgage industry to really work and educate folks on the importance of credit, the importance of saving. Fortunately, the company I work for, we have an initiative called the UHOUSI Initiative—this is where I spend a lot of my time at my job, going into the communities of color, working with church organizations, speaking to congregations about the importance of credit, of saving, of homeownership.

### **Have you seen any public policies of late that are addressing this disparity or this situation?**

A couple of policies have been set up to the

Hill, neither bill has been approved, but Kamala Harris and Maxine Waters in November 2019 introduced the bill to invest 100 billion dollars into affordable housing. That was a great start. Fortunately, not much has gone on with the bill because of COVID-19 and other things have taken precedence. Invest in these communities. Start with affordable housing first and the message, and then implementing it.

Joe Biden has spoken of the down payment tax credit for first-time homebuyers; that was referenced over the past couple of months, that he would like to get unpacked. Now whether or not he can do that remains to be seen, but the conversation is being had. But there really has not been much policy that has been pushed to really address this racial disparity issue. It has been a divisive issue in Washington, and there is much to be done by our policymakers to close the racial wealth gap.

### **What personal experiences have sparked your interest in Black homeownership?**

You can trace homeownership in my family all the way back to 1860—my great-great grandfather was the first homeowner in our family. And he started amassing property after the Emancipation Proclamation, after he was freed from being a slave. And when he died, he owned 50 acres of land and he left a home for each one of his eight children.

I didn't realize how unique our family story was up until, really, the last decade, but he set the precedent for homeownership in our family. And that has been the standard throughout the generations, so much so that my great grandmother, who I talk about all the time—this was not actually her relatives, but it was her deceased husband—she refused to be the only person in the family lineage who did not own a home. So, as a widow with four young boys, she managed to buy her own house in North Carolina and to keep it going throughout the family.

Everybody in my family is a homeowner. Everyone in my family has gone to college. We are all professionals—lawyers, business owners. You know, I am one of the only people in my family without a master's degree! We are highly educated because of his decision to acquire property; from that one choice he made all the way down the line. And so, when I got into the mortgage industry in 2002, and I realized that the Black homeownership rate was so dismal, that was very disturbing to me and deeply upsetting. And so, I dedicated my career to increasing homeownership in the Black community, because I do not want my story to be an anomaly. I want to be the norm for our communities of color.

\*Data from the 2019 Survey of Consumer Finances show a median household wealth for White families of about \$188,000, compared with \$36,000 among Latino families and \$24,000 for Black families.

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## MEMBER VOICES

# From the Director of Membership

Dear AMDC Members,

As we look toward saying good-bye to 2020 and welcome to 2021, let me express my thanks for the warm welcome I have received since joining Five Star as the Membership Director for the AMDC. I have had the pleasure of connecting with leadership, subcommittees, and members at large, all of whom have been gracious with their time and knowledge. If we have not yet had an opportunity to connect, I look forward to doing so very soon.

There is still great buzz and excitement on the heels of our Fall Virtual Member Meeting. It was a great introduction to what the AMDC is and stands for. I am impressed by the passion and commitment displayed. The scope and depth of the work that has been done by our Advisory Council and Subcommittees are awe-inspiring.

2020 has been a year none of us will soon forget, fraught with challenges, uncertainty, and fear. I take extraordinary pride in seeing firsthand how the AMDC has not been deterred in their mission as we continue to collaborate, create tools, and use best practices that welcome and celebrate individual differences in our industry.

As we look forward to the new year, let's make 2021 a year of even greater success for moving the diversity and inclusion conversation forward. I wish all of you a safe, healthy, and happy holiday season.



**Eileen Kornmeyer**

Director, AMDC

## MEMBER VOICES

# Diversity in the Workforce is Improving, but There's Still Work to Do



Myrna Mendez-Torres joined Mortgage Specialist International, LLC (MSI) and I Property Claims (IPC) in October 2020 to lead our Human Resource Division. With over 20 years of management experience, including five dedicated solely to human resources within the financial industry, she aims to increase diversity and inclusiveness at all levels. A passionate leader, Mendez-Torres also leads HR for Sortis Financial Inc, an Insight One Company, holds a B.S. in Human Resources Management, and speaks two languages.

**Q: How is the work you will be doing at Mortgage Specialists International and I Property Claims going to impact diversity and inclusion in your workforce?**

A: At Mortgage Specialist International and I Property Claims we are implementing a new vision and mission, resulting in a more inclusive and diverse culture within our workforce. Our CEO, Baker Breedlove along with our leadership team had brought initiatives to make our company more diverse and inclusive.

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

A: Some examples of these initiatives are

sending our managers to the AMDC speaker event by Sam Tassone, invite managers to join and participate in different conferences, the implementation of 2DaysMood to weekly survey our staff, and the implementation of the Ambassador Committee, who are the ear and voice for our company to upper management. My role is to support and advocate for these and future initiatives to ensure their continuity to move us forward through transformation and evolution towards our best version.

**Q: How has diversity in the workforce changed during your career?**

A: I have seen many good diversity changes during my career. Companies are understanding the importance and value of a diverse workforce, investing resources to transform and implement a more diverse and inclusive culture, resulting in employees being happier, more loyal, and productive as they feel that they belong. We now have more women and African Americans in leadership roles, a much higher cultural mix, and less judgement, among others changes. However, we still have a lot of work to do.

**Q: How can companies promote an inclusive atmosphere in today's challenging environment?**

A: Companies must stay on top of communication and openness through weekly meetings, transparency, respect, and human touch, which are essential keys to keep promoting an inclusive atmosphere despite of today's challenging environment.

# Fannie Mae Recognized for Focus on Inclusion

Fannie Mae was named a top company for inclusion by the [National Business Inclusion Consortium](#), a coalition formed by the National LGBT Chamber of Commerce, [according to Fannie Mae](#).

This year's fifth annual "Best-of-the-Best Corporations for Inclusion" cohort features corporations that—across all communities in America—are all-in on diversity and inclusion. Internal, external, and supplier diversity efforts were among the categories upon which companies were evaluated.

"At Fannie Mae, we are proud to foster a diverse workforce that reflects the communities we serve," said Jeffery Hayward, EVP, and Chief Administrative Officer at Fannie Mae. "This recognition by NBIC is a great honor and we will continue our work to drive diversity and inclusion in both the workplace and the marketplace."

Fannie Mae demonstrates its commitment to diversity and inclusion by attracting, engaging, and retaining a diverse workforce; attracting,

developing, and promoting opportunities for diverse suppliers, vendors, and business partners; and fostering a diverse and inclusive workplace.

"The Best-of-the-Best designation honors corporations for their commitment to America's diverse employees and business owners, which includes LGBT people, people of color, women, and people with disabilities," said NGLCC Co-Founder and President Justin Nelson. "This designation is highly competitive and is bestowed only to corporations that we see constantly striving to strengthen and celebrate diversity. These corporations being honored are true leaders in ongoing global commitments to create a better future for all diverse communities in business."

Accenture, ADP, Altria, American Airlines, and Anthem are among some other 2020 Best-of-the-Best Corporations for Inclusion. Additionally, the NBIC celebrated the five finalists for the Best-of-the-Best Program or Initiative of the Year Award including Cummins EY, Hilton, IBM, and Sodexo.

The House Financial Services Committee held a [hearing earlier in the year](#) to review data on diversity and inclusion within banking institutions in the U.S.

Chairwoman of the Financial Services Committee Maxine Waters (D-California) called the hearing "historic and groundbreaking."

The 44 banks who submitted data have more than \$50 billion in assets, and Waters said the information provided is essential to the industry.

"The information they have provided is illuminating and is something that the American public deserves to see," she said.

Waters added that she hoped the hearing brings diversity "out of the shadows and into the light."

The report found that banking institutions were 58% white in 2018, which was lower than the national average of 63%. African Americans made up 12% of the workforce populations of financial institutions, Hispanics accounted for 11%, and the Asian population was 12%.

# Civil Rights Icon Offers CEOs Advice to Uplift Communities

A recent annual mortgage industry convention and expo included a general session about "Diversity, Equity and Inclusion," which featured prominent guest speakers.

Ambassador Andrew J. Young discussed topics such as his background as a Civil Rights activist in the 1960s and the impact of race relations on the economy. Young is a former U.S. ambassador to the United Nations, a former mayor of Atlanta, chairman of the Andrew J. Young Foundation, and is an icon of the Civil Rights Movement who worked alongside Martin Luther King Jr.

Susan Stewart, CEO of SWBC Mortgage, asked Young about his background as an activist and what advice he has for CEOs "to affect positive changes" in companies and communities "when there's so much racial division and suffering."

"Let's not focus on the racial division and suffering," Young said. "Let's focus on our jobs."

Young called on executives to do their jobs to "house the homeless" and "facilitate access to creative mortgage properties."

Young also stated that he sees "a lot of parallels" between the Civil Rights Movement

of the 1960s and the modern-day Black Lives Matter movement. He said that discrimination in the U.S. has not only taken a toll on American society, but also on the economy.

"From 2000 to 2020, discrimination has cost the economy a \$16 trillion debt," Young said.

The biggest weakness among businesses, according to Young, is a lack of planning further into the future when thinking about how to make an impact on companies and communities.

"We've tended to run businesses on a quarterly plan," Young said. "I think we've got to think in terms of the longer distance thinking. We've got to have a three-year plan and a five-year plan or a 10-year plan. We've got to see where our companies are going. We're going to see how we're going to be living five years from now, and we need to develop our businesses to accommodate our needs."

Young also discussed how he witnessed Atlanta's population and economy grow. He said that "everything boomed" when minority-run businesses had the opportunity to grow, particularly during the 1996 Summer Olympics in Atlanta.

"We brought the Olympics here, and minority

businesses got 41% of the business," Young said.

Kristy Fercho, the 2021 MBA chairman-elect and executive vice president and head of Home Lending at Wells Fargo, closed out the "Diversity, Equity and Inclusion" session. She presented the recipients of this year's Diversity and Inclusion Leadership Awards.

"These awards promote four key things," Fercho said. "First, recognize development of innovative ways to foster diversity and inclusion within the industry, inspire business strategies that reach out to diverse populations, share industry best practice and successes to inspire new strategies, and finally, to raise industry awareness of the importance of being a diverse and inclusive industry."

This year's Diversity and Inclusion Leadership Award recipients for Organizational Diversity and Inclusion include Mr. Cooper, United Nations Federal Credit Union, and Radian. Bank of America won the Large Lender Market Outreach Strategies Award, and the First Bank of Tennessee won the Small Lender Market Outreach Strategies Award. Lastly, Finicity was announced as the recipient of the Non-lender Market Outreach Strategies Award.

# Leaders Discuss Diversity in the Mortgage Industry



In November, the American Mortgage Diversity Council (AMDC) hosted its Fall Virtual Member Meeting, “Connecting Across Distances,” during which industry professionals gathered to address race and inclusion.

AMDC’s Vice-Chair Jodi Gaines, Chief Client Officer at Insight One Financial, says she believes this type of event is invaluable for those aiming to provide effective leadership.

“As mortgage professionals, and especially as leaders, it’s important to understand the impact our communication has on others,” Gaines said. “When diversity and inclusion are present and everyone is heard, an emotional connection is triggered.”

Gaines invited Samantha Tassone, President and Founder of [GrowthFuel](#) LLC,

to lead a session during which Tassone facilitated a discussion about the best ways to approach sensitive diversity-related situations in the workplace.

“The presentation Sam provided gave each participant many relevant tools on how to show up and how to have a positive engaging dialogue,” Gaines said.



that women face in the workforce and identify solutions to address them,

A strategist, facilitator, speaker, and performance coach, Tassone has contributed to *Forbes* and *NPR*, and she has testified in front of the U.S. Congress on gender intelligence to help assess challenges

according to AMDC Chair Lola Oyewole, VP and Human Resources and Chief Diversity & Inclusion Officer at Ocwen Financial Corporation, who introduced her.

Tassone acknowledged the complex issues facing society today—including COVID-19, the presidential election, and Black Lives Matter—which, she says, has led us to a worldwide dialogue around diversity, race, and social justice.

“It’s important now more than ever to be able to navigate that conversational space and be able to create social and emotional bonds for each social exchange that we step into personally and professionally,” she said. “The real work that needs to be done around inclusion is really around leadership behavior.”

She delved into “brain-based science” behind more confidently navigating these

social exchanges.

“Some of you have heard this term psychological safety. When you reach, and achieve psychological safety in the conversational space, it is what’s called an emotional bond,” she explained, for example, “so you are creating emotional bonds and connecting and creating engagement at the highest levels, which is special. This is the essence of inclusion.”

Our lives, she said, are both personally and professionally “defined by the conversations we can and cannot have.”

She addressed various natural implicit human cognitive biases, such as “similarity bias” (in which we instinctively agree with something/someone that feels familiar), which “can really hurt us because we move too quickly with a cognitive bias . . . and we don’t take time to look at the details or affirm things that might be outliers in that decision making.”

She also explains “distance bias,” which, she said, “we tend to prefer, as humans, things that are closer to us versus things that are farther away from us. From a team perspective, we tend to embrace and engage more proactively with the team that’s in front of us, versus the team that might be, [for example], across the pond.”

Biases are not necessarily bad or good, she added, but something about which leaders, especially, should be aware.

Tassone led breakout sessions in which participants practiced “bad” conversations in hopes, she said, that they walk away with skills that they did not previously possess.

By the end of the session, several participants weighed in to say they had shared experiences and employed found knowledge in their respective hypothetical situations.

“Overall, I was pleased with the outcome of the Fall Member Meeting,” said Oyewole following the event. “Samantha’s workshop was engaging and insightful. It made me think about inclusion in a deeper way which will be beneficial.”

Tassone concluded with more brain science, explaining how positive interaction produces a feel-good hormone called oxytocin. Conversely, when one experiences the feeling of being overpowered by, for example, a superior or coworker, they tend to feel “triggered,” due to a “cortisol hit,” which “creates distance in a conversational space.”

There are choices to make, she said, “and it’s really about understanding what those choices are, and how the brain works.”

The American Mortgage Diversity Council (AMDC) promotes diversity and inclusion throughout the mortgage industry. Learn more at [mortgagediversitycouncil.com](http://mortgagediversitycouncil.com).

## MEMBER ALERTS

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## 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**

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