

United States House of Representatives  
Committee on Financial Services  
Washington, D.C. 20515

November 5, 2015

The Honorable Richard Cordray  
Director  
Consumer Financial Protection Bureau  
1275 First Street, N.E.  
Washington, D.C. 20002

The Honorable Martin J. Gruenberg  
Chairman  
Federal Deposit Insurance Corporation  
550 Seventeenth Street, N.W.  
Washington, D.C. 20429

The Honorable Janet L. Yellen  
Chair  
Board of Governors, Federal Reserve Board  
Constitution Avenue & Twentieth Street, N.W.  
Washington, D.C. 20551

The Honorable Debbie Matz  
Chairman  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314

The Honorable Thomas J. Curry  
Comptroller of the Currency  
Office of the Comptroller of the Currency  
Independence Square, 250 E Street, S.W.  
Washington, D.C. 20219

The Honorable Mary Jo White  
Chair  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

The Honorable Melvin L. Watt  
Director  
Federal Housing Finance Agency  
400 Seventh Street, S.W.  
Washington, D.C. 20024

Dear Director Cordray, Chairman Gruenberg, Chair Yellen, Chairman Matz, Comptroller Curry, Chair White, and Director Watt:

We write to express our strong support for the recommendations in the recently released report by the Democratic staff of the House Financial Services Committee (Committee) entitled, "The Dodd-Frank Act Five Years Later: Diversity in the Financial Services Agencies" (staff report). Specifically, because it is our hope and expectation that the federal financial services agencies are leaders in workforce diversity, we urge your agency to take proactive steps to implement the recommendations in an expeditious manner.

This Committee – and in particular the Oversight and Investigations Subcommittee – has been focused on diversity in the financial services industry for more than a decade, holding numerous hearings on this issue going back at least as far as 2004. Given longstanding Congressional interest, and the publication of several different empirical studies about ongoing lack of diversity at the senior-management level in the financial services sector, Members of this Committee authored Section 1116 of the *Housing and Economic Recovery Act of 2008*, and Section 342 of the *Dodd-Frank Wall Street Reform and Consumer*

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Page Two  
November 5, 2015

*Protection Act of 2010* that created within your agency an Office of Minority and Women Inclusion (OMWI). In both Sections 1116 and 342, we charged the OMWIs with supporting workforce and supplier diversity within each respective agency. In order to enhance Congressional oversight in this effort, the OMWIs were further instructed to submit to Congress annual reports detailing the successes and challenges associated with their efforts to support workforce and supplier diversity.

As you are aware, last year we sent letters to the Inspectors General (IG) at seven agencies requesting that they conduct analyses, and transmit reports back to Congress, regarding whether their respective agencies had created discriminatory workplaces or otherwise tolerated personnel practices that would have systemically disadvantaged minorities and women from obtaining senior-management positions. These IGs' reports demonstrate across-the-board disparities in the hiring and promotion of women and minorities to senior-management positions within the agencies.

The staff report found that, in general, with respect to the agencies:

1. Minorities and women remain underrepresented in the agency workforces;
2. Minorities and women are significantly underrepresented at the senior-management level; and
3. African-American employees generally received lower performance management review (PMR) scores than their White counterparts.

The Committee staff developed seven recommendations designed to, among other objectives, assist your agency in identifying the causes of the disparities in hiring and promoting diverse candidates through all levels of employment, reducing differences in PMR scoring across racial and ethnic groups, ensuring managers' accountability for achievement of diversity objectives, and strengthening the annual OMWI reports that are submitted to Congress by each agency.

Ultimately, while we are pleased about the initial efforts your agency has begun undertaking to support workforce and supplier diversity, it appears that much more can be done with respect to the creation of a diverse and inclusive workplace. We, therefore, call upon you to closely review the staff report and take steps to implement the recommendations. We also urge your agency to consider additional activities beyond the recommendations that would support inclusion of all individuals who seek to participate in the important ideal of public service.

We thank you for your attention to this important matter and respectfully request a response to this letter by not later than December 7, 2015.

Sincerely,

Letter to Financial Services Agencies regarding Diversity Practices

Maryine Waters

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