Artificial Intelligence Adoption Compliance Plan

Introduction

Agency Name: Federal Housing Finance Agency Office of Inspector General

Date: December 17, 2025

Prepared[1] by: David M. Frost, Office of Mission Support and Strategic Communications

Approved by: Mike Smith, Chief Artificial Intelligence Officer

This Compliance Plan outlines FHFA-OIG's strategies to implement Artificial Intelligence (AI) as envisioned by Executive Order (EO) 14179, Removing Barriers to American Leadership in Artificial Intelligence (Jan. 23, 2025) and applicable guidance, detailing current and intended AI use, particularly focusing on OIG's newly implemented pilot program using Microsoft Copilot.

AI Use Assessment

In November 2025, FHFA-OIG began its AI Pilot Program using Microsoft Copilot, with certain restrictions to protect data. Our Pilot Program aims to identify how AI can best support our mission while minimizing potential risks. An AI Committee, led by the Chief AI Officer (CAIO), and comprised of FHFA-OIG Senior Staff, oversees the assessment of the Pilot Program through participant surveys and security reviews.

Since the initiation of our Pilot Program, FHFA-OIG staff have been using AI for various workflow tasks. We expect to continue using AI to enhance our mission's effectiveness and efficiency.

Governance Structure

The Chief Information Officer of FHFA-OIG also serves as the CAIO. The Office of Mission Support and Strategic Communications (OMSSC) developed and launched the Pilot Program, which is overseen by the AI Committee. During the Pilot Program, staff using AI

---

[1] AI was used in the preparation of this Plan.

for FHFA-OIG work operate pursuant to Guidelines prepared by OMSSC and approved by the AI Committee.

AI Strategy

FHFA-OIG's goals for AI adoption are to leverage AI to advance our mission and EO 14179's policy of maintaining and enhancing America's global AI dominance. Use cases are being developed to ensure that AI supports FHFA-OIG's mission, including administrative task efficiencies and analyzing and summarizing large quantities of data to improve staff productivity. Integration with information technology (IT) modernization and digital transformation efforts is also a priority.

Risk Management

Our approach to risk management includes:

- Consulting with other Offices of Inspector General to learn from their AI experiences.
- Choosing Microsoft's Copilot as our AI tool, due to an existing IT services contract and relationship.
- Developing Guidelines for the AI Pilot Program, including conduct and use limitations.
- Naming a CAIO and forming an AI Committee to oversee the program and AI tool implementation.
- Selecting about 20 volunteers, representing all FHFA-OIG divisions, training them, allowing them to use AI for work during the Pilot Program, and requiring them to report on successes, failures, challenges, and concerns before office-wide implementation of any AI product.
- Preparing for the next training round and continuously monitoring the Pilot Program for results, additional use cases, and risks.

Our Guidelines address privacy concerns by limiting internet use and personally identifiable information in prompts. AI use in law enforcement is strictly controlled and overseen by Office of Investigations leadership, consistent with EO 14179 and our Guidelines, to avoid any infringement of civil rights or compromise of private data. Safety considerations are not anticipated with our AI use.

During the Pilot, we will survey participants to assess AI usage impact, including efficiencies, challenges, and concerns. This assessment will inform an FHFA-OIG AI Policy, to be implemented at the conclusion of the Pilot Program.

Transparency and Accountability

FHFA-OIG will maintain a public record of AI use cases, as required. Pursuant to our Guidelines, staff are required to identify AI use on outward-facing content. FHFA-OIG also maintains a Whistleblower Protection Program, to which employees, contractors and others could report improper use of AI. Finally, FHFA-OIG provides internal training on AI, privacy, and data security to all end users to ensure that principles of transparency and accountability are incorporated into our use of AI.

Barriers and Mitigation

At present, we have identified no significant barriers to the use of AI throughout FHFA-OIG, as we have accounted for cost and training, and made provisions to ensure IT security and the protection of privacy. However, during the Pilot Program, we will be seeking to identify any such barriers and taking appropriate steps to address them.

Resource Sharing and Reuse

Pending the completion of our Pilot Program, FHFA-OIG has no immediate plans to share models, data, or tools with other Agencies.

FHFA-OIG is not currently using open-source or government-wide platforms for its AI; rather, as indicated, we are using Microsoft's Copilot, which is FedRAMP approved.

Procurement and U.S. AI Preference

Policies will prioritize U.S.-developed AI and align acquisition strategies with OMB Memoranda M-25-21 and M-25-22.

Review and Updates

We will update the plan at the completion of our Pilot Program, and then again as necessary. New OMB guidance will be incorporated as it is received.