



ANNUAL PERFORMANCE  
PLAN FOR FISCAL YEAR 2025

October 2024



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**Mission**

Ensure the regulated entities fulfill their mission by operating in a safe and sound manner to serve as a reliable source of liquidity for equitable and sustainable housing finance and community investment throughout the economic cycle.

**Vision**

For FHFA’s supervisory, regulatory, and mission-related activities to support a reliable, stable, equitable, and liquid U.S. housing finance system.

**Values**

FHFA’s culture is built on a foundation of competence, diversity, equity, inclusion, and accessibility. Accordingly, FHFA employees emulate the following values:

- Fairness*                      We value varied perspectives and thoughts and treat others with impartiality.
  
- Accountability*              We are responsible for carrying out our work with transparency and professional excellence.
  
- Integrity*                      We are committed to the highest ethical and professional standards to inspire trust and confidence in our work and in one another.
  
- Respect*                        We treat others with dignity, share information and resources, and collaborate.



## Director’s Message

At the Federal Housing Finance Agency (FHFA), we are well-positioned to tackle a broad set of opportunities and challenges as we work to secure the housing finance system and promote affordable and sustainable housing. With housing affordability remaining a persistent issue nationwide, FHFA is focused on ensuring that its regulated entities — Fannie Mae and Freddie Mac (the Enterprises) and the Federal Home Loan Bank (FHLBank) System — are committed to fairness and sustainability in the housing market while remaining safe and sound. In addition, FHFA’s in-house supervisory and analytic expertise makes the Agency well-equipped to oversee our regulated entities’ management of credit, liquidity, operational, and other risks. We also remain focused on strengthening our infrastructure and leveraging technology to modernize the mortgage system.

The Agency’s *Annual Performance Plan for Fiscal Year 2025* describes how we will continue fulfilling strategic goals as regulator of the FHLBank System and as regulator and conservator of the Enterprises to ensure they remain reliable sources of liquidity for housing finance and community investment.

This plan, required by the Government Performance and Results Modernization Act of 2010 and Office of Management and Budget (OMB) Circular A-11, lays out specific performance measures, progress targets, and strategies to guide FHFA’s work over the fiscal year. The performance plan details how FHFA will work toward meeting three strategic goals and related objectives established in our *FY 2022 – 2026 Strategic Plan*. Those goals are:

1. Secure the regulated entities’ safety and soundness.
2. Foster housing finance markets that promote equitable access to affordable and sustainable housing.
3. Responsibly steward FHFA’s infrastructure.

Underpinning our work is the fact that safety and soundness and the provision of affordable and sustainable credit work together to strengthen families, financial institutions, and the economy. With that in mind, we are focused on a robust set of programs and initiatives in pursuit of the above-stated goals.

We have consolidated the public interest-oriented exam functions into a new Agency division that is responsible for supervisory oversight of the affordable housing, community development, diversity and inclusion, consumer protection, and fair lending activities of our regulated entities and is separate from the Agency’s safety and soundness supervisory divisions. As the conservator and regulator of the Enterprises, FHFA will also continue to focus on their efforts to build capital to strengthen safety and soundness. Other priorities include ensuring the FHLBanks continue to effectively fulfill their mission and remain nimble in response to shifts in the mortgage and financial markets, taking steps to modernize FHFA’s information technology and bolster the resilience of our cyber defenses, and further exploring how responsible innovation can make the mortgage system more affordable and accessible. Here are some key highlights:



## Oversight of Regulated Entities

Our supervision of the Enterprises and the FHLBanks combines our continuous focus on their safety and soundness with ensuring that they serve the public interest and satisfy their affordable housing objectives. To promote the safe and sound operation of the regulated entities, FHFA employs risk-based supervisory oversight to identify risks, evaluate the overall effectiveness of the regulated entities' risk management, and assess their compliance with applicable laws and regulations. Building on our work with the regulated entities to develop plans to support borrowers and renters affected by hurricanes and other natural disasters, FHFA will continue to incorporate climate risk into its supervisory activities, working closely with the regulated entities to evaluate their capacity to effectively identify, assess, and mitigate climate risk. FHFA is also continuing to take steps to strengthen the capital positions of the Enterprises so that they can fulfill their responsibilities throughout the economic cycle. In addition, we will continue to ensure that the activities of our regulated entities support access to credit that is sustainable and affordable, especially among underserved populations like low- and moderate-income families, communities of color, and residents of rural areas.

In April 2024, FHFA announced the creation of the Division of Public Interest Examinations (DPIE). In FY 2025, DPIE will conduct Affordable Housing Program, diversity and inclusion, and fair lending examinations; make determinations about the resolution of related Matters Requiring Attention (MRAs); and issue an Advisory Bulletin on how the Agency addresses violations of the ban on Unfair or Deceptive Acts or Practices (UDAP). Meanwhile, the Division of Housing Mission and Goals (DHMG) will issue new standards for Enterprise investments in Low-Income Housing Tax Credits (LIHTC), a final rule on the Enterprises' new three-year affordable housing goals, a compliance assessment of each Enterprise's new three-year plan to meet Duty to Serve requirements, and a white paper on a potential multifamily property value index.

## Future of the FHLBank System

In November 2023, we published *FHLBank System at 100: Focusing on the Future*. The first comprehensive review of the FHLBank System in decades, the report establishes a vision for an effectively governed System that efficiently provides stable and reliable funding to creditworthy members and delivers innovative products and services to support the housing and community development needs of the communities its members serve, all in a safe and sound manner. It identifies actions FHFA will take to achieve this vision and ensure the FHLBanks are well positioned to fulfill their mission in the years ahead, as well as recommendations for consideration by Congress. As part of our implementation of the recommendations in the report, in FY 2025 we plan to issue final rules on the unsecured credit provisions of the FHLBanks' capital regulation and FHLBank System boards of directors and executive management, along with proposed rules clarifying the mission of the FHLBank System and amending the housing goals for the FHLBanks' Acquired Member Asset (AMA) programs.



## Manufactured Housing Data Resource

FHFA continues to serve as a reliable source of information and analysis on the housing markets, housing finance, and related subjects. Our monthly and quarterly releases of the FHFA House Price Index (FHFA HPI®) offer a comprehensive look at changes in single-family home values dating back to the mid-1970s. In FY 2025, we plan to expand this data collection to include a developmental quarterly price index for real-property manufactured housing (MH), providing a resource to inform the public about a market segment capable of mitigating nationwide concerns about home affordability and limited supply. The ability for market participants to monitor MH values over time will aid responsible efforts to expand MH options to a broader set of homebuyers.

## Leveraging Technology

FHFA will continue to monitor, review, and explore emerging technological advances that will ensure the Agency is able to adapt its supervisory and policy work to evolving technological environments. In 2023, FHFA held its first TechSprint — a multiday, competitive event in which experts and practitioners from the technology and mortgage finance sectors came together to solve for a key challenge in the housing finance system. Specifically, participants explored how data and digitization of mortgage processes can drive transparency and increase affordability, access, fairness, and sustainability in mortgage lending. We followed that up with a second TechSprint in July 2024 focused on how the use of generative artificial intelligence (AI) could promote a more fair and inclusive housing finance system. As an FY 2025 performance measure, FHFA will hold another TechSprint focused on solutions to address a specific category of current challenges in housing finance. We will also publish a summary of the Generative AI TechSprint on our website.

## FHFA Infrastructure and Security

FHFA relies on empowered staff, prudent business practices, and high-quality technology to manage our infrastructure. The Agency is also guided by a strong organizational culture built on core values of Fairness, Accountability, Integrity, and Respect. Consistent with that culture, we continuously review internal processes and controls to identify areas for improvement. In FY 2025, we plan to build on our success with ongoing performance measures addressing employee satisfaction, average time-to-hire duration, and financial accounting. Our performance plan also includes measures to deploy cybersecurity technology to automatically block network intrusion attempts, and to enhance the credibility and relevance of our email simulations to better enable staff to recognize and appropriately combat cyberattacks.

This performance plan provides the public and other stakeholders with a transparent blueprint of FHFA's strategy to align our programs, initiatives, and priorities in FY 2025 with our overarching strategic goals and objectives. We look forward to continued engagement to advance the policymaking process.



Sincerely,



SANDRA L. THOMPSON  
Director, Federal Housing Finance Agency  
10/01/2024



## Scope of Responsibilities

The Federal Housing Finance Agency (FHFA) was established by the Housing and Economic Recovery Act of 2008 (HERA), which amended the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act). The Agency is responsible for the effective supervision, regulation, and mission oversight of the Federal National Mortgage Association (Fannie Mae); the Federal Home Loan Mortgage Corporation (Freddie Mac); Common Securitization Solutions, LLC (CSS), a platform supporting the issuance and administration of mortgage-backed securities for Fannie Mae and Freddie Mac; and the Federal Home Loan Bank System, which includes 11 Federal Home Loan Banks (FHLBanks) and the FHLBanks' joint Office of Finance (OF). FHFA's mission is to ensure that Fannie Mae, Freddie Mac, and the FHLBanks (together, the regulated entities<sup>1</sup>) fulfill their mission by operating in a safe and sound manner so that they serve as a reliable source of liquidity and funding for housing finance and community investment throughout the economic cycle. Since September 6, 2008, FHFA has also served as the conservator of Fannie Mae and of Freddie Mac (together, the Enterprises).

### I. Regulator

The Safety and Soundness Act, as amended by HERA, assigns to FHFA regulatory oversight of the Enterprises and the FHLBank System.<sup>2</sup> The statute vests FHFA with the authorities, similar to those of other prudential financial regulators, to maintain the financial health of the regulated entities. FHFA is responsible for supervising the business and operations of the regulated entities to ensure that they are safe and sound and achieving the missions set forth in their authorizing statutes. FHFA exercises these regulatory and supervisory authorities by issuing rules, policy guidance documents, and regulatory orders.

Specifically, the statute requires FHFA, among other things, to ensure that each regulated entity operates in a safe and sound manner with adequate capital and internal controls; conducts activities in the public interest; complies with and engages only in activities allowed by their authorizing statutes; and fosters liquid, efficient, competitive, and resilient housing markets that

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<sup>1</sup> The Office of Finance (OF) and Common Securitization Solutions, LLC (CSS) are not separate "regulated entities" as the term is defined by statute (see 12 U.S.C. § 4502(20)). Rather, OF is part of the FHLBank System, and CSS is an affiliate of the Enterprises. However, for convenience, references to the "regulated entities" in this Report should be read to also apply to the OF and CSS, unless otherwise noted.

<sup>2</sup> 12 U.S.C. § 4513.





include mortgages — with a reasonable return that may fall short of the return on other activities — intended for low- and moderate-income families.<sup>3</sup>

## II. Conservator

FHFA’s authority as both conservator and regulator of each Enterprise is based upon statutory mandates, which include the following conservatorship authorities granted by HERA:

(D) ...take such action as may be—

- i. necessary to put the regulated entity in a sound and solvent condition; and
- ii. appropriate to carry on the business of the regulated entity and preserve and conserve the assets and property of the regulated entity.<sup>4</sup>

Continuing the business of the Enterprises in conservatorships also incorporates the above-referenced responsibilities that are enumerated in 12 U.S.C. § 4513(a)(1).

Additionally, under the Emergency Economic Stabilization Act of 2008, FHFA has a statutory responsibility in its capacity as conservator to “implement a plan that seeks to maximize assistance for homeowners and use its authority to encourage the servicers of the underlying mortgages, and considering net present value to the taxpayer, to take advantage of...available programs to minimize foreclosures.”<sup>5</sup>

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<sup>3</sup> 12 U.S.C. § 4513(a)(1).

<sup>4</sup> 12 U.S.C. § 4617(b)(2)(D).

<sup>5</sup> 12 U.S.C. § 5220(b)(1).



## The Strategic Plan and the Annual Performance Plan

The Fiscal Year (FY) 2025 Annual Performance Plan (APP) sets out performance measures and targets to support the goals of the *FHFA Strategic Plan: Fiscal Years 2022-2026* (Strategic Plan), which the Agency issued in April 2022.<sup>6</sup>

The APP has four components: (1) strategic goals; (2) strategic objectives; (3) performance measures and associated targets; and (4) means and strategies.

The **strategic goals**, outlined in the Strategic Plan, are the starting point for the FY 2025 APP. Including the goals in the APP aligns FHFA's annual priorities with the Agency's mission, vision, and values.

The **strategic objectives** in the APP link directly to those outlined in the Strategic Plan. Each strategic objective is an intermediate outcome or output necessary to achieve the corresponding strategic goal.

The **performance measures** are short-term and long-term tasks that are ongoing or that FHFA expects to complete during FY 2025. These measures represent progress in achieving the strategic goals and are important indicators to management that FHFA is taking steps toward fulfilling the strategic objectives. The associated **targets** are internal milestones set by FHFA — indicating a time interval or other progress marker — to determine whether the Agency has satisfied a performance measure for the fiscal year.

While the **performance measures** indicate specific progress, each **strategic objective** also contains **means and strategies** serving as a broader set of activities that the Agency plans to follow to meet its goals.

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<sup>6</sup> The *FHFA Strategic Plan: Fiscal Years 2022-2026* is available at: [https://www.fhfa.gov/sites/default/files/documents/FHFA\\_StrategicPlan\\_2022-2026\\_Final.pdf](https://www.fhfa.gov/sites/default/files/documents/FHFA_StrategicPlan_2022-2026_Final.pdf)



## Strategic Goals and Objectives

The FY 2025 APP details three strategic goals, a total of 12 strategic objectives, associated performance measures, and means and strategies. The APP also contains data validation and verification information for each strategic objective, describing the Agency’s process for determining completion of a performance measure. The validation and verification information also helps ensure that the supporting data is accurate, reliable, and complete.

<b>Strategic Goal 1</b>	<b>Strategic Objectives</b>	
Secure the regulated entities’ safety and soundness	1.1	Identify risks to the regulated entities and assess the safety and soundness of regulated entity operations
	1.2	Require timely remediation of Matters Requiring Attention
	1.3	Preserve and conserve Enterprise assets while managing the conservatorships
	1.4	Identify options for incorporating climate change into regulated entity governance
<b>Strategic Goal 2</b>	<b>Strategic Objectives</b>	
Foster housing finance markets that promote equitable access to affordable and sustainable housing	2.1	Promote sustainable access to mortgage credit
	2.2	Advance equity in housing finance, including through compliance with fair lending laws and regulations
	2.3	Serve as a reliable source of information and analysis on the state of housing finance markets and related issues
	2.4	Facilitate greater availability of affordable housing supply, including affordable rental housing
	2.5	Support leveraging of technology and data to further promote efficiency and cost savings in mortgage processes
<b>Strategic Goal 3</b>	<b>Strategic Objectives</b>	
Responsibly steward FHFA’s infrastructure	3.1	Cultivate a high-performing, diverse, accountable, and engaged workforce
	3.2	Ensure efficient and effective stewardship of Agency resources
	3.3	Deliver high-quality support services that promote the Agency’s mission effectiveness and safeguard the Agency’s infrastructure



## I. Strategic Goal 1: Secure the regulated entities' safety and soundness

FHFA is the regulator of the FHLBank System and the regulator and conservator of the Enterprises. As regulator, FHFA promotes safe and sound operations at the regulated entities through the Agency's supervisory program. FHFA uses a risk-based approach to conducting supervisory examinations, which prioritizes examination activities based on the risk that a given practice poses to a regulated entity's safe and sound operation or its compliance with applicable laws and regulations. FHFA assesses the safe and sound operations of the regulated entities through annual examinations, targeted examinations, ongoing monitoring, and off-site reviews, as appropriate. FHFA uses a uniform examination rating system to assign ratings for the FHLBanks, the OF, the Enterprises, and CSS. FHFA assigns ratings as follows:

- 1) Composite rating for the overall condition of each regulated entity; and
- 2) Individual component ratings for Capital, Asset Quality, Management, Earnings, Liquidity, Sensitivity to Market Risk, and Operational Risk (CAMELSO).<sup>7</sup>

FHFA assigns these ratings for each regulated entity on an annual basis.

As conservator, FHFA is focused on ensuring that each Enterprise builds capital and improves its safe and sound operation. Adequate capital is necessary to protect the taxpayer from fluctuations in the economic and business cycle, and is a precondition for either Enterprise to exit from conservatorship. FHFA is also taking additional steps beyond requiring the Enterprises to build capital to ensure their overall safety and soundness. These steps include prioritizing the transfer of risk to private market participants, enhancing operational resiliency, strengthening governance and infrastructure, addressing human capital needs to build a deep reservoir of talent and experience, improving the Enterprises' transparency, strengthening underwriting, and reviewing pricing and credit policies.

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<sup>7</sup> FHFA assigns only individual component ratings for Management and Operational Risk for OF and CSS.



**A. Strategic Objective 1.1: Identify risks to the regulated entities and assess the safety and soundness of regulated entity operations**

During FY 2025, FHFA will use the following measures and means and strategies to accomplish Strategic Objective 1.1:

Measure		Target	Lead
1.1.1a	Conduct risk-focused supervision and examinations of the Enterprises and CSS by having a risk-based Supervision Plan approved by January 31	100 percent of the time	Deputy Director, Division of Enterprise Regulation
1.1.1b	Conduct risk-focused supervision of the FHLBanks by completing a written risk-based examination plan prior to the commencement of each FHLBank’s exam	100 percent of the time	Deputy Director, Division of FHLBank Regulation
1.1.2a	Approve reports of examination by April 15 for the Enterprises and CSS	100 percent of the time	Deputy Director, Division of Enterprise Regulation
1.1.2b	Approve reports of examination within 90 days after completing examination work for each of the FHLBanks	100 percent of the time	Deputy Director, Division of FHLBank Regulation
1.1.3	Ensure each FHLBank has a ratio of 1.0 or higher for Market Value of Equity to par value of capital stock at the end of each quarter	100 percent of the time	Deputy Director, Division of FHLBank Regulation
1.1.4	Ensure each FHLBank is adequately capitalized on a quarterly basis	100 percent of the time	Deputy Director, Division of FHLBank Regulation
1.1.5	Conduct quarterly reviews of regulated entity public filings	100 percent of the time	Deputy Director, Division of Accounting and Financial Standards
1.1.6	Conduct risk-focused supervision and examinations in the public interest areas of fair lending, diversity and inclusion, consumer protection, and the FHLBank Affordable Housing Programs	Complete at least three examinations by Q4 FY 2025	Deputy Director, Division of Public Interest Examinations
1.1.7	Issue a final rule amending the unsecured credit provisions of the FHLBanks’ capital regulation	Q3 FY 2025	Deputy Director, Division of FHLBank Regulation
1.1.8	Issue a final rule addressing FHLBank System boards of directors and executive management	Q4 FY 2025	Deputy Director, Division of FHLBank Regulation



## Data Validation and Verification for Strategic Objective 1.1

**Measure 1.1.1** — FHFA will develop its examination plans for each FHLBank prior to the start of that FHLBank’s annual examination. FHFA approves the supervision plan for the Enterprises and CSS by January 31 each year. Examination/supervision plans will be approved, dated, and maintained electronically.<sup>8</sup>

**Measure 1.1.2** — FHFA will approve its report of examination (ROE) for each FHLBank within 90 days after an examination’s exit meeting. FHFA will approve its ROE for each Enterprise and CSS by April 15. Documentation of the Deputy Director’s approval and issuance of each ROE will be maintained electronically.

**Measure 1.1.3** — FHFA will use its Call Report System (CRS) to verify that the Market Value of Equity (MVE)-to-par ratio is greater than or equal to 1.0 at each FHLBank at the end of each quarter. FHFA will summarize the FHLBanks’ MVE ratios each quarter in a memorandum that is maintained electronically.

**Measure 1.1.4** — FHFA will monitor the capital positions of the FHLBanks and their compliance with capital regulations. The Agency will determine compliance each quarter automatically through the CRS or the discretion of the Director. A letter sent by the end of the following quarter will inform each FHLBank that it has met one of four capital classifications: adequately capitalized, undercapitalized, significantly undercapitalized, or critically undercapitalized. Letters to the FHLBanks will be maintained electronically. Also, as required by statute, FHFA will provide written notice of its quarterly capital classification determinations to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.

**Measure 1.1.5** — FHFA will document reviews of (i) financial statements of the Enterprises prior to their quarterly and year-end filings with the Securities and Exchange Commission (SEC), and (ii) FHLBank financial statements prior to the conclusion of the FHFA’s annual examination fieldwork for each FHLBank. Documentation will be maintained electronically.

**Measure 1.1.6** — FHFA will measure completion of public interest examinations through supporting documentation maintained in internal examination files as well as in examination findings letters or memoranda issued to the regulated entities. Determination of whether the

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<sup>8</sup> If a date falls on a weekend or holiday, the due date will be the next business day for all measures in this Annual Performance Plan.



measure has been met will be based on the completion of at least three public interest examinations during FY 2025.

**Measure 1.1.7** — FHFA will develop an internal timeline with dates for the Agency to meet to publish the final rule by Q3 FY 2025. The final rule will be published in the Federal Register and on FHFA’s website.

**Measure 1.1.8** — FHFA will develop an internal timeline with dates for the Agency to meet to publish the final rule by Q4 FY 2025. The final rule will be published in the Federal Register and on FHFA’s website.

### Means and Strategies for Strategic Objective 1.1

1. Conduct supervisory work and targeted examinations for specific programs or operations at regulated entities in accordance with the supervision plan or examination plans;
2. Perform ongoing monitoring and analysis of key risk areas at the regulated entities, incorporating input from internal stakeholders;
3. Issue written communication to boards of directors and senior management of the regulated entities about examination findings and conclusions;
4. Engage with the regulated entities’ management during the course of ongoing monitoring and targeted examinations to discuss identified weaknesses and supervisory expectations for risk management;
5. Set supervisory policy for regulated entity operations;
6. Hold supervision planning meetings to set the priorities for the risk-based examinations of the regulated entities;
7. Monitor and evaluate outreach efforts by the FHLBanks and OF to advance diversity and inclusion on their respective boards of directors;
8. Perform quality control of examination work consistent with Agency guidance;
9. Use a collaborative, inclusive review process to consider input from all stakeholders prior to finalizing supervisory guidance;
10. Manage data submitted to FHFA by the regulated entities, or data available through other sources, and make it accessible to examiners and analysts for use in supervision;



- 11. Share information and collaborate across FHFA divisions to ensure that supervision of each regulated entity aligns with the Agency’s mission and objectives;
- 12. Educate supervision staff on current and emerging risks through internal and external training programs; and
- 13. Continue to strengthen the Housing Finance Examiner commissioning program.

**B. Strategic Objective 1.2: Require timely remediation of Matters Requiring Attention**

During FY 2025, FHFA will use the following measures and means and strategies to accomplish Strategic Objective 1.2:

Measure		Target	Lead
1.2.1a	Determine that the Enterprises have satisfactorily addressed safety and soundness Matters Requiring Attention (MRAs) in accordance with agreed-upon remediation plans and timeframes	90 percent of the time	Deputy Director, Division of Enterprise Regulation
1.2.1b	Determine that the FHLBanks and Office of Finance have satisfactorily addressed safety and soundness MRAs in accordance with agreed-upon remediation plans and timeframes	90 percent of the time	Deputy Director, Division of FHLBank Regulation
1.2.2	Determine that the regulated entities have satisfactorily addressed MRAs relating to their public interest activities, in accordance with agreed-upon remediation plans and timeframes	90 percent of the time	Deputy Director, Division of Public Interest Examinations

**Data Validation and Verification for Strategic Objective 1.2**

**Measures 1.2.1 and 1.2.2** — Where there is a significant supervisory concern, FHFA will track the remediation of MRAs to ensure that the regulated entities address critical matters or deficiencies. For the FHLBank System, FHFA will determine whether MRAs outstanding prior to the examination were addressed by the FHLBank within agreed-upon timeframes. The Enterprises address MRAs by implementing corrective action according to a remediation timeline, which is documented in a remediation plan. FHFA will determine whether an Enterprise has satisfactorily addressed the MRA in accordance with agreed-upon remediation plans and timeframes.





FHFA will maintain all MRAs and associated documentation electronically.

**Means and Strategies for Strategic Objective 1.2**

1. Issue MRAs that require boards of directors and/or management to take corrective action to address a critical supervisory or public interest matter or deficiency in accordance with Agency guidance; and
2. Monitor, review, and evaluate the regulated entities’ implementation of corrective actions.

**C. Strategic Objective 1.3: Preserve and conserve Enterprise assets while managing the conservatorships**

During FY 2025, FHFA will use the following measures and means and strategies to accomplish Strategic Objective 1.3:

Measure		Target	Lead
1.3.1	Coordinate quarterly assessments of Enterprise and CSS performance against Scorecard objectives	100 percent of the time	Deputy Director, Division of Conservatorship Oversight and Readiness
1.3.2	Conduct quarterly reviews of Enterprises’ compliance with Enterprise Regulatory Capital Framework (ERCF) public disclosure requirements	100 percent of the time	Deputy Director, Division of Housing Mission and Goals

**Data Validation and Verification for Strategic Objective 1.3**

**Measure 1.3.1** — FHFA will evaluate the Enterprises’ progress against the goals contained in the Scorecard. Assessments will be conducted quarterly, and a final year-end assessment will be conducted in January. All assessment decisions will be maintained electronically.

**Measure 1.3.2** — FHFA will document its review and approval of each Enterprise’s quarterly ERCF public disclosure reports before publication. The disclosure reports must be published no later than 10 business days after each quarterly and year-end SEC filing. Documentation will be maintained electronically.



## Means and Strategies for Strategic Objective 1.3

1. Continue to support Enterprise efforts to fill any vacancies for board members and Chief Executive Officers on a timely basis;
2. Continue to develop and publish a Conservatorship Scorecard to communicate FHFA's priorities and annual objectives for the Enterprises and CSS;
3. Continue to conduct assessments of Enterprise and CSS performance against Scorecard objectives;
4. Continue to require that the Enterprises' proposed annual budgets meet FHFA's standards;
5. Communicate expectations to the boards and management of the Enterprises and CSS;
6. Ensure that FHFA has an effective process to respond efficiently to the Enterprises on matters requiring an FHFA decision in the Agency's capacity as conservator;
7. Continue to undertake legal actions necessary to ensure a safe and sound, and solvent, position for the Enterprises to preserve and conserve their assets and property;
8. Ensure that the Enterprises manage their retained portfolios of mortgage-related assets within limits required by agreements with the U.S. Department of the Treasury;
9. Monitor the performance of the Uniform Mortgage-Backed Security (UMBS);
10. Provide updated information to the public about UMBS performance;
11. Ensure that the Enterprises' crisis management and business resiliency capabilities are adequate to support the secondary mortgage market by overseeing the Enterprises' crisis management exercises and failover and recovery tests;
12. Ensure that the Enterprises' executive compensation reports and disclosures comply with conservatorship policies and adhere to applicable FHFA guidance;
13. Provide oversight and direction for the Enterprises' ongoing implementation of their credit risk transfer programs that reduce taxpayer risk by attracting private capital; and
14. Monitor the Enterprises' boards and board-level committees and oversee the effectiveness of the corporate governance structure in line with conservatorship direction.



**D. Strategic Objective 1.4: Identify options for incorporating climate change into regulated entity governance**

During FY 2025, FHFA will use the following measures and means and strategies to accomplish Strategic Objective 1.4:

Measure		Target	Lead
1.4.1	Continue to refine the Enterprises’ and FHFA’s climate research agendas	Q4 FY 2025	Deputy Director, Division of Research and Statistics
1.4.2	Assess each Enterprise’s climate scenario analysis <sup>9</sup>	Q4 FY 2025	Deputy Director, Division of Housing Mission and Goals

**Data Validation and Verification for Strategic Objective 1.4**

**Measure 1.4.1** — FHFA will review and update its internal climate research agenda. FHFA will oversee updates to the Enterprises’ climate research agendas. Documentation will be maintained electronically.

**Measure 1.4.2** — FHFA will evaluate each Enterprise’s quarterly progress toward developing climate scenario analysis that reflects the Scorecard goals. All assessments will be maintained electronically.

**Means and Strategies for Strategic Objective 1.4**

1. Convene meetings of the Climate Risk Committee to share information about the progress of FHFA’s climate risk working groups;
2. Conduct research on the risks and challenges for the housing finance system resulting from climate change;
3. Build on current climate-related research and scenario analysis to ensure prioritization of climate risk at FHFA and the regulated entities, with particular emphasis on the effects of climate risk on vulnerable communities;
4. Assess the Enterprises’ processes and structures to identify, monitor, and report on climate risks and opportunities;

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<sup>9</sup> Climate scenario analysis assesses the Enterprises’ exposure to climate-related risk under different climate scenarios.



5. Monitor ongoing climate-related regulations and their impact on the regulated entities, and monitor regulated entity efforts to address climate risks;
6. Ensure the Enterprises are refining their climate-related data collection, climate scenario analysis, and their reporting and public disclosures as they relate to climate risk;
7. Ensure that the Enterprises are considering climate-related consumer protections in the development of internal policies; and
8. Explore the evolving single-family property insurance market landscape, identifying opportunities to mitigate housing finance risk and preserve sustainable homeownership.



**II. Strategic Goal 2: Foster housing finance markets that promote equitable access to affordable and sustainable housing**

Improving affordable housing opportunities and advancing fair housing for homebuyers and renters — particularly the underserved — are Agency priorities. FHFA also has the statutory obligation to ensure that the operations and activities of each regulated entity foster liquid, efficient, competitive, and resilient national housing finance markets. The Agency will continue to promote the housing finance system’s stability and liquidity. Additionally, FHFA will continue to promote transparency and market stability by monitoring and reporting on trends in the housing and mortgage markets, such as trends in house prices, guarantee fees, and borrower sentiment.

**A. Strategic Objective 2.1: Promote sustainable access to mortgage credit**

During FY 2025, FHFA will use the following measures and means and strategies to accomplish Strategic Objective 2.1:

Measure		Target	Lead
2.1.1	Issue ratings for each Enterprise’s 2023 Duty to Serve (DTS) performance	Q2 FY 2025	Deputy Director, Division of Housing Mission and Goals
2.1.2	Publish final Enterprise Single-family and Multifamily Housing Goals Rule	Q2 FY 2025	Deputy Director, Division of Housing Mission and Goals
2.1.3	Issue a proposed rule amending the housing goals for the FHLBanks’ Acquired Member Asset (AMA) programs	Q2 FY 2025	Deputy Director, Division of Housing Mission and Goals
2.1.4	Issue a compliance determination on each Enterprise’s DTS Underserved Markets Performance Plan, covering calendar years 2025-2027	Q1 FY 2025	Deputy Director, Division of Housing Mission and Goals
2.1.5	Issue a proposed rule clarifying the mission of the FHLBank System	Q2 FY 2025	Deputy Director, Division of Bank Regulation



## Data Validation and Verification for Strategic Objective 2.1

**Measure 2.1.1** — On an annual basis, FHFA will assess the Enterprises' DTS performance data and other results against the targets set in the DTS 2022-2024 Underserved Market Plans. FHFA will prepare and complete updates to the publicly available DTS dashboards according to an established schedule. FHFA's DTS monitoring dashboards will be maintained electronically. The Annual Housing Report, published each year by October 30, will include a description of whether and how the Enterprises met their DTS performance targets.

**Measure 2.1.2** — FHFA will develop an internal timeline of tasks and deadlines to complete to publish the final rule by Q2 FY 2025. The final rule will be published in the Federal Register and on FHFA's website.

**Measure 2.1.3** — FHFA will develop an internal timeline of tasks and deadlines to complete to publish the proposed rule by Q2 FY 2025. The notice of proposed rulemaking will be published in the Federal Register and on FHFA's website.

**Measure 2.1.4** — Based on FHFA's assessment across the three underserved markets of the DTS Plans, FHFA will issue a compliance determination for each market. The results of the compliance determinations will be published on FHFA's website, along with each Enterprise's final DTS 2025-2027 Plan.

**Measure 2.1.5** – FHFA will develop an internal timeline of tasks and deadlines to complete to publish the proposed rule by Q2 FY 2025. The proposed rule will be published in the Federal Register and on FHFA's website.

## Means and Strategies for Strategic Objective 2.1

1. Monitor the Enterprises' efforts to identify specific actions to expand and preserve sustainable mortgage purchase and refinance credit for all qualified borrowers, with particular focus on low- and moderate-income families, communities of color, rural areas, and other underserved populations;
2. Oversee how the Enterprises meet their statutory mission obligations under the Affordable Housing Goals and Duty to Serve (DTS) requirements;
3. Ensure that the FHLBanks continue to provide advances in a safe and sound manner in support of member liquidity and to comply with the statutory requirements of the Affordable Housing Program (AHP) and Community Investment Program;



4. Ensure that the FHLBanks serve each state in their districts under the AHP, and that the FHLBanks’ Community Lending Plans identify and seek to fulfill the needs of communities throughout their districts, including tribal communities;
5. Issue an Advisory Bulletin to provide clarifying guidance on the FHLBanks’ determinations of the need for Affordable Housing Program (AHP) subsidies in rental housing developments;
6. Oversee the Enterprises’ enhancements to the Flex Modification eligibility requirements and ensure that each Enterprise engages with impacted stakeholders to provide training, guidance, data, and tools necessary for a successful implementation;
7. Monitor the Enterprises’ efforts to ensure a level playing field for small and large sellers; and
8. Oversee the Enterprises’ implementation of the updated credit score requirements and ensure that the Enterprises engage with impacted stakeholders to provide training, guidance, data, and tools necessary for a successful transition.

**B. Strategic Objective 2.2: Advance equity in housing finance, including through compliance with fair lending laws and regulations**

During FY 2025, FHFA will use the following measures and means and strategies to accomplish Strategic Objective 2.2:

Measure		Target	Lead
2.2.1	Issue an Advisory Bulletin applicable to the regulated entities on Unfair or Deceptive Acts or Practices (UDAP)	Q4 FY 2025	Deputy Director, Division of Public Interest Examinations

**Data Validation and Verification for Strategic Objective 2.2**

**Measure 2.2.1** — FHFA will develop and publish an Advisory Bulletin (AB) on UDAP. The AB will be posted to the FHFA website.

**Means and Strategies for Strategic Objective 2.2**

1. Continue to identify opportunities to expand responsible access to credit, and develop recommendations to improve credit access where appropriate;



2. Address concerns about appraisal bias and valuation equity, including by implementing the Property and Valuation Equity (PAVE) Task Force action plan;
3. Assess whether loan pricing by lenders results in disparities for minority borrowers compared with non-minority borrowers of similar creditworthiness, and refer to the relevant regulatory or enforcement agency for further review, as appropriate;
4. Oversee the Enterprises’ implementation of Equitable Housing Finance Plans and ensure that the Enterprises take meaningful actions to achieve the goals and objectives in the plans;
5. Conduct equity and fair lending assessments of the regulated entities’ policies, products, and initiatives;
6. Publish data and analysis on fair lending, fair housing, consumer protection, and equity topics related to the regulated entities; and
7. Provide training and technical assistance to the regulated entities on the requirements of the Fair Lending and Equitable Housing Finance regulation.

**C. Strategic Objective 2.3: Serve as a reliable source of information and analysis on the state of housing finance markets and related issues**

During FY 2025, FHFA will use the following measures and means and strategies to accomplish Strategic Objective 2.3:

Measure		Target	Lead
2.3.1	Publish FHFA House Price Indexes (HPI®) including new developmental price index for Manufactured Housing	Monthly and quarterly	Deputy Director, Division of Research and Statistics
2.3.2	Publish annual Public Use Database (PUDB)	Q4 FY 2025	Deputy Director, Division of Research and Statistics
2.3.3	Publish annual Guarantee Fee Report	Q2 FY 2025	Deputy Director, Division of Housing Mission and Goals
2.3.4	Publish aggregate statistics on mortgage profiles and delinquencies from the National Mortgage Database (NMDB®)	Quarterly	Deputy Director, Division of Research and Statistics
2.3.5	Publish the Uniform Appraisal Dataset (UAD) Aggregate Statistics	Quarterly	Deputy Director, Division of Research and Statistics





Measure		Target	Lead
2.3.6	Publish Uniform Appraisal Dataset (UAD) Appraisal-Level Public Use File (PUF)	Q1 FY 2025	Deputy Director, Division of Research and Statistics
2.3.7	Publish a white paper on a potential multifamily property value index	Q4 FY 2025	Deputy Director, Division of Housing Mission and Goals

### Data Validation and Verification for Strategic Objective 2.3

**Measure 2.3.1** — FHFA will announce the scheduled issuance dates of the HPI and will publish the HPI on the Agency’s website. Prior to publication, an internal team will review and validate the HPI levels, including the underlying data, to ensure that the indexes are published using the standard “repeat-transactions” methodology. Four of the monthly releases will also contain a quarterly update.<sup>10</sup>

**Measure 2.3.2** — The annual data for mortgage acquisitions in a given year will be sourced and certified by the respective Enterprise the following year. FHFA will post the 2024 acquisition data through the Public Use Database (PUDB) on its website by September 30, 2025.

**Measure 2.3.3** — On an annual basis, FHFA will conduct an independent analysis of Enterprise guarantee fees, including an assessment of fee differences based on seller delivery volume. The Guarantee Fee Report will be published on FHFA’s website.

**Measure 2.3.4** — Prior to the release of the NMDB aggregate statistics, an internal team will review and validate the Agency’s analysis and underlying data to ensure that both meet OMB standards for publication. Data will be published on FHFA’s website.<sup>11</sup>

**Measure 2.3.5** — Prior to the release of the UAD Aggregate Statistics, an internal team will review the data files and dashboards to ensure that the data meet OMB standards for publication. Data files and dashboards will be published on FHFA’s website.<sup>12</sup>

**Measure 2.3.6** — Prior to the release of the UAD PUF, an internal team will review the data files and dashboards to ensure that the data meet OMB standards for publication. Once completed, the UAD PUF will be published on FHFA’s website.

<sup>10</sup> FHFA’s HPI is available at: <http://www.fhfa.gov/HPI>.

<sup>11</sup> The NMDB is available at: <https://www.fhfa.gov/nmdbdata>.

<sup>12</sup> The UAD is available at: <https://www.fhfa.gov/DataTools/Pages/UAD-Dashboards.aspx>.



**Measure 2.3.7** — Prior to the release of the white paper on a potential multifamily property value index, an internal team will review and validate the potential index methodology. The white paper describing the potential index will be published on the FHFA’s website.

**Means and Strategies for Strategic Objective 2.3**

1. Publish the monthly and quarterly FHFA Foreclosure Prevention and Refinance Report, which monitors the Enterprises’ foreclosure prevention and refinance activities;
2. Publish demographic data related to the Enterprises’ fair lending and housing goals activities to provide insights into the racial, ethnic, and geographic composition of single-family loans acquired by the Enterprises;
3. Establish and publish annual Confirming Loan Limits (CLL) values for the subsequent year;
4. Perform an annual review of production and validation procedures for FHFA House Price Index<sup>®</sup> (HPI) data and CLL values;
5. Conduct quarterly National Survey of Mortgage Originations (NSMO);
6. Promote machine readability, data accountability, and responsible use of FHFA statistical data products;
7. Enhance FHFA’s profile within the housing finance sector by publishing research and data relevant to the general public, experts, and legislators, and by providing an arena for exchange of ideas related to housing finance; and
8. Improve the discoverability and usability of FHFA’s public data products.

**D. Strategic Objective 2.4: Facilitate greater availability of affordable housing supply, including affordable rental housing**

During FY 2025, FHFA will use the following measures and means and strategies to accomplish Strategic Objective 2.4:

Measure		Target	Lead
2.4.1	Determine that the Enterprises have met the mission-driven requirements in Appendix A of the Conservatorship Scorecard	By Q2 FY 2025, determine that each Enterprise’s mission-driven business in calendar year 2024, meets or exceeds 50 percent of total multifamily business.	Deputy Director, Division of Housing Mission and Goals



Measure		Target	Lead
2.4.2	Ensure that the Enterprises' Low-Income Housing Tax Credit (LIHTC) investments support hard-to-fund projects <sup>13</sup>	Investments made after an Enterprise's annual LIHTC portfolio reaches \$500 million must fund projects that have difficulty attracting investors. <sup>14</sup>	Deputy Director, Division of Housing Mission and Goals

**Data Validation and Verification for Strategic Objective 2.4**

**Measure 2.4.1** — FHFA reaches this measure when the Agency determines that the Enterprises met the 50 percent benchmark for mission-driven business by the required date. The status of the measure is tracked monthly through reporting submitted by the Enterprises. Reports are stored electronically.

**Measure 2.4.2** — FHFA reaches this measure when the Agency determines that the Enterprises met the requirements for investing in hard-to-fund LIHTC transactions in calendar year 2024. The status of the measure is tracked quarterly through reporting submitted by the Enterprises. Reports are stored electronically.

**Means and Strategies for Strategic Objective 2.4**

1. Monitor the Enterprises' acquisitions relative to FHFA's mission-driven requirements for the Enterprises;
2. Monitor the Enterprises' LIHTC equity investments, particularly the volume of transactions that have difficulty attracting investors;
3. Assess opportunities to increase the supply and financing of manufactured housing; and
4. Assess strategies for the FHLBanks to remain well-positioned to meet the needs of their members and the communities they serve.

<sup>13</sup> These investments must support housing in Duty to Serve-designated rural areas, preserve affordable housing, support mixed-income housing, provide supportive housing, or meet other affordable housing objectives.

<sup>14</sup> The total LIHTC portfolio for each Enterprise is capped at \$1 billion.



**E. Strategic Objective 2.5: Support leveraging of technology and data to further promote efficiency and cost savings in mortgage processes**

During FY 2025, FHFA will use the following measures and means and strategies to accomplish Strategic Objective 2.5:

Measure		Target	Lead
2.5.1	Hold a TechSprint focused on responsible innovation and financial technology (fintech) solutions in housing finance	Q4 FY2025	Deputy Director, Division of Conservatorship Oversight and Readiness

**Data Validation and Verification for Strategic Objective 2.5**

**Measure 2.5.1** — FHFA will hold a TechSprint in FY25 and maintain records of the TechSprint, including agendas, panel discussions, attendees, problem statements, descriptions of the participating teams and their solutions, and those solutions recognized by the TechSprint judges. Following this event, FHFA will publish a summary of the TechSprint on its website, focusing on key themes and lessons learned.

**Means and Strategies for Strategic Objective 2.5**

1. Continue to oversee safe and sound modernization of single-family collateral valuation practices that improve efficiency of the mortgage production process;
2. Prioritize TechSprints as a tool to encourage development of responsible innovation solutions to address housing finance challenges;
3. Publish summaries of FHFA TechSprints to raise awareness of these events, the proposed solutions, and themes; and
4. Engage with external stakeholders to discuss mortgage fintech developments or concerns.



**III. Strategic Goal 3: Responsibly steward FHFA’s infrastructure**

FHFA is dedicated to fostering a high-performing culture that exemplifies the Agency’s values and supports its work through effective and efficient management of its resources and infrastructure. FHFA’s human capital and other infrastructure is inclusive of the people, tools, resources, and programs that support its mission.

Achieving the Agency’s mission requires empowered and supported staff and prudent business practices. Responsive, secure, resilient, and efficient information technology (IT) capabilities are also essential to FHFA’s ability to accomplish its mission. FHFA utilizes internal controls and performance information to ensure that resources are managed responsibly. In addition, the Agency emphasizes diversity, equity, inclusion, and accessibility (DEIA) in all employment, management, and business activities at FHFA.

**A. Strategic Objective 3.1: Cultivate a high-performing, diverse, accountable, and engaged workforce**

During FY 2025, FHFA will use the following measures and means and strategies to accomplish Strategic Objective 3.1:

Measure		Target	Lead
3.1.1	Increase positive ratings on the Federal Employee Viewpoint Survey’s Employee Engagement Index	70 percent positive	Chief Operating Officer
3.1.2	Reduce the Average Time-to-Hire	80 calendar days <sup>15</sup>	Chief Operating Officer

**Data Validation and Verification for Strategic Objective 3.1**

**Measure 3.1.1** — FHFA will compare the Agency’s Employee Engagement Index in the FEVS report against the results for the entire federal government. The Engagement Index score is provided shortly after the annual release of the FEVS. Results are typically available by mid-September. FHFA will store the results electronically.

<sup>15</sup> The average time-to-hire for FY24 Q3 was 94 days. The average onboarding time for FY24 Q3 was 142 days.



**Measure 3.1.2** — FHFA will report average Time-to-Hire from when a manager submits a hiring request to when the candidate accepts the tentative offer. Time-to-Hire will be tracked monthly through the staffing plan. Quarterly reporting will be maintained electronically.<sup>16</sup>

## Means and Strategies for Strategic Objective 3.1

1. Implement data-driven, targeted recruitment and hiring strategies to attract diverse candidates with the requisite skills and competencies to strengthen FHFA’s workforce and succession planning;
2. Identify and remove potential barriers and/or biases in FHFA’s recruitment and hiring processes to attract diverse, highly qualified candidates;
3. Continue to implement the Values-Based Culture Initiative Culture Plan;
4. Facilitate workforce agility by establishing career paths for occupational groups and tailoring career development training;
5. Develop management reporting on workforce characteristics and trends;
6. Improve employee recognition and development by encouraging supervisors to use available monetary and non-monetary awards, detail assignments, and training opportunities;
7. Advance the Employee Engagement Ambassador program and Federal Employee Viewpoint Survey (FEVS) initiatives, including the Agency and division-level FEVS Action Plans;
8. Develop and implement annual operating plans for FHFA’s People Plan; and
9. Build out a workplace alternative dispute resolution program inclusive of, but broader than, equal employment opportunity (EEO) conflicts and disputes.

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<sup>16</sup> FHFA also tracks time-to-hire from when a manager submits a hiring request until entrance on duty.



**B. Strategic Objective 3.2: Ensure efficient and effective stewardship of Agency resources**

During FY 2025, FHFA will use the following measures and means and strategies to accomplish Strategic Objective 3.2:

Measure		Target	Lead
3.2.1	Ensure FHFA’s financial statements audit receives an unmodified opinion and contains no material weaknesses	100 percent of the time	Chief Operating Officer
3.2.2	Increase amount of funds spent on contracts awarded to minority- and women-owned businesses consistent with legal standards and best-value assessments	Total amount spent is greater than the five-year average	Chief Operating Officer, Deputy Director, Division of Inclusivity, Culture, and Equity
3.2.3	Complete corrective actions to address FHFA Office of Inspector General recommendations in a timely manner	90 percent of the corrective actions to address FHFA Office of Inspector General recommendations are completed within the approved timeframe	Chief Operating Officer

**Data Validation and Verification for Strategic Objective 3.2**

**Measure 3.2.1** — The Government Accountability Office’s (GAO) opinion on FHFA’s financial statements will reflect any material weaknesses or significant deficiencies. FHFA will receive the Independent Auditor’s Report, which GAO also publishes on its website.

**Measure 3.2.2** — FHFA will aggregate and analyze Agency contracting data for the previous five fiscal years and compare it with FY 2025 data to determine if contract-related spending involving minority- and women-owned businesses increased. Contracting reports will be maintained electronically.

**Measure 3.2.3** — FHFA will review the corrective actions to address FHFA Office of Inspector General recommendations to determine if they were completed within the timeframe approved by the FHFA Audit Follow-up Official. Information is maintained in the FHFA Internal Control Information System.



## Means and Strategies for Strategic Objective 3.2

1. Ensure that financial statements accurately present FHFA's financial position, net cost of operations, changes in net position, and budgetary resources in accordance with U.S. Generally Accepted Accounting Principles for federal government agencies;
2. Assess the effectiveness of internal controls over reporting, the efficiency and effectiveness of Agency operations, and compliance with applicable laws and regulations;
3. Implement risk management practices that effectively identify, assess, respond to, and mitigate fraud, and report on risks to enable informed decision-making that helps FHFA meet its strategic goals and objectives;
4. Monitor internal controls for deficiencies, respond efficiently and timely to audit recommendations, and maintain effective remediation procedures including the completion of root-cause analyses and corrective action planning, as appropriate;
5. Enhance the efficiency and effectiveness of how the Agency conducts financial planning, develops budgets, monitors their execution, and forecasts future budgets through governance and the use of automated budgeting software;
6. Report on FHFA's progress in meeting the goals and objectives of the APP in the Performance and Accountability Report to provide transparency to the public about Agency activities;
7. Implement a program for reviewing contractor compliance with the good-faith effort requirements included in Agency contracts in accordance with FHFA policies;
8. Engage with organizations that serve and support business owned by minorities, women, and individuals with disabilities to identify potential FHFA contractors;
9. Implement guidance for executives, managers, and supervisors to ensure the Agency achieves required diversity and inclusion (D&I) competencies and supports principles, policies, standards, and programs that promote fairness in contracting;
10. Establish annual priority goals for the FHFA Data Governance Committee;
11. Continue to maintain the Agency's legally required comprehensive data inventory;
12. Strengthen lifecycle data management planning; and





13. Develop and implement an integrated planning framework to align and coordinate various planning activities and resources including budget, workforce, and information technology to achieve more efficiencies with FHFA resources.

**C. Strategic Objective 3.3: Deliver high-quality support services that promote the Agency’s mission effectiveness and safeguard the Agency’s infrastructure**

During FY 2025, FHFA will use the following measures, and means and strategies to accomplish Strategic Objective 3.3:

Measure		Target	Lead
3.3.1	Ensure FHFA’s Federal Information Security Modernization Act audit identifies no significant deficiencies	100 percent of the time	Chief Operating Officer
3.3.2	Conduct at least 20 Agency phishing simulations to effectively train personnel to combat attempted cyberattacks	Average strength of phishing simulations 4 out of 5 in a standard difficulty rating	Chief Operating Officer
3.3.3	Automatically block network intrusion attempts with security defenses	95 percent of the time	Chief Operating Officer

**Data Validation and Verification for Strategic Objective 3.3**

**Measure 3.3.1** — The FHFA Office of the Inspector General (OIG) FISMA audit report will reflect whether any significant deficiencies have been noted for the year.

**Measure 3.3.2** — FHFA will conduct at least 20 highly credible, simulated phishing email campaigns throughout the year designed to imitate bad actors attempting to deceive FHFA staff into clicking malicious links. FHFA will set the strength of these simulations, on a scale from zero to 5, at 4 or higher. These simulations will adhere to guidelines set by the National Institute of Standards and Technology (NIST). They will leverage cyber threat intelligence and real-world events, providing advanced and complex scenarios to enhance cybersecurity readiness across the Agency. The results of each simulation will be stored and maintained for further analysis and to improve future cybersecurity efforts.

**Measure 3.3.3** — FHFA actively monitors and analyzes network intrusion attempts in real time. Many of these attempts are automatically identified, validated, and blocked using advanced cyber threat intelligence and response technologies. Suspicious attempts that require further investigation are quarantined and manually reviewed by FHFA personnel to confirm their



validity. The number of intrusion attempts blocked will be calculated by dividing the total number of malicious events stopped by the total number of attempts. All findings from the analysis will be recorded electronically to guide ongoing improvements and ensure future cybersecurity efforts remain robust and effective.

### Means and Strategies for Strategic Objective 3.3

1. Strengthen the Agency's cybersecurity posture by focusing on OIG findings and recommendations;
2. Continue the transition to the new Data and Analytics Platform that enables improved data management and provides expanded analytics tools;
3. Ensure critical computer systems are readily available to staff with minimal downtime;
4. Identify and implement technologies and tools to increase the productivity of FHFA staff;
5. Ensure effective management of FHFA's technology resources, investments, and assets;
6. Ensure security of the Agency's data and information systems;
7. Develop and implement the annual operating plan to carry out FHFA's Information Resources Management Strategic Plan;
8. Develop and implement a corrective action plan to address OIG recommendations associated with the Federal Information Security Modernization Act (FISMA) audit and other assessments;
9. Monitor and report Agency compliance with the Federal Information Security Modernization Act (FISMA); and
10. Utilize technology automation to optimize infrastructure services, enhance threat/incident response capabilities, and improve service monitoring and delivery.



## Program Evaluations

FHFA management uses the budget development processes to determine resource needs and to allocate resources to meet the Agency's strategic goals. FHFA's Audit, Risk, and Control Committee meets quarterly to review the results of internal and external reviews, evaluations, and audits. The committee tracks and evaluates audit findings to determine if a remediation action has been implemented to address deficiencies in FHFA activities. Committee activities help inform FHFA's determination of the adequacy of its internal controls under OMB Circular A-123. The FHFA Office of Planning, Performance, and Risk also performs internal reviews of various programs and functions.

FHFA monitors and tracks program performance to ensure that FHFA's goals are meaningful and that the strategies for achieving them are effective. The Agency conducts quarterly reviews of the performance measures, providing an opportunity for the Agency to assess performance collectively and consider corrective measures where necessary.

Additionally, the FHFA OIG plays a role in program evaluation by conducting reviews of various aspects of Agency operations. Under the requirements of HERA, GAO also conducts financial statement audits and other reviews of FHFA. FHFA uses the findings and/or recommendations from OIG and GAO to make improvements to Agency operations.

FHFA also participates in OMB initiatives to implement best practices designed to strengthen and improve performance across the federal government.



## Cross-Agency Collaboration

FHFA will continue to work closely with the Financial Stability Oversight Council and its member agencies to identify emerging risks and mitigate systemic threats to the financial system through ongoing market surveillance and timely dissemination of information. The Council has 15 members. In addition to the Director of FHFA, the members are:

- the Secretary of the Treasury, who serves as the Chair of the Council
- the Chairman of the Board of Governors of the Federal Reserve System
- the Comptroller of the Currency (OCC)
- the Director of the Consumer Financial Protection Bureau (CFPB)
- the Chair of the Securities and Exchange Commission (SEC)
- the Chairman of the Federal Deposit Insurance Corporation (FDIC)
- the Chairman of the Commodity Futures Trading Commission (CFTC)
- the Chairman of the National Credit Union Administration (NCUA)
- an independent member with insurance expertise who is appointed by the President and confirmed by the Senate for a six-year term
- the Director of the Office of Financial Research
- the Director of the U.S. Treasury's Federal Insurance Office
- a state insurance commissioner designated by the state insurance commissioners
- a state banking supervisor designated by the state banking supervisors
- a state securities commissioner (or officer performing like functions) designated by the state securities commissioners

