MLA Announces Action Plan to Promote Diversity, Inclusion, Equity, and Opportunity

The Marketplace Lending Association (“MLA”) was founded with the mission of promoting a transparent, honest, and customer-friendly financial system by supporting the responsible growth of marketplace lending, fostering innovation in financial technology, and encouraging sound public policy. The MLA and its members believe in providing affordable responsible credit that benefits consumers, and especially consumers that have traditionally been left behind by the financial mainstream, including low-and-moderate-income communities, communities of color, and immigrant communities.  

On June 1st, 2020, MLA Director Nathaniel Hoopes issued this statement on the killing of George Floyd, the state of civil rights in America, and the need for progress: “We are all sickened by the horror that started this past week's unrest. The Declaration of Independence promises all Americans three rights: life, liberty, and the pursuit of happiness. The unnecessary and violent deaths of Black citizens, at the hands of the state, lays bare the deepest failing of American civil society. Far too often, America today is simply not upholding even the first, most basic tenet - that first unalienable right to "life." If we are ever to truly to fix this, to make that creed of "We the People"... "One nation, under God" not ring hollow, those of us who do not face these horrible risks to our own lives will have to do more to bring change. We must do more to protect the unalienable rights of our fellow citizens. Finally, believing that positive change starts within each us, I know that reaffirming the love we have for our fellow man does matter. It makes a difference. So while I'm praying for peace in our community tonight, I will also be holding fast to that most basic of instructions: "to love one another - and our neighbors as ourselves."

This statement was made with the explicit recognition that words are not enough. It is inequitable and unacceptable that the perspectives of communities of color and communities with a diverse cultural and economic background can often be marginalized in broader decision-making, hiring, and input processes and policy decisions of organizations. The MLA and its Board recognize that there is more that we can and must do ensure that our organizations, our policies, and our activities reflect, include, and benefit all communities. The MLA is taking the following steps to ensure that diversity, inclusion, equity and opportunity are, and remain, a central component of the MLA’s mission:

**Promoting Diversity, Inclusion, Equity, and Opportunity in MLA’s Business Operations and Philanthropic Efforts**

MLA is announcing a commitment to refocus how we do our work, and with whom, through the lens of diversity, inclusion, equity and opportunity. That means we will be focusing on the efforts of consultants, lobbying firms, law firms, and other organizations, and supporting those that show
progress in promoting these four key principles. MLA will set goals and measure its own efforts in this regard, utilizing the guidance of organizations dedicated to equity and civil rights. Second, to kick off this initiative, MLA will be making financial donations to support mission driven organizations that are fighting for fairness and opportunity for minority communities every day. This year, MLA will launch this effort by supporting two organizations that MLA and its Members have shared a strong bond with since our founding:

- National Urban League - Entrepreneurship Centers
- NAACP

**Promoting Diversity and Inclusion in the Fintech Workforce**

The financial services industry has lagged in recruiting, training and promoting candidates from diverse backgrounds, especially people of color. This must change to improve business and organizational performance, to better meet the needs of a more and more diverse customer base, and to create a fairer society and economy. MLA is committed to actively playing a role in convening the fintech industry, including LendIt Conference Job Board, fintech focused venture capital firms, and MLA member company diversity organizations to improve the way career opportunities are developed and shared within the fintech industry. To bring more minority candidates into the fintech industry, fintech companies need to partner with organizations and reach out to minority candidates where they are, rather than waiting for the perfect candidates to come to us. MLA is committed to finding ways to connect fintech job opportunities to minority job and internship seekers through organizations like Hispanic Heritage, Fund 2 Foundation and other leading groups. The MLA is also requiring that all Members have in place, or to develop within months, formal plans to prioritize the recruitment and retention of diverse candidates for key positions. Given the variety of size, scope, and business plans of its member organizations, a one size fits all approach to this issue is not feasible. However, in order to drive accountability and substantial progress the MLA is providing members with the following key factors for successful D&I plans:

- Setting diversity representation and inclusion goals, and a detailed plan for action.
- Providing measurable goals and targets for investing in training, recruitment and retention of diverse candidates.
- Ensuring there is a clear path to executive leadership consideration for diversity, equity and inclusion concerns and comments that are expressed by staff.
- Building a collaborative plan that engages all parts of the hiring, recruitment, and training process, as well as resources for current staff to access for driving diversity and inclusion

**Advocacy for Policies & Standards (Diversity, Inclusion, Equity, Opportunity and Consumer Protection).**

As a public policy advocacy organization, MLA is committed to continuing our steadfast support for state and federal laws, policies, initiatives, rules and regulations that promote these core principles. MLA will not be afraid to take these public positions in official comments to agencies and in the press. It is important that we remain bold in taking these stances even when the polices in question are not supported by other industry groups and many traditional lenders.

In recent years, this commitment has manifested in the following key areas, including:
1. Advocacy and public policy thought leadership in favor of maintaining the Disparate Impact regime under ECOA:
   https://www.americanbanker.com/opinion/dont-ditch-disparate-impact
2. Support for Dodd Frank Sec. 1071 Small Business Lending Data Collection
3. Support for the Small Business Borrowers Bill of Rights and TILA legislation to promote honest disclosure for all small business borrowers at both the state and federal level.
4. Support for the Military Lending Act’s 36% APR interest rate threshold for credit products nationwide