



Federal Housing Finance Agency  
Office of Inspector General

# **STRATEGIC PLAN**

Fiscal Years 2015–2017

## A Message from the Acting Inspector General

I am pleased to present the 2015-2017 Strategic Plan of the Federal Housing Finance Agency (FHFA) Office of Inspector General (OIG). This document sets out OIG's plan to ensure the integrity, transparency, effectiveness, and soundness of FHFA's operations and the operations of the organizations that FHFA oversees.



OIG was established in the aftermath of the worst economic crisis in generations. Congress created OIG to oversee FHFA, which serves as the regulator and conservator of Fannie Mae and Freddie Mac (together, the Enterprises), and as the regulator of the Federal Home Loan Banks (FHLBanks) (collectively with the Enterprises, the government-sponsored enterprises (GSEs)).

Fannie Mae and Freddie Mac received over \$187 billion in taxpayer funding to support the still-fragile housing market. In addition, they own or guarantee trillions of dollars in residential mortgage obligations. For their part, the FHLBanks have hundreds of billions in assets, and several face financial difficulties.

Much has been accomplished but the work remains crucial. OIG will use this strategic plan as a blueprint for our oversight of FHFA and our independent reporting.

Since strategic planning is a dynamic process, OIG will continue to monitor events and make changes as circumstances warrant and as Congress considers the future of mortgage finance. In so doing, OIG plans to remain relevant to the issues of concern to FHFA, the GSEs, Congress, and the American people.

A handwritten signature in black ink that reads "Michael P. Stephens". The signature is written in a cursive, flowing style.

Michael P. Stephens  
Acting Inspector General

February 26, 2014

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## Introduction and Scope of Responsibilities

The Housing and Economic Recovery Act of 2008 created FHFA by combining three existing regulatory entities:

- The Federal Housing Finance Board,
- The Office of Federal Housing Enterprise Oversight, and
- The U.S. Department of Housing and Urban Development mission team for Fannie Mae and Freddie Mac.

FHFA oversees the GSEs—entities that play critical roles in the national economy. The 12 FHLBanks support housing finance and community and economic development. To carry out their missions, the FHLBanks make loans, also known as advances, to member financial institutions in their respective regions. Some also hold mortgage investment portfolios. While no FHLBank is in conservatorship, several face financial challenges.

Fannie Mae and Freddie Mac own or guarantee trillions of dollars of mortgage loans. On September 6, 2008, FHFA placed the Enterprises into conservatorships, and the next day the Department of Treasury acted to purchase senior preferred stock in the Enterprises, providing liquidity to the mortgage market. These actions were taken to stem losses that threatened mortgage lending and the housing market nationwide. Fannie Mae and Freddie Mac remain in conservatorships.

In addition to managing the conservatorships of Fannie Mae and Freddie Mac, FHFA monitors all of the GSEs' prudential operations and, through examinations, must determine whether they operate in a safe and sound manner; maintain adequate capital and internal controls; foster liquid, efficient, competitive, and resilient housing finance markets; and operate consistent with the public interest.

### FHFA Office of Inspector General

OIG was also established by the Housing and Economic Recovery Act, which amended the Inspector General Act of 1978. OIG conducts audits, investigations, evaluations, and other activities regarding FHFA's programs and operations, which also include the Enterprises in conservatorship. OIG also recommends policies that promote economy and efficiency in the administration of such programs and operations and works to prevent and detect fraud and abuse in them.

# Mission, Vision, and Core Values

## Mission

OIG promotes FHFA's economy, efficiency, and effectiveness, and protects FHFA and the entities it regulates against fraud, waste, and abuse, contributing to the liquidity and stability of the nation's housing finance system.

## Vision

To be an organization that promotes excellence and trust through exceptional service to FHFA, Congress, stakeholders, and the American people.

## Core Values

Core values expected of every OIG employee:

### Integrity

- Acts ethically
- Honors commitments

### Respect

- Treats everyone with fairness and courtesy
- Embraces diversity

### Professionalism

- Is accountable
- Maintains confidentiality
- Acts collaboratively

### Results Driven

- Maintains a can-do attitude
- Is a problem solver

# OIG Strategic Goals and Objectives

## **STRATEGIC GOAL 1**

### **Promote FHFA's effective oversight of the GSEs' safety and soundness, and housing missions**

- Promote effective risk oversight by FHFA
- Assess FHFA's oversight of the GSEs' housing mission and goal responsibilities
- Assess the effectiveness of FHFA's operations

## **STRATEGIC GOAL 2**

### **Promote FHFA's effective management and conservatorship of the Enterprises**

- Assess FHFA's and Enterprises' plans and progress on their strategic goals
- Assess FHFA's effectiveness in controlling the costs of the conservatorships
- Detect and deter fraud, waste, and abuse

## **STRATEGIC GOAL 3**

### **Promote effective FHFA internal operations**

- Detect and deter fraud, waste, and abuse

## **STRATEGIC GOAL 4**

### **Promote effective OIG internal operations**

- Maintain workforce expertise and collaboration to meet goals
- Maintain access and data security protocols with FHFA and GSEs
- Ensure reporting processes are useful to stakeholders

## Strategic Goals, Objectives, and Strategies for Success

OIG pursues excellence in promoting economy and efficiency in FHFA's programs and operations, including the Enterprises in conservatorship; preventing and detecting fraud, waste, and abuse in such programs and operations; and seeking appropriate sanctions against wrongdoers.

### **STRATEGIC GOAL 1**

**Promote FHFA's effective oversight of the GSEs' safety and soundness, and housing missions**

***OBJECTIVE: Promote effective risk oversight by FHFA***

#### **STRATEGIES FOR SUCCESS**

- Assessing FHFA's oversight of the FHLBanks' and Enterprises' management of credit, interest rate, operational, and other risks.
- Reporting on FHFA's current and future directives and regulations relating to risk.

***OBJECTIVE: Assess FHFA's oversight of the GSEs' housing mission and goal responsibilities***

#### **STRATEGIES FOR SUCCESS**

- Consistent with the Inspector General Act, reviewing and reporting on FHFA's legislative and policy initiatives.
- Reporting on FHFA's efforts to ensure access to mortgage credit.
- Reporting on the Enterprises' home retention programs.
- Reporting on the Enterprises' oversight of servicers' administration of delinquent and defaulted borrowers.
- Reporting on the FHLBanks' housing mission activities.

***OBJECTIVE: Assess the effectiveness of FHFA's operations***

#### **STRATEGIES FOR SUCCESS**

- Reporting on FHFA's use of technology and its security.
- Reporting on FHFA's contracting and procurement.
- Reporting on FHFA's human capital management.

***OBJECTIVE: Assess FHFA's and Enterprises' plans and progress on their strategic goals***

***STRATEGIES FOR SUCCESS***

- Reporting on FHFA's plans and progress in meeting its strategic and conservatorship goals, such as contracting the Enterprises' market presence.
- Contributing to the dialogue on GSE reform through independent fact finding and objective analysis.

***OBJECTIVE: Assess FHFA's effectiveness in controlling the costs of the conservatorships***

***STRATEGIES FOR SUCCESS***

- Reporting on FHFA's effectiveness in controlling the costs of the conservatorships, such as costs related to FHFA and Enterprise Real Estate Owned (REO) management.

***OBJECTIVE: Detect and deter fraud, waste, and abuse***

***STRATEGIES FOR SUCCESS***

- Investigating and reporting on fraud, waste, and abuse.



***OBJECTIVE: Detect and deter fraud, waste, and abuse***

***STRATEGIES FOR SUCCESS***

- Providing Systemic Implications Reports on management weakness discovered in the course of investigations or through trend analyses.
- Advising FHFA on issues relating to compliance, internal controls, and fraud prevention.
- Engaging in outreach to stakeholders on fraud, waste, or abuse.
- Assisting FHFA in the early detection and prevention of fraud, waste, and abuse in the GSEs' programs and operations.
- Providing integrity awareness information to FHFA employees and stakeholders.
- Concentrating investigative resources on high-impact cases and responding to illegal activities or abuse in a timely and focused manner.

***OBJECTIVE: Maintain workforce expertise and collaboration to meet goals***

***STRATEGIES FOR SUCCESS***

- Recruiting, retaining, training, and developing a stable workforce.
- Ensuring succession plans, cross training, and critical expertise.
- Sharing information on OIG operations, plans, surveys, data, findings, results, and the disposition of referrals and recommendations across offices.

***OBJECTIVE: Maintain access and data security protocols with FHFA and GSEs***

***STRATEGIES FOR SUCCESS***

- Maintaining formalized protocols of data access, security, and storage with FHFA and the GSEs as appropriate.
- Centralizing internal processes for data.

***OBJECTIVE: Ensure reporting processes are useful to stakeholders***

***STRATEGIES FOR SUCCESS***

- Communicating with FHFA officials, Congress, and other stakeholders on reports.

## External Factors

A changing business environment, adequate funding levels, and the availability of highly skilled professionals have a significant impact on both the environment in which OIG operates and its ability to carry out this strategic plan.

### Change

OIG will continue to respond to local, national, and global events. OIG also anticipates that developments in technology, legislation, economic conditions, and new mandates may affect how FHFA does business. Such changes at FHFA would likely also affect OIG's workload, staffing, priorities, and organizational structure.

### Funding Levels

OIG's funding level will affect its ability to oversee FHFA's programs and operations, including the Enterprises while in conservatorship.

### Highly Skilled Professionals

Attracting, training, and retaining highly skilled professionals are imperative for the government as a whole and OIG in particular. Not being able to hire knowledgeable, skilled professionals could negatively affect our ability to achieve desired outcomes. Addressing these challenges will require a continuing funding commitment to recruiting, training, and equipping OIG's workforce.

# FEDERAL HOUSING FINANCE AGENCY OFFICE OF INSPECTOR GENERAL



To report potential fraud, waste, abuse, mismanagement, or any other kind of criminal or noncriminal misconduct relative to FHFA's programs or operations:

**Call the  
OIG Hotline:** 1-800-793-7724

**Fax:** 202-318-0358

**Visit:** [www.fhfoig.gov](http://www.fhfoig.gov)

**Write:** Federal Housing Finance Agency  
Office of Inspector General  
400 Seventh Street, SW  
Washington, DC 20024