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Docket ID OCC-2013-0014

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Docket NO.- OP-1465

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Docket No. CFPB-2013-0029

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Re: National Association of Women in Real Estate Business (NAWRB) Comments:

“Proposed Interagency Policy Statement Establishing Joint Standards For Assessing the Diversity Policies and Practices of Entities Regulated By the Agencies and Request for Comment”

Dear Ms. Cofield, Ms. Clark, Ms. Brooks, Ms. James, Mr. Ishimaru, and Ms. Gibbs,

Thank you for the open forum and the opportunity to provide comments to the aforementioned interagency policy statement that has been proposed to meet the assessment requirements of Section 342(b)(2)(C) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”).

NAWRB is a certified, 100% privately held, women-owned business founded in 2009 by its owner, Desirée Patno. NAWRB is the most visible women's trade association dedicated to providing certification, education, business building strategies, visibility and advocacy to the professional women working for and owning business in the housing economy. As the sole provider of Women-Owned Business (WOB) and Minority Women-Owned Business (MWOB) certifications specific to real estate, NAWRB is committed to ensuring the access and advocacy of professional women and women business owners **Specializing in the Housing Economy - SHE is Changing Real Estate™**. NAWRB advocates for federal initiatives to increase the utilization of women-owned businesses, and works with many regulated entities to encourage increased visibility for and utilization of certified WOB/MWOB in their supplier networks. NAWRB also provides training to enable these entities to accurately identify WOB/MWOB entities, and to better understand the independent certification process and the responsibilities of providers therein. NAWRB partners with its members to foster an interconnected professional community of women business owners and entrepreneurs.

NAWRB commends the Agencies for taking the initiative to create transparency and cross-agency standardization in developing their standards of approach and execution of the assessment requirements promulgated by the Dodd-Frank Act.

Through our extensive advocacy and education activities, NAWRB has a true understanding of the frustration experienced by our members over the lack of access to mainstream contracting and sub-contracting opportunities. We are deeply concerned that these barriers are unfortunately being created at the execution level due to a lack of in-depth understanding of the requirements of the Act and how to effectively implement them such that the business practices produce successful and real outcomes for the entities.

While we understand that it is very difficult to develop a set of standards that are actionable and measurable without being overly prescriptive, it is unclear to see how the assessments performed against the standards, as written, can determine compliance with the requirements of the act. In this light, NAWRB provides the following comments and recommendations:

Standard (1) Organizational Commitment to Diversity and Inclusion

Recommendation: Further refine the standard to:

- a) Require that the senior level official assigned to oversee and direct the entity's diversity efforts have sufficient experience and a proven track record in the field. Additionally, require that the dedicated resources developing and promulgating the diversity strategies throughout the entity have sufficient experience to facilitate proper understanding and embracing of diversity efforts.
- b) Require that self-assessments are performed by an existing area/process separate from the areas executing the regulated entity's diversity and inclusion strategies, i.e., the regulated entity's internal and or external auditor, such that areas of non-compliance are objectively determined and properly remediated.
- c) Set forth consequences for non-compliance with the Act.

Standard (3) Procurement and Business Practices - Supplier Diversity

Recommendation: Further refine the standard to require that the entity's supplier diversity policy treat ALL third party certification providers equally and that standards defining what constitutes acceptable third-party certification be transparent and readily accessible, i.e., published on the regulated entities websites. Lack of certification fungibility and transparent requirements from the regulated entities creates competitive disadvantage to the certification providers AND to the entities to which these providers have issued certification.

- a) Third party certifying providers such as NAWRB, WBENC, and NWBOC each follow unique guidelines and criteria to certify a Women-Owned Business, as there is currently not a definitive standard that governs the certification provider industry.
- b) As the Federal Government allows a self-certifying / self-policing process, the very foundation of acknowledging a women-owned business has created gray areas. It is imperative that all minority-owned and women-owned businesses are certified by an accountable third party certifier be counted to ensure and promote the very essence put forth of recognizing their business.

- c) Many regulated entities require the supplier to submit independent certification supporting the supplier's WOB/MWOB assertions made on their vender application.
- d) Regardless of which certifying provider a supplier uses, the process of obtaining certification is arduous, time consuming and costly to the suppliers seeking independent WOB / MWOB certification for their business.
- e) Regulated entities that do not accept the certifications from ALL of the certification providers **reject** the WOB/MWOB status from suppliers carrying certifications from the excluded providers. If the supplier status is rejected, access to the contracting opportunities tends to be constrained.

Standard (4) Practices to Promote Transparency of Organizational Diversity and Inclusion:

Recommendation: Further refine the standard to require the use of both internal / and external mentorship and development programs for employees and contractors so as to ensure their corporate culture continues to objectively embrace diversity and inclusion on a day-to day basis.

For example, NAWRB offers initiatives that could be of value to strengthening and fostering an environment in which the entities regulated under Provision 342 of the Dodd-Frank will continue to improve their diversity and inclusion outcomes thru ongoing communication and engagement.

- a) Providing independent Certification Services to new and existing suppliers.

There are great advantages for Women-Owned Businesses to become certified and recognized. One such advantage includes the opportunity to obtain federal contracts that have been set aside specifically for these certified enterprises.

- b) Providing Certification Training to the regulated entities to ensure that the contracting officers, vendor management/procurement personnel understand how certification is obtained, what the value it confers on the certified supplier, and the value that using certified suppliers can add to the entity's diversity and inclusion strategies and execution.

- i. The published requirements for a Women-Owned Business to be certified are inconsistent. The Small Business Administration (SBA) reflects the following requirements for a Women-Owned Business to be eligible for certification:

A firm must be at least 51% owned and controlled by one or more women, and primarily managed by one or more women. The women must be U.S. Citizens. The firm must be "small" in its primary industry in accordance with the SBA's size standards for that industry.

- ii. However, in accordance to the Housing Economic Recovery Act of 2008 (HERA) Fannie Mae defines a Women-Owned Business as the following:

Women-Owned Business means a business - and includes financial institutions, mortgage banking firms, investment banking firms, investment consultants or advisors, financial services entities, asset management entities, underwriters, accountants, brokers, brokers-dealers, and providers of legal services - in which more than 50 percent of the ownership or control is held by one or more women, more than 50 percent of the net profit or loss accrues to one or more women, and a significant percentage of senior management positions are held by women.

General

Recommendation: Deploy an multi-pronged, inter-agency communication outreach and education platform that provides the Agency OMWIs an efficient and effective mechanism to engage with and advance the growth of Women-Owned and Minority-Owned Business access and utilization across the United States.

Typically it takes a minimum of 2 years of relationship building for a new entity to be understood and consumed by its target market.

While the requirement for OMWIs within the agencies has been in existence for three years, we feel that there is greater opportunity to increase their visibility and consumption within the women-owned and minority-owned business communities. The OMWI mission, while integral to the equality of Women-Owned Businesses and Minority-Owned Businesses in the government sector, is one that is relatively unknown by entities doing business outside of these government circles, i.e. in the Midwest and West coasts of the US. There is a level of transparency that needs to be developed at the agency level in an effort to ensure diversity and inclusion is understood and thriving in these environments.

For example, organization such as NAWRB can leverage their national, multi-pronged communication and education platform to support the Agency OMWIs in creating a national network dedicated to advocating and advancing the opportunities of professional women, minority, Women-Owned and Minority-Owned Businesses. Through the development of strategic partnerships with industry specific publications, and performing ongoing outreach and education, the OMWI's mission will be distributed through a vast network of communication channels.

The benefit to those in the Housing Industry to be interconnected and on the forefront of change as opportunities for diversity and inclusion continues to expand. NAWRB offers its support and platforms as an outlet in which to share the overarching goals of the OMWIs as well as following the ongoing progress. Through our communication portals we strive to educate, encourage engagement, and disseminate information as it is made available. NAWRB avails its outreach, assisting in the expansion of the OMWI's sphere of influence in the creation of a nationwide professional community support.

It is our fervent belief that this interagency initiative to pool resources, share ideas and best practices, and build strategic alliances each OMWI, within their respective agency directives, will be able to identify their unique strengths and improvement opportunities and quickly evolve to meet the needs of an ever changing marketplace.

As the OMWIs outside of the six participating in this cross-agency standardization effort standardize the approach to and execution of the assessment requirements promulgated by the Dodd-Frank Act observe your activities, results and evolution, they will benefit from your experience. Hopefully, this will foster faster adoption and have a greater positive impact to the WOB and MOB constituents across the United States.

Respectfully Submitted,



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