



# Compendium of Unimplemented Recommendations

January 1, 2026

## TABLE OF CONTENTS .....

ABBREVIATIONS .....	3
INTRODUCTION .....	4
Tracking of OIG Recommendations .....	4
Validation Testing .....	5
OPEN RECOMMENDATIONS .....	6
CLOSED UNIMPLEMENTED RECOMMENDATIONS .....	23

## ABBREVIATIONS .....

DER	Division of Enterprise Regulation
Enterprises	Fannie Mae and Freddie Mac
FHFA	Federal Housing Finance Agency
MRA	Matter Requiring Attention
OIG	Federal Housing Finance Agency Office of Inspector General
OMB	Office of Management and Budget
ROE	Report of Examination

# INTRODUCTION .....

Since the Federal Housing Finance Agency (FHFA) Office of Inspector General (OIG) began operations in October 2010, we have made more than 725 recommendations to FHFA.<sup>1</sup> Our recommendations are targeted to improve efficiency and effectiveness and to reduce fraud, waste, and abuse at FHFA and the entities it oversees. As required under the Inspector General Act of 1978, as amended, we provide information on both open and closed recommendations in each semiannual report to the Congress.<sup>2</sup>

To maintain the focus on opportunities for improvement that our recommendations identify, every month, we publish an updated version of this report on our [website](#), setting forth all unimplemented recommendations from our audits, evaluations, and other studies.<sup>3</sup> For additional information on any recommendation, please click on the hyperlinked report title to access its underlying report.<sup>4</sup> This compendium is comprehensive as of January 1, 2026.

Because FHFA serves a unique role as both conservator and regulator of Fannie Mae and Freddie Mac (the Enterprises), our responsibilities necessarily include oversight of FHFA's actions in both of these roles, in order to determine whether the Agency is fulfilling its statutory duties and responsibilities and safeguarding the taxpayers' resources. Our oversight role also reaches the Enterprises—recipients of \$191.5 billion in taxpayer monies—to ensure that they are satisfying their obligations under the authority delegated to them in the conservatorships. Through oversight, transparent reporting of results, and robust enforcement, we seek to be a voice for, and protect the interest of, those who have funded Treasury's investment in the Enterprises—the American taxpayers.

## Tracking of OIG Recommendations

Our recommendations, like those of other inspectors general, are primarily made in written reports issued by our Offices of Audits and Evaluations. We report the facts, as found, and recommend actions to address any shortcomings we identify in FHFA's exercise of its statutory duties and responsibilities or by one or both Enterprises, in connection with their execution of responsibilities delegated to them by FHFA, as conservator. We provide FHFA the opportunity to respond in writing to our recommendations. FHFA's determinations on

---

<sup>1</sup> Includes public and non-public recommendations.

<sup>2</sup> Our semiannual reports are available at [www.fhfa.oig.gov/Reports/Semiannual](http://www.fhfa.oig.gov/Reports/Semiannual).

<sup>3</sup> This report does not include recommendations under consideration for work that is in progress.

<sup>4</sup> Each recommendation in this report is listed by report number followed by the specific recommendation number. For example, AUD-2025-007-1 denotes this is the first recommendation in report AUD-2025-007.

whether or not to agree with our recommendations are included in our published reports. Once FHFA has accepted our recommendation, it reports to us on its efforts to implement a “corrective action.” When FHFA believes that its implementation efforts are well underway or that implementation is complete, FHFA provides that information, along with corroborating documents; we rely on those materials in determining whether to close recommendations. If the Agency rejects a recommendation, or refuses to implement an acceptable corrective action, then we will close the recommendation and report it separately in this compendium.

## Validation Testing

We typically rely on materials and representations from the Agency to close its recommendations and may close some recommendations based on the Agency’s representations as to the corrective actions it has taken. Accordingly, we are not always able to assess, at the time of closure, whether the implementation actions by FHFA meet the letter and spirit of the agreed-upon recommendation, nor can we determine, at closure, the longer-term impact of the recommendation. To assess better both the implementation and impact of our recommendations, we concluded that validation testing is needed. Such testing, and disclosure of results of that testing, provides greater accountability and adds value to FHFA and the American taxpayers it serves.

Together with its other responsibilities, the Office of Evaluations examines closed recommendations to assess independently FHFA’s implementation of the corrective actions it represented to us that it intended to take, as well as the impact of those actions, and publishes reports of its validation testing in “compliance reviews.” These compliance reviews enable our stakeholders to assess the impact of our recommendations, as well as the efficacy of the Agency’s implementation of those recommendations. Compliance reviews enhance our ability to stimulate positive change in critical areas and promote economy, efficiency, and effectiveness at FHFA.

Any unimplemented recommendations contained in published compliance reviews are included in this compendium.

## OPEN RECOMMENDATIONS .....

Open Recommendation	Report Title and Date
Because information in this report could be used to circumvent FHFA's internal controls, it has not been released publicly, and the recommendation text is therefore non-public.	<a href="#"><u>Audit of the Federal Housing Finance Agency's Information Security Program Fiscal Year 2020</u></a> (AUD-2021-001-3, October 20, 2020)
FHFA should assess whether the Office of Technology and Information Management has sufficient, qualified staff to complete required updates and testing of its contingency plans in accordance with FHFA's standard and National Institute of Standards and Technology requirements, and address any resource constraints that have adversely affected the Office of Technology and Information Management's ability to carry out its contingency planning requirements.	<a href="#"><u>FHFA Did Not Follow All of its Contingency Planning Requirements for the National Mortgage Database (NMDB) or its Correspondence Tracking System (CTS)</u></a> (AUD-2022-003-3, December 13, 2021)
The FHFA Office of General Counsel's Designated Agency Ethics Official or Alternate Designated Agency Ethics Official should improve the Agency's existing internal controls over its employee financial disclosure process by performing and documenting technical reviews and conflict of interest analysis within 60 days of receiving employee financial disclosure reports as required by Office of Government Ethics regulations and FHFA policy.	<a href="#"><u>FHFA Did Not Always Follow Federal Regulations and Its Policy for Employee Financial Disclosures During Fiscal Years 2020 and 2021</u></a> (AUD-2022-011-1, September 8, 2022)
The FHFA Office of General Counsel's Designated Agency Ethics Official or Alternate Designated Agency Ethics Official should improve FHFA's existing internal controls over its employee financial disclosure process by ensuring that employees file their financial disclosure reports timely as required by Office of Government Ethics regulations and FHFA policy.	<a href="#"><u>FHFA Did Not Always Follow Federal Regulations and Its Policy for Employee Financial Disclosures During Fiscal Years 2020 and 2021</u></a> (AUD-2022-011-3, September 8, 2022)

Open Recommendation	Report Title and Date
FHFA's Division of Federal Home Loan Bank Regulation Deputy Director should perform an Affordable Housing Program workforce planning analysis using the minimum examination frequencies for Affordable Housing Program risk areas established in response to Recommendation 1 to determine current and future examination needs and address any staffing gaps identified.	<a href="#"><u>The Division of Federal Home Loan Bank Regulation Followed Its Guidance in Performing Annual Examinations of Each Federal Home Loan Bank's Affordable Housing Program but the AHP Examination Planning Processes Require Improvement</u></a> (AUD-2023-001-2, February 9, 2023)
FHFA's Chief Information Officer should develop and maintain a complete and accurate cloud system component inventory, as required by National Institute of Standards and Technology Special Publication 800-53.	<a href="#"><u>FHFA Did Not Fully Implement Select Security Controls Over One of Its Cloud Systems as Required by NIST and FHFA Standards and Guidelines</u></a> (AUD-2023-002-2, March 8, 2023)
FHFA's Chief Information Officer should develop and implement a solution to encrypt all data-at-rest on the cloud system as required by National Institute of Standards and Technology Special Publication 800-53.	<a href="#"><u>FHFA Did Not Fully Implement Select Security Controls Over One of Its Cloud Systems as Required by NIST and FHFA Standards and Guidelines</u></a> (AUD-2023-002-5, March 8, 2023)
FHFA should develop, document, and implement control activities to ensure that (a) only current FHFA employees are receiving transportation benefits, (b) no employee is improperly participating in both transportation benefit programs, (c) the Transit Benefits System has a record/certification for each employee who receives a transportation benefit, and (d) SmarTrip® cards are physically controlled. Such control activities include periodic reconciliation of approved transit subsidy recipients in the Transit Benefits System to FHFA transit subsidy recipients listed on the Washington Metropolitan Area Transit Authority Monthly Activity Reports, periodic reconciliation of approved transit subsidy recipients to active parking permit recipients, and periodic inventory counts of SmarTrip® cards registered to FHFA and undistributed parking permits. [Closed in June 2019; reopened upon results of compliance testing.]	<a href="#"><u>FHFA Needs to Strengthen Controls over its Employee Transportation Benefits Programs</u></a> (AUD-2018-013-1, September 25, 2018) and <a href="#"><u>FHFA Did Not Effectively Implement Controls Intended to Ensure the Integrity of Its Employee Transportation Benefits Program</u></a> (COM-2023-005, June 21, 2023) <sup>5</sup>

<sup>5</sup> When we reopen a recommendation, we typically will not issue a new recommendation number.

Open Recommendation	Report Title and Date
<p>FHFA should ensure that the Transit Benefits System has accurate and up-to-date records of, and current certifications for, each FHFA employee who receives a transportation benefit. [Closed in June 2019; reopened upon results of compliance testing.]</p>	<p><a href="#"><u>FHFA Needs to Strengthen Controls over its Employee Transportation Benefits Programs</u></a>            (AUD-2018-013-2, September 25, 2018) and <a href="#"><u>FHFA Did Not Effectively Implement Controls Intended to Ensure the Integrity of Its Employee Transportation Benefits Program</u></a>            (COM-2023-005, June 21, 2023)</p>
<p>If FHFA is unable to meet the requirements in Office of Management and Budget (OMB) M-22-18 and/or OMB M-23-16 in a timely manner, FHFA should consider [a] request for an extension or waiver in accordance with OMB M-22-18 and/or OMB M-23-16. If FHFA requests a waiver, FHFA should consider documenting a risk-based decision, and document any compensating controls.</p>	<p><a href="#"><u>Audit of the Federal Housing Finance Agency's Information Security Programs and Practices Fiscal Year 2023</u></a>            (AUD-2023-004-2, July 26, 2023)</p>
<p>FHFA's Acting Chief Information Officer should remediate past due exploitable vulnerabilities in accordance with Cybersecurity and Infrastructure Security Agency Binding Operating Directive 22-01 and the Office of Technology and Information Management Vulnerability Management Process.</p>	<p><a href="#"><u>Audit of the Federal Housing Finance Agency's Information Security Programs and Practices Fiscal Year 2023</u></a>            (AUD-2023-004-3, July 26, 2023)</p>
<p>FHFA management should ensure that employees submit travel vouchers within five working days after completing their travel.</p>	<p><a href="#"><u>Deficiencies in FHFA's Travel Program From April 1, 2022, Through March 31, 2023</u></a>            (OIG-2023-001-2, September 28, 2023)</p>
<p>FHFA management should ensure that approving officials approve travel reimbursements within five calendar days of receipt of the voucher in the Agency's electronic travel system.</p>	<p><a href="#"><u>Deficiencies in FHFA's Travel Program From April 1, 2022, Through March 31, 2023</u></a>            (OIG-2023-001-4, September 28, 2023)</p>
<p>FHFA's Chief Information Officer should develop and implement policies and procedures to oversee FHFA's background reinvestigation process, including oversight controls over FHFA's service provider.</p>	<p><a href="#"><u>Audit of the Federal Housing Finance Agency's Information Security Programs and Practices Fiscal Year 2024</u></a>            (AUD-2024-006-1, July 30, 2024)</p>

Open Recommendation	Report Title and Date
FHFA's Chief Information Officer should implement a process to monitor and ensure that background reinvestigations for relevant employees and contractors are conducted timely in accordance with FHFA and U.S. Office of Personnel Management standards.	<a href="#"><u>Audit of the Federal Housing Finance Agency's Information Security Programs and Practices Fiscal Year 2024</u></a> (AUD-2024-006-3, July 30, 2024)
OIG's Chief Information Officer should implement a process to monitor and ensure that background reinvestigations for relevant employees and contractors are conducted timely in accordance with OIG and U.S. Office of Personnel Management standards.	<a href="#"><u>Audit of the Federal Housing Finance Agency's Information Security Programs and Practices Fiscal Year 2024</u></a> (AUD-2024-006-6, July 30, 2024)
OIG's Chief Information Officer should establish and implement a process to make suitability adjudicative determinations and take suitability actions for covered positions in accordance with U.S. Office of Personnel Management's regulation under Title 5 C.F.R., Part 731.103.	<a href="#"><u>Audit of the Federal Housing Finance Agency's Information Security Programs and Practices Fiscal Year 2024</u></a> (AUD-2024-006-7, July 30, 2024)
FHFA's Chief Information Officer should complete the review and update of overdue System Security and Privacy Plans and Customer Control Plans in accordance with the existing related Plan of Action and Milestones.	<a href="#"><u>Audit of the Federal Housing Finance Agency's Information Security Programs and Practices Fiscal Year 2024</u></a> (AUD-2024-006-11, July 30, 2024)
FHFA's Chief Information Officer should restrict user access to the folders and files on FHFA's network in accordance with least privilege principle.	<a href="#"><u>FHFA's Security Controls Were Not Effective to Protect Its Network and Systems Against Internal Threats</u></a> (AUD-2024-007-1, August 12, 2024)
FHFA's Chief Information Officer should identify and implement a solution, in coordination with vendors, to ensure that multifactor authentication is required to access FHFA's network. If there are no viable solutions, document any risk-based decisions, including compensating controls.	<a href="#"><u>FHFA's Security Controls Were Not Effective to Protect Its Network and Systems Against Internal Threats</u></a> (AUD-2024-007-7, August 12, 2024)

Open Recommendation	Report Title and Date
FHFA's Chief Information Officer should identify and implement a solution to detect and monitor the transfer of large amounts of data moving across FHFA's network.	<a href="#"><u>FHFA's Security Controls Were Not Effective to Protect Its Network and Systems Against Internal Threats</u></a> (AUD-2024-007-11, August 12, 2024)
FHFA's Chief Information Officer should identify and implement a solution to detect and prevent controlled unclassified information or personally identifiable information from being transferred outside of FHFA's network to personal accounts on email and cloud-based storage services.	<a href="#"><u>FHFA's Security Controls Were Not Effective to Protect Its Network and Systems Against Internal Threats</u></a> (AUD-2024-007-12, August 12, 2024)
FHFA's Chief Information Officer should determine whether resources can be made available to implement a data loss prevention system to prevent the exfiltration of controlled unclassified information.	<a href="#"><u>FHFA's Security Controls Were Not Effective to Protect Its Network and Systems Against Internal Threats</u></a> (AUD-2024-007-13, August 12, 2024)
FHFA's Chief Information Officer should reevaluate the former Acting Chief Information Officer's risk acceptance related to portable software programs, and implement security controls to detect and prevent users from downloading and running unapproved software on FHFA's system in accordance with National Institute of Standards and Technology and FHFA's Rules of Behavior.	<a href="#"><u>FHFA's Security Controls Were Not Effective to Protect Its Network and Systems Against Internal Threats</u></a> (AUD-2024-007-14, August 12, 2024)
FHFA's Chief Information Officer should monitor and respond to unauthorized software downloads in accordance with FHFA's Common Control Plan.	<a href="#"><u>FHFA's Security Controls Were Not Effective to Protect Its Network and Systems Against Internal Threats</u></a> (AUD-2024-007-15, August 12, 2024)
FHFA's Chief Information Officer should identify and secure the resources necessary to remediate identified internal critical, high, and medium exploitable vulnerabilities on the FHFA servers, workstations, and other devices in compliance with Cybersecurity and Infrastructure Security Agency Binding Operational Directive 22-01 and FHFA's Office of Technology and Information Management Vulnerability Management Process, Revision 2.7 (September 7, 2022).	<a href="#"><u>FHFA's Security Controls Were Not Effective to Protect Its Network and Systems Against Internal Threats</u></a> (AUD-2024-007-16, August 12, 2024)

Open Recommendation	Report Title and Date
<p>FHFA's Chief Information Officer should develop a Plan of Action and Milestones to track the remediation of past due Cybersecurity and Infrastructure Security Agency Known Exploitable Vulnerabilities in accordance with Cybersecurity and Infrastructure Security Agency's Binding Operational Directive 22-01 and FHFA's Office of Technology and Information Management Vulnerability Management Process, Revision 2.7 (September 7, 2022). FHFA's Office of Technology and Information Management should implement compensating controls (i.e., isolating systems with un-remediated vulnerabilities) to mitigate the risk of the vulnerabilities.</p>	<p><a href="#"><u>FHFA's Security Controls Were Not Effective to Protect Its Network and Systems Against Internal Threats</u></a>          (AUD-2024-007-17, August 12, 2024)</p>
<p>FHFA's Chief Information Officer should prioritize existing Office of Technology and Information Management resources based on the Plan of Action and Milestones to ensure that Cybersecurity and Infrastructure Security Agency Known Exploitable Vulnerabilities are remediated in accordance with Cybersecurity and Infrastructure Security Agency's Binding Operational Directive 22-01 and FHFA's Office of Technology and Information Management Vulnerability Management Process, Revision 2.7 (September 7, 2022).</p>	<p><a href="#"><u>FHFA's Security Controls Were Not Effective to Protect Its Network and Systems Against Internal Threats</u></a>          (AUD-2024-007-18, August 12, 2024)</p>
<p>FHFA's Chief Information Officer should implement security controls to lock down Universal Serial Bus ports so that only authorized Universal Serial Bus devices are allowed.</p>	<p><a href="#"><u>FHFA's Security Controls Were Not Effective to Protect Its Network and Systems Against Internal Threats</u></a>          (AUD-2024-007-21, August 12, 2024)</p>
<p>FHFA's Chief Information Officer should ensure the After Action Report is consistent with the Recovery Exercise Test Results by documenting all actions taken during the failover and failback of the Disaster Recovery Exercise including all correct dates for when testing was conducted.</p>	<p><a href="#"><u>FHFA's Disaster Recovery Exercise for Its General Support System Needs Improvement</u></a>          (AUD-2024-010-3, September 25, 2024)</p>

Open Recommendation	Report Title and Date
FHFA's Chief Information Officer should perform annual testing of the contingency plan in accordance with the recovery procedures document to ensure failover and fallback are conducted as planned.	<a href="#"><u>FHFA's Disaster Recovery Exercise for Its General Support System Needs Improvement</u></a> (AUD-2024-010-4, September 25, 2024)
FHFA's Chief Information Officer should encrypt all backup data-at-rest at FHFA's alternate site and update the existing Plan of Action and Milestones to include compensating controls until the Plan of Action and Milestones has been closed.	<a href="#"><u>FHFA's Disaster Recovery Exercise for Its General Support System Needs Improvement</u></a> (AUD-2024-010-6, September 25, 2024)
FHFA's Office of Congressional Affairs and Communications should ensure proper staffing and train staff on existing consumer communications requirements as to: (a) timeliness of responses to consumers; and (b) completeness, accuracy, and timeliness in processing documentation.	<a href="#"><u>Inspection: Whether FHFA Adhered to Its Consumer Communications Procedures</u></a> (COM-2025-002-1, December 9, 2024)
FHFA's Office of Congressional Affairs and Communications should, as needed, update existing consumer communications procedures to include new controls, or improve existing controls, to ensure: (a) the timeliness of FHFA's responses to consumers; and (b) the completeness, accuracy, and timeliness of the Agency's processing of documentation.	<a href="#"><u>Inspection: Whether FHFA Adhered to Its Consumer Communications Procedures</u></a> (COM-2025-002-2, December 9, 2024)
FHFA's Office of Congressional Affairs and Communications should, as needed, train staff on the updated consumer communications procedures.	<a href="#"><u>Inspection: Whether FHFA Adhered to Its Consumer Communications Procedures</u></a> (COM-2025-002-3, December 9, 2024)
FHFA's Division of Enterprise Regulation (DER) should create examination procedures to assess the effectiveness of Enterprises' internal controls and processes in ensuring compliance with Financial Crimes Enforcement Network requirements for Suspicious Activity Report filings, to include Suspicious Activity Report narratives, and communicate the new procedures to the examiners responsible for this work.	<a href="#"><u>Inspection: FHFA Oversight of Freddie Mac's Issuance of Suspicious Activity Reports</u></a> (COM-2025-005-1, March 27, 2025)

Open Recommendation	Report Title and Date
FHFA's DER should consider whether to direct Freddie Mac to file an amended Suspicious Activity Report containing a complete narrative for the case identified above, and whether to amend FHFA's examination procedures to require this step if future examinations uncover a similar issue.	<a href="#"><u>Inspection: FHFA Oversight of Freddie Mac's Issuance of Suspicious Activity Reports</u></a> (COM-2025-005-2, March 27, 2025)
FHFA's Office of Facilities and Operations Management Associate Director, in coordination with the Office of Human Resources Management should finalize and implement policies and procedures for the Agency's administration of the background investigations and adjudication processes for federal and contractor employees that (a) are consistent with regulations and implementation guidance issued by the United States Office of Personnel Management; (b) assigns roles and responsibilities; (c) establishes specific procedures; and (d) measures operational effectiveness criteria.	<a href="#"><u>FHFA's Controls Over Background Investigations and Adjudications Were Ineffective</u></a> (AUD-2025-002-1, March 28, 2025)
FHFA's Office of Facilities and Operations Management Associate Director, in coordination with the Office of Human Resources Management should establish and implement a reporting mechanism or system to monitor the progress of background investigations of federal and contractor employees to include adjudication determinations, onboarding of contractor employees, and the issuance of physical and logical access cards.	<a href="#"><u>FHFA's Controls Over Background Investigations and Adjudications Were Ineffective</u></a> (AUD-2025-002-2, March 28, 2025)
FHFA's Deputy Director, Division of Federal Home Loan Bank Regulation, should consider whether examination work addressing specific supervisory priorities should be subjected to Examiner-in-Charge, Peer, or Independent Quality Control reviews. Update quality control procedures, as needed, to ensure that they assist management in achieving its objectives (e.g., specific supervisory priorities) and responding to identified risks.	<a href="#"><u>DBR's Oversight Was Sufficient to Ensure That FHLBanks Managed Mortgage Servicer Risks But Examiners Did Not Follow Steps Outlined in Its 2023 Supervisory Priorities</u></a> (AUD-2025-003-2, March 28, 2025)

Open Recommendation	Report Title and Date
FHFA should take actions as it deems appropriate regarding the \$95,768 in recruitment bonuses identified above (\$20,000 + \$75,768) for which FHFA has not provided documentary support.	<a href="#"><u>FHFA Did Not Adequately Document its Support for Recruitment Bonuses but Adhered to Most Requirements for Monetary Awards and Retention Allowances during Fiscal Year 2023</u></a> (EVL-2025-003-1, May 13, 2025)
FHFA should reinforce to all Agency personnel the requirements of the Executive and Non-Executive Compensation Policy as it relates to recruitment bonuses.	<a href="#"><u>FHFA Did Not Adequately Document its Support for Recruitment Bonuses but Adhered to Most Requirements for Monetary Awards and Retention Allowances during Fiscal Year 2023</u></a> (EVL-2025-003-2, May 13, 2025)
FHFA's Chief Information Officer should establish and implement guidance for performing National Institute of Standards and Technology Cybersecurity Framework 2.0 activities through policies and procedures.	<a href="#"><u>Audit of the Federal Housing Finance Agency's Information Security Programs and Practices Fiscal Year 2025</u></a> (AUD-2025-004-1, July 30, 2025)
FHFA's Chief Information Officer should ensure that Privileged Account Request eWorkflows are fully completed and approved for all privileged FHFA General Support System user accounts prior to granting access.	<a href="#"><u>Audit of the Federal Housing Finance Agency's Information Security Programs and Practices Fiscal Year 2025</u></a> (AUD-2025-004-2, July 30, 2025)
FHFA's Chief Information Officer should ensure all applicable Organizational Units are included in the automated process that disables inactive accounts after 35 days.	<a href="#"><u>Audit of the Federal Housing Finance Agency's Information Security Programs and Practices Fiscal Year 2025</u></a> (AUD-2025-004-3, July 30, 2025)
FHFA's Chief Information Officer should disable inactive Active Directory accounts after a period of 35 days of inactivity.	<a href="#"><u>Audit of the Federal Housing Finance Agency's Information Security Programs and Practices Fiscal Year 2025</u></a> (AUD-2025-004-4, July 30, 2025)

Open Recommendation	Report Title and Date
<p>FHFA's Chief Information Officer should create a Plan of Action and Milestones to establish when the annual Disaster Recovery Procedures for FHFA Production Systems exercise will be conducted and when the new system owners will be assigned and trained on their roles and responsibilities related to FHFA General Support System, Office of General Counsel Matter Management Tracking System, and the FHFA Status Tracking and Reporting system.</p>	<p><a href="#"><u>Audit of the Federal Housing Finance Agency's Information Security Programs and Practices Fiscal Year 2025</u></a>          (AUD-2025-004-5, July 30, 2025)</p>
<p>FHFA's Chief Information Officer should schedule and conduct an annual Disaster Recovery Procedures for FHFA Production Systems exercise for the FHFA General Support System, Office of General Counsel Matter Management Tracking System, and the FHFA Status Tracking and Reporting system, and ensure new system owners are trained to execute them.</p>	<p><a href="#"><u>Audit of the Federal Housing Finance Agency's Information Security Programs and Practices Fiscal Year 2025</u></a>          (AUD-2025-004-6, July 30, 2025)</p>
<p>FHFA's Senior Agency Official for Privacy in coordination with the System Owner, should conduct a review of all current privileged user accounts in the FHFA.gov production environment to ensure that each privileged user account has documented access requests and approvals.</p>	<p><a href="#"><u>Audit of the Federal Housing Finance Agency's Privacy and Data Protection Program Fiscal Year 2025</u></a>          (AUD-2025-006-1, August 27, 2025)</p>
<p>FHFA's Senior Agency Official for Privacy in coordination with the System Owner, should update FHFA's FHFA.gov Customer Controls to document account management requirements for non-privileged users to include account creation and authorization procedures.</p>	<p><a href="#"><u>Audit of the Federal Housing Finance Agency's Privacy and Data Protection Program Fiscal Year 2025</u></a>          (AUD-2025-006-2, August 27, 2025)</p>
<p>FHFA's Senior Agency Official for Privacy in coordination with the System Owner, should evaluate and implement additional FHFA.gov audit logging capabilities to ensure the FHFA.gov audit logs captures access and deactivation events for all user accounts.</p>	<p><a href="#"><u>Audit of the Federal Housing Finance Agency's Privacy and Data Protection Program Fiscal Year 2025</u></a>          (AUD-2025-006-3, August 27, 2025)</p>

Open Recommendation	Report Title and Date
FHFA's Division of Housing Mission and Goals Deputy Director should review and update, as necessary, the design of all scoring templates to reflect current practices and provide clarity regarding what fields require completion.	<a href="#"><u>DHMG's Oversight of the Enterprises' Compliance with Duty to Serve Requirements Was Not Fully Effective Due to Incomplete Evaluation Documentation and Outdated Guidance</u></a> (AUD-2025-005-1, August 28, 2025)
FHFA's Division of Housing Mission and Goals Deputy Director should develop and implement written review and reconciliation procedures to ensure that all scoring template evaluations are complete, accurate, and correspond to the final qualitative impact scores used to rate the Enterprises' annual Duty to Serve performance.	<a href="#"><u>DHMG's Oversight of the Enterprises' Compliance with Duty to Serve Requirements Was Not Fully Effective Due to Incomplete Evaluation Documentation and Outdated Guidance</u></a> (AUD-2025-005-2, August 28, 2025)
<p>FHFA's Division of Housing Mission and Goals Deputy Director should revise internal written guidance for the oversight of the Enterprises' compliance with Duty to Serve requirements to incorporate up-to-date practices that include the following:</p> <ul style="list-style-type: none"> <li>• Review and approval procedures for assigning and documenting scores and ratings for evaluation of the Enterprises' Plans and performance;</li> <li>• Review and approval procedures to ensure that DHMG accurately calculates annual evaluation scores and ratings;</li> <li>• Procedures for the practice and frequency of conducting routine meetings with the Enterprises and documenting and communicating results to relevant FHFA stakeholders; and</li> <li>• Procedures for the documentation and submission of quarterly monitoring reviews to relevant FHFA stakeholders.</li> </ul>	<a href="#"><u>DHMG's Oversight of the Enterprises' Compliance with Duty to Serve Requirements Was Not Fully Effective Due to Incomplete Evaluation Documentation and Outdated Guidance</u></a> (AUD-2025-005-3, August 28, 2025)
FHFA's Division of Federal Home Loan Bank Regulation should assess the extent to which Federal Home Loan Banks are relying on redacted ROEs (reports of examination) when reviewing membership applications or performing ongoing monitoring.	<a href="#"><u>FHFA and FHLBank Coordination with Regulators Improved After the Spring 2023 Bank Failures, but Several FHLBanks Faced Challenges Obtaining Timely Supervisory Information</u></a> (EVL-2025-005-1, September 18, 2025)

Open Recommendation	Report Title and Date
<p>FHFA's Division of Federal Home Loan Bank Regulation should clarify and reinforce Division of Federal Home Loan Bank Regulation's expectation to the Federal Home Loan Banks that they should request and receive from federal and state regulators ROEs that are not substantively redacted, and that other relevant supervisory reports should be collected when necessary.</p>	<p><a href="#"><u>FHFA and FHLBank Coordination with Regulators Improved After the Spring 2023 Bank Failures, but Several FHLBanks Faced Challenges Obtaining Timely Supervisory Information</u></a>          (EVL-2025-005-2, September 18, 2025)</p>
<p>FHFA's Division of Federal Home Loan Bank Regulation should conduct outreach to federal financial regulators to reinforce the need for compliance with 12 U.S.C. § 1442(a)(1), which requires their production of reports, records, and information relating to the condition of any member of any Federal Home Loan Bank upon request by a Federal Home Loan Bank. As part of this outreach, make clear that such materials extend beyond ROEs, and that materials produced in response to a Federal Home Loan Bank requests should be provided without substantive redactions.</p>	<p><a href="#"><u>FHFA and FHLBank Coordination with Regulators Improved After the Spring 2023 Bank Failures, but Several FHLBanks Faced Challenges Obtaining Timely Supervisory Information</u></a>          (EVL-2025-005-3, September 18, 2025)</p>
<p>FHFA's Division of Federal Home Loan Bank Regulation should assess the extent to which restrictions on access to state-issued ROEs may hinder the Federal Home Loan Banks in making fully informed decisions when evaluating applications for membership and when making determinations to limit or deny member requests for advances in accordance with applicable FHFA regulations.</p>	<p><a href="#"><u>FHFA and FHLBank Coordination with Regulators Improved After the Spring 2023 Bank Failures, but Several FHLBanks Faced Challenges Obtaining Timely Supervisory Information</u></a>          (EVL-2025-005-4, September 18, 2025)</p>
<p>FHFA's Division of Federal Home Loan Bank Regulation should, if applicable, continue to pursue outreach with the Conference of State Bank Supervisors and state regulators to assist Federal Home Loan Banks in accessing state-issued ROEs.</p>	<p><a href="#"><u>FHFA and FHLBank Coordination with Regulators Improved After the Spring 2023 Bank Failures, but Several FHLBanks Faced Challenges Obtaining Timely Supervisory Information</u></a>          (EVL-2025-005-5, September 18, 2025)</p>

Open Recommendation	Report Title and Date
<p>FHFA's Division of Federal Home Loan Bank Regulation should complete its assessment of the extent of weaknesses in the Federal Home Loan Banks' enforcement of members' material adverse change notification requirements, and provide guidance to Federal Home Loan Banks on best practices, such as issuing periodic reminders of notification requirements, to help ensure members' compliance with the Federal Home Loan Banks' contractual requirements.</p>	<p><a href="#"><u>FHFA and FHLBank Coordination with Regulators Improved After the Spring 2023 Bank Failures, but Several FHLBanks Faced Challenges Obtaining Timely Supervisory Information</u></a>          (EVL-2025-005-6, September 18, 2025)</p>
<p>FHFA's Chief Information Officer should develop and implement a plan for strong user authentication controls for all external access to the Community Support Program website in coordination with the new owner of the Community Support Program website, the Office of Affordable Housing and Community Investment.</p>	<p><a href="#"><u>Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data</u></a>          (AUD-2025-007-1, September 25, 2025)</p>
<p>FHFA's Chief Information Officer should restrict access to member bank submission forms and associated documents to only authenticated and authorized users.</p>	<p><a href="#"><u>Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data</u></a>          (AUD-2025-007-2, September 25, 2025)</p>
<p>FHFA's Chief Information Officer should prevent unauthorized access to internal, controlled unclassified information, and non-public files through parameter modification in the Uniform Resource Locator.</p>	<p><a href="#"><u>Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data</u></a>          (AUD-2025-007-3, September 25, 2025)</p>
<p>FHFA's Chief Information Officer should remove technical and system level information from public-facing code and pages, including references to internal applications, backend functions, and programming details.</p>	<p><a href="#"><u>Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data</u></a>          (AUD-2025-007-4, September 25, 2025)</p>

Open Recommendation	Report Title and Date
FHFA's Chief Information Officer should configure all error messages to suppress internal application details and display only user-appropriate messages.	<a href="#"><u>Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data</u></a> (AUD-2025-007-5, September 25, 2025)
FHFA's Chief Information Officer should immediately remove all publicly accessible documents containing controlled unclassified information and review published content for compliance with FHFA's Controlled Unclassified Information policy.	<a href="#"><u>Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data</u></a> (AUD-2025-007-6, September 25, 2025)
FHFA's Chief Information Officer should establish a formal content review and approval process for all documents and content posted to public-facing websites, including checks for controlled unclassified information data.	<a href="#"><u>Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data</u></a> (AUD-2025-007-7, September 25, 2025)
FHFA's Chief Information Officer should deploy monitoring and alerting tools to detect unauthorized logins, document access attempts, or suspicious activity on the Community Support Program website.	<a href="#"><u>Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data</u></a> (AUD-2025-007-8, September 25, 2025)
FHFA's Chief Information Officer should segregate public-facing applications from internal networks by re-architecting the Community Support Program website to isolate external access from internal file storage, databases, and infrastructure.	<a href="#"><u>Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data</u></a> (AUD-2025-007-9, September 25, 2025)
FHFA's Chief Information Officer should ensure that the security control assessor conducts a comprehensive control assessment that evaluates all components, including the Community Support Program website.	<a href="#"><u>Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data</u></a> (AUD-2025-007-10, September 25, 2025)

Open Recommendation	Report Title and Date
FHFA's Chief Information Officer should reassess the current authority to operate for the Community Support Program system based on an updated and accurate authorization package and document the resulting authorization decision.	<p><a href="#"><u>Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data</u></a>          (AUD-2025-007-11, September 25, 2025)</p>
FHFA's Chief Information Officer should update and approve the System Security and Privacy Plan to accurately reflect the system's identification and authentication methods for each user type, describe how the system collects personally identifiable information, and document that a Privacy Impact Assessment was completed.	<p><a href="#"><u>Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data</u></a>          (AUD-2025-007-12, September 25, 2025)</p>
FHFA's Chief Information Officer should update the Privacy Impact Assessment to describe how external users access the system, including the security and privacy controls for securing non-public information, in coordination with the Senior Agency Official for Privacy.	<p><a href="#"><u>Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data</u></a>          (AUD-2025-007-13, September 25, 2025)</p>
FHFA's Chief Information Officer should designate a responsible system owner for the closed circuit television website to ensure it is actively maintained, in coordination with the appropriate FHFA office.	<p><a href="#"><u>Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data</u></a>          (AUD-2025-007-14, September 25, 2025)</p>
FHFA's Chief Information Officer should immediately remove public internet access to the closed circuit television website or restrict access through network-based controls such as virtual private network or internet protocol allow listing, ensuring it is only accessible by authorized internal users.	<p><a href="#"><u>Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data</u></a>          (AUD-2025-007-15, September 25, 2025)</p>
FHFA's Chief Information Officer should update FHFA's public-facing system inventory to include all externally accessible websites and services and establish procedures to validate inventory accuracy on a recurring basis.	<p><a href="#"><u>Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data</u></a>          (AUD-2025-007-16, September 25, 2025)</p>

Open Recommendation	Report Title and Date
FHFA's Chief Information Officer should apply system hardening measures to the closed circuit television website by (a) disabling or restricting non-essential ports and services, (b) limiting access to only necessary functionalities, and (c) removing or protecting exposed application programming interface from unauthorized use.	<a href="#"><u>Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data</u></a> (AUD-2025-007-17, September 25, 2025)
FHFA's Chief Information Officer should enforce authentication and access control by (a) implementing account lockout after a defined number of failed login attempts, (b) enabling logging and alerting for authentication events, and (c) requiring multifactor authentication for administrative or remote access, if supported.	<a href="#"><u>Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data</u></a> (AUD-2025-007-18, September 25, 2025)
FHFA's Chief Information Officer should remediate vulnerabilities by (a) applying all available software and firmware updates to the closed circuit television platform, (b) replacing or renewing expired website security certificates, and (c) conducting a secure code review to identify and remove hardcoded credentials or unsecure configurations.	<a href="#"><u>Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data</u></a> (AUD-2025-007-19, September 25, 2025)
FHFA's Division of Federal Home Loan Bank Regulation Deputy Director should ensure that the Office of Risk Analysis and Modeling evaluates its current internal model risk management practices in line with FHFA's model risk management supervisory expectations (defined in Advisory Bulletin 2013-07 and Advisory Bulletin 2022-03) and design controls to (1) periodically review and maintain its model risk inventory (to include a risk-based validation schedule), (2) engage external resources to perform independent model validations in accordance with the validation schedule, and (3) conduct model performance tracking. Further, the Office of Risk Analysis and Modeling should update and finalize its policies and procedures to reflect the internal model risk management practices adopted.	<a href="#"><u>The Division of Federal Home Loan Bank Regulation Needs to Improve Controls Over Internal Model Risk</u></a> (AUD-2025-009-1, September 29, 2025)

Open Recommendation	Report Title and Date
FHFA's Division of Federal Home Loan Bank Regulation Deputy Director should ensure that the Office of Risk Analysis and Modeling evaluates its current practices for maintaining documentation of the review and approval of inputs and outputs and implements policies and procedures to communicate requirements for maintaining this documentation.	<a href="#"><u>The Division of Federal Home Loan Bank Regulation Needs to Improve Controls Over Internal Model Risk</u></a> (AUD-2025-009-2, September 29, 2025)
FHFA's Division of Federal Home Loan Bank Regulation Deputy Director should ensure that the Office of Risk Analysis and Modeling evaluates its current tracking mechanism for Federal Home Loan Banks requests for approval of market risk model changes and implement policies and procedures to ensure that the date that a complete model change approval request is received is tracked.	<a href="#"><u>The Division of Federal Home Loan Bank Regulation Needs to Improve Controls Over Internal Model Risk</u></a> (AUD-2025-009-3, September 29, 2025)

## CLOSED UNIMPLEMENTED RECOMMENDATIONS .....

The Inspector General Act of 1978 does not authorize any federal inspector general to compel its respective agency to adopt new policies or processes or take personnel actions to correct shortcomings found in their audits, evaluations, and investigations. Rather, the Act empowers inspectors general to recommend remedial actions to correct such shortcomings, and the affected agency determines whether or not to accept the recommendations.

We believe it is important to be transparent and distinguish between recommendations that have been closed because of meaningful movement toward implementation and recommendations that have been closed because of FHFA's decision not to take any action. The recommendations listed below represent those that have been closed following FHFA's decision not to implement the recommendation.

Closed Unimplemented Recommendation	Report Title and Date
FHFA should publish Fannie Mae's reduction targets and overpayment findings.	<a href="#">Evaluation of Fannie Mae's Servicer Reimbursement Operations for Delinquency Expenses</a> (EVL-2013-012-3, September 18, 2013)
FHFA should direct Fannie Mae to obtain a refund from servicers for improperly reimbursed property inspection claims, resulting in estimated funds put to better use of \$5,015,505.	<a href="#">FHFA Oversight of Fannie Mae's Reimbursement Process for Pre-Foreclosure Property Inspections</a> (AUD-2014-005-1, January 15, 2014)
FHFA should promptly quantify the potential benefit of implementing a repurchase late fee program at Fannie Mae, and then determine whether the potential cost of from \$500,000 to \$5.4 million still outweighs the potential benefit.	<a href="#">FHFA Oversight of Enterprise Handling of Aged Repurchase Demands</a> (AUD-2014-009-1, February 12, 2014)
FHFA's Division of Housing Mission and Goals Deputy Director should establish an ongoing process to evaluate servicers' Servicing Alignment Initiative compliance and the effectiveness of the Enterprises' remediation efforts.	<a href="#">FHFA's Oversight of the Servicing Alignment Initiative</a> (EVL-2014-003-1, February 12, 2014)
FHFA's Division of Housing Mission and Goals Deputy Director should direct the Enterprises to provide routinely their internal reports and reviews for the Division of Housing Mission and Goals' assessment.	<a href="#">FHFA's Oversight of the Servicing Alignment Initiative</a> (EVL-2014-003-2, February 12, 2014)

Closed Unimplemented Recommendation	Report Title and Date
FHFA's Division of Housing Mission and Goals Deputy Director should regularly review Servicing Alignment Initiative-related guidelines for enhancements or revisions, as necessary, based on servicers' actual versus expected performance.	<a href="#"><u>FHFA's Oversight of the Servicing Alignment Initiative</u></a> (EVL-2014-003-3, February 12, 2014)
FHFA should direct the Enterprises to establish uniform pre-foreclosure inspection quality standards and quality control processes for inspectors.	<a href="#"><u>FHFA Oversight of Enterprise Controls Over Pre-Foreclosure Property Inspections</u></a> (AUD-2014-012-2, March 25, 2014)
FHFA should perform a comprehensive analysis to assess whether financial risks associated with the new representation and warranty framework, including with regard to sunset periods, are appropriately balanced between the Enterprises and sellers. This analysis should be based on consistent transactional data across both Enterprises, identify potential costs and benefits to the Enterprises, and document consideration of the Agency's objectives.	<a href="#"><u>FHFA's Representation and Warranty Framework</u></a> (AUD-2014-016-2, September 17, 2014)
FHFA should direct Fannie Mae and Freddie Mac to assess the cost/benefit of a risk-based approach to requiring their sellers and servicers to provide independent, third-party attestation reports on compliance with Enterprise origination and servicing guidance.	<a href="#"><u>FHFA's Oversight of Risks Associated with the Enterprises Relying on Counterparties to Comply with Selling and Servicing Guidelines</u></a> (AUD-2014-018-1, September 26, 2014)
DER should adopt a comprehensive examination workpaper index and standardize electronic workpaper folder structures and naming conventions between the two Core Teams. In addition, FHFA and DER should upgrade recordkeeping practices as necessary to enhance the identification and retrieval of critical workpapers.	<a href="#"><u>Evaluation of the Division of Enterprise Regulation's 2013 Examination Records: Successes and Opportunities</u></a> (EVL-2015-001-1, October 6, 2014)

Closed Unimplemented Recommendation	Report Title and Date
<p>FHFA should develop a strategy to enhance the Executive Compensation Branch's capacity to review the reasonableness and justification of the Enterprises' annual proposals to compensate their executives based on Corporate Scorecard performance. To this end, FHFA should ensure that: the Enterprises submit proposals containing information sufficient to facilitate a comprehensive review by the Executive Compensation Branch; the Executive Compensation Branch tests and verifies the information in the Enterprises' proposals, perhaps on a randomized basis; and the Executive Compensation Branch follows up with the Enterprises to resolve any proposals that do not appear to be reasonable and justified.</p>	<p><a href="#"><u>Compliance Review of FHFA's Oversight of Enterprise Executive Compensation Based on Corporate Scorecard Performance</u></a>          (COM-2016-002-1, March 17, 2016)</p>
<p>FHFA should develop a policy under which it is required to notify OIG within 10 days of its decision not to fully implement, substantially alter, or abandon a corrective action that served as the basis for OIG's decision to close a recommendation.</p>	<p><a href="#"><u>Compliance Review of FHFA's Oversight of Enterprise Executive Compensation Based on Corporate Scorecard Performance</u></a>          (COM-2016-002-2, March 17, 2016)</p>
<p>FHFA should review FHFA's existing requirements, guidance, and processes regarding matters requiring attention (MRAs) against the requirements, guidance, and processes adopted by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and other federal financial regulators including, but not limited to, content of an MRA; standards for proposed remediation plans; approval authority for proposed remediation plans; real-time assessments at regular intervals of the effectiveness and timeliness of an Enterprise's MRA remediation efforts; final assessment of the effectiveness and timeliness of an Enterprise's MRA remediation efforts; and required documentation for examiner oversight of MRA remediation.</p>	<p><a href="#"><u>FHFA's Examiners Did Not Meet Requirements and Guidance for Oversight of an Enterprise's Remediation of Serious Deficiencies</u></a>          (EVL-2016-004-1, March 29, 2016)</p>
<p>Based on the results of the review in recommendation 1, FHFA should assess whether any of the existing requirements, guidance, and processes adopted by FHFA should be enhanced, and make such enhancements.</p>	<p><a href="#"><u>FHFA's Examiners Did Not Meet Requirements and Guidance for Oversight of an Enterprise's Remediation of Serious Deficiencies</u></a>          (EVL-2016-004-2, March 29, 2016)</p>

Closed Unimplemented Recommendation	Report Title and Date
FHFA should revise its supervision guidance to require DER to provide the Chair of the Audit Committee of an Enterprise Board with each conclusion letter setting forth an MRA.	<a href="#"><u>FHFA's Supervisory Standards for Communication of Serious Deficiencies to Enterprise Boards and for Board Oversight of Management's Remediation Efforts are Inadequate</u></a> (EVL-2016-005-1, March 31, 2016)
FHFA should revise its supervision guidance to require DER to provide the Chair of the Audit Committee of an Enterprise Board with each plan submitted by Enterprise management to remediate an MRA with associated timetables and the response by DER.	<a href="#"><u>FHFA's Supervisory Standards for Communication of Serious Deficiencies to Enterprise Boards and for Board Oversight of Management's Remediation Efforts are Inadequate</u></a> (EVL-2016-005-2, March 31, 2016)
FHFA should ensure that it has adequate internal staff, outside contractors, or both, who have the professional expertise and experience in commercial construction to oversee the build-out plans and associated budget(s), as Fannie Mae continues to revise and refine them.	<a href="#"><u>Management Alert: Need for Increased Oversight by FHFA, as Conservator of Fannie Mae, of the Projected Costs Associated with Fannie Mae's Headquarters Consolidation and Relocation Project</u></a> (COM-2016-004-1, June 16, 2016)
FHFA should direct Fannie Mae to provide regular updates and formal budgetary reports to the Division of Conservatorship (now known as the Division of Conservatorship Oversight and Readiness) for its review and for FHFA approval through the design and construction of Fannie Mae's leased space in Midtown Center.	<a href="#"><u>Management Alert: Need for Increased Oversight by FHFA, as Conservator of Fannie Mae, of the Projected Costs Associated with Fannie Mae's Headquarters Consolidation and Relocation Project</u></a> (COM-2016-004-2, June 16, 2016)
FHFA should require the Enterprises to provide, in their remediation plans, the target date in which their internal audit departments expect to validate management's remediation of MRAs, and require examiners to enter that date into a dedicated field in the MRA tracking system.	<a href="#"><u>FHFA's Inconsistent Practices in Assessing Enterprise Remediation of Serious Deficiencies and Weaknesses in its Tracking Systems Limit the Effectiveness of FHFA's Supervision of the Enterprises</u></a> (EVL-2016-007-1, July 14, 2016)

Closed Unimplemented Recommendation	Report Title and Date
FHFA should ensure that the underlying remediation documents, including the Procedures Document, are readily available by direct link or other means, through DER's MRA tracking system(s).	<p><a href="#"><u>FHFA's Inconsistent Practices in Assessing Enterprise Remediation of Serious Deficiencies and Weaknesses in its Tracking Systems Limit the Effectiveness of FHFA's Supervision of the Enterprises</u></a></p> <p>(EVL-2016-007-3, July 14, 2016)</p>
FHFA should require DER to track interim milestones and to independently assess and document the timeliness and adequacy of Enterprise remediation of MRAs on a regular basis.	<p><a href="#"><u>FHFA's Inconsistent Practices in Assessing Enterprise Remediation of Serious Deficiencies and Weaknesses in its Tracking Systems Limit the Effectiveness of FHFA's Supervision of the Enterprises</u></a></p> <p>(EVL-2016-007-5, July 14, 2016)</p>
FHFA should direct DER to revise its guidance to require ROEs to focus the boards' attention of the most critical and time-sensitive supervisory concerns through (1) the prioritization of examination findings and conclusions and (2) identification of deficiencies and MRAs in the ROE and discussion of their root causes.	<p><a href="#"><u>FHFA's Failure to Consistently Identify Specific Deficiencies and Their Root Causes in Its Reports of Examination Constrains the Ability of the Enterprise Boards to Exercise Effective Oversight of Management's Remediation of Supervisory Concerns</u></a></p> <p>(EVL-2016-008-2, July 14, 2016)</p>
<p>FHFA should direct DER to develop detailed guidance and promulgate that guidance to each Enterprise's board of directors that explains:</p> <ul style="list-style-type: none"> <li>• The purpose for DER's annual presentation to each Enterprise board of directors on the ROE results, conclusions, and supervisory concerns and the opportunity for directors to ask questions and discuss ROE examination conclusions and supervisory concerns at that presentation; and</li> <li>• The requirement that each Enterprise board of directors submit a written response to the annual ROE to DER and the expected level of detail regarding ongoing and contemplated remediation in that written response.</li> </ul>	<p><a href="#"><u>FHFA Failed to Consistently Deliver Timely Reports of Examination to the Enterprise Boards and Obtain Written Responses from the Boards Regarding Remediation of Supervisory Concerns Identified in those Reports</u></a></p> <p>(EVL-2016-009-2, July 14, 2016)</p>

Closed Unimplemented Recommendation	Report Title and Date
FHFA should direct the Enterprises' boards to amend their charters to require review by each director of each annual ROE and review and approval of the written response to DER in response to each annual ROE.	<a href="#"><u>FHFA Failed to Consistently Deliver Timely Reports of Examination to the Enterprise Boards and Obtain Written Responses from the Boards Regarding Remediation of Supervisory Concerns Identified in those Reports</u></a> (EVL-2016-009-3, July 14, 2016)
Take appropriate action to address conflicts of interest issue involving an entity within FHFA's oversight authority. Public release by OIG of certain information in the Management Alert and accompanying expert report is prohibited by the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896, enacted December 31, 1974, 5 U.S.C. § 552a).	<a href="#"><u>Administrative Investigation into Anonymous Hotline Complaints Concerning Timeliness and Completeness of Disclosures Regarding a Potential Conflict of Interest by a Senior Executive Officer of an Enterprise</u></a> (OIG-2017-004-1, March 23, 2017)
Take appropriate action to address conflicts of interest issue involving an entity within FHFA's oversight authority. Public release by OIG of certain information in the Management Alert and accompanying expert report is prohibited by the Privacy Act of 1974 (Pub. L. 93-579, 88 Stat. 1896, enacted December 31, 1974, 5 U.S.C. § 552a).	<a href="#"><u>Administrative Investigation into Anonymous Hotline Complaints Concerning Timeliness and Completeness of Disclosures Regarding a Potential Conflict of Interest by a Senior Executive Officer of an Enterprise</u></a> (OIG-2017-004-2, March 23, 2017)
FHFA should develop and implement a plan containing a timeliness standard by which to eliminate the current backlog of referrals and prevent future backlogs.	<a href="#"><u>FHFA Should Improve its Administration of the Suspended Counterparty Program</u></a> (COM-2017-005-1, July 31, 2017)
FHFA should periodically conclude, based upon sufficient examination work, on the overall effectiveness of the Internal Audit functions at Fannie Mae and Freddie Mac.	<a href="#"><u>FHFA Requires the Enterprises' Internal Audit Functions to Validate Remediation of Serious Deficiencies but Provides No Guidance and Imposes No Preconditions on Examiners' Use of that Validation Work</u></a> (EVL-2018-002-1, March 28, 2018)

Closed Unimplemented Recommendation	Report Title and Date
FHFA should direct that examiners can use Internal Audit work to assess the adequacy of MRA remediation only if FHFA has concluded that the Internal Audit function is effective overall.	<p><a href="#"><u>FHFA Requires the Enterprises' Internal Audit Functions to Validate Remediation of Serious Deficiencies but Provides No Guidance and Imposes No Preconditions on Examiners' Use of that Validation Work</u></a>            (EVL-2018-002-3, March 28, 2018)</p>
FHFA should determine and pay the vendor the interest penalties owed under the Prompt Payment Act regulations for the late payments of the leased seasonal decorations received by FHFA for the 2015, 2016, and 2017 holiday seasons.	<p><a href="#"><u>Audit of FHFA's Fiscal Year 2017 Government Purchase Card Program Found Several Deficiencies with Leased Holiday Decorations, and the Need for Greater Attention by Cardholders and Approving Officials to Program Requirements</u></a>            (AUD-2018-011-1, September 6, 2018)</p>
To reduce the waste from Option C (the option Fannie Mae selected for its future operations in Northern Virginia), FHFA, consistent with its duties as conservator, should cause Fannie Mae to calculate the net present value for a Status Quo Option, and calculate the costs associated with terminating the lease with Boston Properties.	<p><a href="#"><u>Consolidation and Relocation of Fannie Mae's Northern Virginia Workforce</u></a>            (OIG-2018-004-1, September 6, 2018)</p>
To reduce the waste from Option C, FHFA, consistent with its duties as conservator, should direct Fannie Mae to terminate the lease, cancel the sale of the three owned buildings, and implement the Status Quo Option, should the net present value for a Status Quo Option and the termination costs be lower than the adjusted net present value for Option C.	<p><a href="#"><u>Consolidation and Relocation of Fannie Mae's Northern Virginia Workforce</u></a>            (OIG-2018-004-2, September 6, 2018)</p>

Closed Unimplemented Recommendation	Report Title and Date
<p>FHFA should re-assess the appropriateness of the annual compensation package of \$3.6 million to the Fannie Mae President with consideration paid to the following factors: the congressional intent behind the statutory cap on compensation; Fannie Mae's continued conservatorship status and the burdens imposed on the taxpayers from that status; and the 10-year practice at Fannie Mae where one individual executed the responsibilities of both the Chief Executive Officer and President positions, with annual compensation capped at \$600,000 since 2015.</p>	<p><a href="#">FHFA's Approval of Senior Executive Succession Planning at Fannie Mae Acted to Circumvent the Congressionally Mandated Cap on CEO Compensation</a> (EVL-2019-001-1, March 26, 2019)</p>
<p>FHFA should re-assess the appropriateness of the annual compensation package of \$3.25 million to the Freddie Mac President with consideration paid to the following factors: the congressional intent behind the statutory cap on compensation; Freddie Mac's continued conservatorship status and the burdens imposed on the taxpayers from that status; the 10-year practice at Freddie Mac where one individual executed the Chief Executive Officer responsibilities with annual compensation capped at \$600,000 since 2015; and the temporary nature of the position of President, in light of FHFA's representation that Candidate A will leave Freddie Mac if he is not selected for the Chief Executive Officer position.</p>	<p><a href="#">FHFA's Approval of Senior Executive Succession Planning at Freddie Mac Acted to Circumvent the Congressionally Mandated Cap on CEO Compensation</a> (EVL-2019-002-1, March 26, 2019)</p>
<p>FHFA should establish and communicate clear expectations for use of revised and new examination modules by DER examiners.</p>	<p><a href="#">Five Years After Issuance, Many Examination Modules Remain in Field Test; FHFA Should Establish Timelines and Processes to Ensure Timely Revision of Examiner Guidance</a> (EVL-2019-003-2, September 10, 2019)</p>
<p>FHFA should assess the \$80,985 in costs that we questioned in this report, as well as any additional costs related to disincentives that may have been triggered after our review period. FHFA should take action to recover these costs, as appropriate, and enforce disincentive clauses going forward.</p>	<p><a href="#">Management Advisory: FHFA Failed to Enforce a Provision of an IT Services Contract, Resulting in More than \$80,000 in Questioned Costs</a> (OIG-2020-001-1, March 3, 2020)</p>

Closed Unimplemented Recommendation	Report Title and Date
<p>FHFA should direct DER to develop and implement a systematic workforce planning process within 12 months that aligns with Office of Personnel Management guidance and best practices and is fully documented. That process should include:</p> <ul style="list-style-type: none"> <li>Identifying the appropriate number of Enterprise high-risk models to be examined each year through targeted examinations;</li> <li>Identifying the current examination skills and competencies of examiners engaged in supervisory activities of high-risk models;</li> <li>Forecasting the optimal staffing levels and competencies of examiners necessary to complete the identified number of targeted examinations of high-risk models planned for each examination cycle;</li> <li>Evaluating whether a gap exists between skills required to conduct supervision of high-risk models that its examiners currently need but do not possess; and addressing that gap.</li> </ul>	<p><a href="#"><u>Despite FHFA's Recognition of Significant Risks Associated with Fannie Mae's and Freddie Mac's High-Risk Models, its Examination of Those Models Over a Six Year Period Has Been Neither Rigorous nor Timely</u></a> (EVL-2020-001-1, March 25, 2020)</p>
<p>Based on the results of its workforce analysis, FHFA should conduct a written assessment of whether DER's current budget for its supervision of high-risk models is sufficient.</p>	<p><a href="#"><u>Despite FHFA's Recognition of Significant Risks Associated with Fannie Mae's and Freddie Mac's High-Risk Models, its Examination of Those Models Over a Six Year Period Has Been Neither Rigorous nor Timely</u></a> (EVL-2020-001-2, March 25, 2020)</p>
<p>FHFA should establish measurable objectives and risk tolerances for the Enterprises' 97% loan-to-value mortgage programs, such as those for acquisition volume and delinquency rates, so that management can better identify, analyze, and respond to risks related to achieving the programs' objectives.</p>	<p><a href="#"><u>Weaknesses in FHFA's Monitoring of the Enterprises' 97% LTV Mortgage Programs May Hinder FHFA's Ability to Timely Identify, Analyze, and Respond to Risks Related to Achieving the Programs' Objectives</u></a> (AUD-2020-014-1, September 29, 2020)</p>

Closed Unimplemented Recommendation	Report Title and Date
In the current examination cycle, FHFA should assess Fannie Mae's business resiliency practices and capabilities and formally determine whether they meet or fail to meet Prudential Management and Operations Standard 8, Principle 11.	<a href="#"><u>For Nine Years, FHFA Has Failed to Take Timely and Decisive Supervisory Action to Bring Fannie Mae into Compliance with its Prudential Standard to Ensure Business Resiliency</u></a> (EVL-2021-002-1, March 22, 2021)
FHFA should develop and implement written procedures that define: (a) the pertinent information that needs to be recorded, tracked, and reported for all security incidents and (b) the controls to ensure the accuracy and completeness of the security incident records.	<a href="#"><u>FHFA Did Not Record, Track, or Report All Security Incidents to US-CERT; 38% of Sampled FHFA Users Did Not Report a Suspicious Phone Call Made to Test User Awareness of its Rules of Behavior</u></a> (AUD-2021-009-1, June 25, 2021)
FHFA should enhance guidance and House Price Index production processes to include written requirements that FHFA's Division of Research and Statistics document its performance of validation procedures and when necessary, follow-up on exceptions or anomalies identified through those procedures.	<a href="#"><u>FHFA Lacked Documentation of its Validation of Data Used to Produce the Third Quarter 2020 Seasonally Adjusted, Expanded-Data FHFA HPI and Failed to Timely Review its Information Quality Guidelines</u></a> (AUD-2021-010-1, July 22, 2021)
FHFA should issue a formal position on the use of non-binding supervisory guidance as criteria for supervisory activities.	<a href="#"><u>FHFA's Failure to Use its Prudential Management and Operations Standards as Criteria for Supervision of the Enterprises Is Inconsistent with the FHFA Director's Statutory Duty to Ensure the Enterprises Comply with FHFA's Guidelines</u></a> (OIG-2021-004-3, September 20, 2021)

## ADDITIONAL INFORMATION AND COPIES.....

For additional copies of this report:

- Call: 202-730-0880
- Fax: 202-318-0239
- Visit: [www.fhfaoig.gov](http://www.fhfaoig.gov)

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

- Call: 1-800-793-7724
- Fax: 202-318-0358
- Visit: [www.fhfaoig.gov/ReportFraud](http://www.fhfaoig.gov/ReportFraud)
- Write:

FHFA Office of Inspector General  
Attn: Office of Investigations – Hotline  
400 Seventh Street SW  
Washington, DC 20219