

National Mortgage News

SERVICING

Ocwen's Board Chair Makes Diversity Her Mission



By **Bonnie Sinnock**
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When Phyllis Caldwell was considering whether to accept a seat on Ocwen's board of directors, one of the items she prioritized was the company's commitment to diversity.

Caldwell, a former Treasury official who joined Ocwen's board in 2015 and became its non-executive chair in 2016, noted people of color represent just over 40% of the company's workforce, and that number is bolstered by the company's significant presence in India and the Philippines. Two people of color sit on the company's eight-member board.

"We also have a director who spent a good portion of his career outside the United States and I think he also has important perspective for a company that operates globally," Caldwell said.

"Ocwen has a number of diversity initiatives. The one that I've been most involved with is the diversity council, where we have a group of employees that focus on access to career paths, training needs and what we can do better as a company," she added.

Many lender and servicer employees lack characteristics that fully reflect the existing and prospective mortgage customer base, but it's been particularly apparent when it comes to board directors, said Rick Roque, managing director of Menlo, a mortgage banking consulting firm in Boston.

"It would be a gross overstatement to say the mortgage industry is diverse at the board level," he said.

Women represent just over 40% of Ocwen's total workforce in the United States and two women sit on the board, said Caldwell, who served in the Treasury before founding her current company, Wroxton Civic Ventures. She has made diversity in leadership and the workforce a mission in her work with Ocwen.

"Ensuring that women and minorities are involved in leadership roles brings different background, experiences, and points-of-view to the forefront, ultimately making a more successful enterprise," emphasized Rodrigo Lopez, chairman of the Mortgage Bankers Association and executive chairman of NorthMarq Capital.

Mortgage executives at servicers and lenders alike note the mounting value of company stakeholders with backgrounds and experiences varied enough to match the shifting demographics of their customer base.

Special servicers like Ocwen need to be able to communicate with homeowners late on their payments regardless of circumstance or language, while origination channels are eager to reach new groups of potential borrowers.

For example, there are a growing number of nonwhite consumers forming households, some of whom will likely be future homeowners and mortgage customers.

If current population trends hold, rates of household growth are expected to shift among nonwhite groups from approximately 36% Hispanic, 17% black and 16% other nonwhites in 2010 to 39% Hispanic, 19% black and 18% other nonwhites in 2020, according to [the Urban Institute](#).

And even more radical shifts are predicted by 2030.



IMAGE: Credit: Joshua Roberts
Whether Ocwen would have a commitment to diversity was a key consideration for Phyllis Caldwell when deciding whether to chair the company's board.

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Among millennials, the largest generation of borrowers forming new households, women currently make up a smaller percentage of borrowers than men, but their influence within that demographic is still notable.

Women have been the primary borrowers on almost one-third of loans closed by millennials, according to a recent [Ellie Mae Millennial Tracker report](#).

Interestingly, they are more likely to be single than their male counterparts, according to the same report.

Lenders and servicers should not look to diversity as only a means to reach particular groups of customers, but because "you want to be sensitive to the needs of all borrowers," said Roque.

"What's going to make the most comfort for consumers is that [you] mirror the community you're working with," he said.

While some mortgage servicers and lenders have been working to increase the number of millennials, women and people of color on staff and on their board of directors, many have made a concerted effort to focus on it to the extent Ocwen has.

"We're not as diverse as we need to be as an industry," said David Lykken, president and founder of Transformational Mortgage Solutions, a consulting firm in Austin, Texas.

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