

Federal Housing Finance Agency
Office of Inspector General



Federal Housing Finance Agency Management and Performance Challenges for Fiscal Year 2027



OFFICE OF INSPECTOR GENERAL

Federal Housing Finance Agency

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MEMORANDUM

TO: William J. Pulte, Director, Federal Housing Finance Agency

FROM: James Hodge, Acting Principal Deputy Inspector General, Performing the Duties of the Inspector General /s/

SUBJECT: Fiscal Year 2027 Management and Performance Challenges

Pursuant to the Reports Consolidation Act of 2000 (P.L. 106-531), this memorandum identifies the most serious management and performance challenges facing the Federal Housing Finance Agency (FHFA or the Agency) in fiscal year (FY) 2027 and the Agency's progress in addressing them. This memorandum is based on Office of Inspector General (OIG) work and a review of public and non-public information, including data obtained from Fannie Mae and Freddie Mac (the Enterprises) and the 11 Federal Home Loan Banks (FHLBanks) (collectively, the regulated entities).¹ It includes four risk areas identified in prior years that continue to constitute serious management and performance challenges in FY 2027.

1. Managing risks in the Enterprises' multifamily lines of business;
2. Managing vulnerability within FHFA's information security programs and at the regulated entities;
3. Addressing human capital risk at FHFA and the Enterprises; and
4. Overseeing the regulated entities' reliance on counterparties and third parties.

¹ The Office of Finance is a part of the FHLBank System, which includes the 11 FHLBanks. The U.S. Financial Technology, LLC (U.S. FinTech), previously known as Common Securitization Solutions, LLC, is an affiliate of the Enterprises. References to the "regulated entities" in this document should be read to also apply to the Office of Finance and U.S. FinTech.

I want to emphasize that my office’s oversight of high risk and challenging areas has been negatively impacted by FHFA’s substantial reduction in the funding of the OIG.² Most significantly, challenge 1, “Managing Risks in the Enterprises’ Multifamily Lines of Business,” will be hindered as this dramatic funding decrease essentially eliminates OIG’s capacity to identify, investigate, and develop the evidence necessary to prosecute fraud schemes involving the multifamily mortgage market.³ These activities have been the historical function of my office, and not FHFA, and are relied upon by Congress, law enforcement partners, and other stakeholders.

Furthermore, we are no longer reporting the prior year challenge, “Creating and Maintaining Records Justifying Key Management Decisions,” as a primary challenge. Keeping records of key management decisions and their justifications in accordance with statute and Agency policy is critical. We acknowledge improvements that the Agency has made in this regard, in part through implementing OIG recommendations.⁴ As warranted, we will consider record-keeping practices in performing our oversight.

While certain challenges may be inherent to FHFA’s mission, this memorandum highlights the more significant difficulties noted from our oversight work, as well as the Agency’s progress in addressing those challenges.

Challenge 1: Managing Risks in the Enterprises’ Multifamily Lines of Business

The Enterprises’ multifamily businesses provide liquidity to the mortgage market and contribute to the achievement of FHFA’s affordable housing goals and conservatorship objectives. As of June 30, 2026, the combined multifamily portfolios totaled almost \$1.05 trillion. The Enterprises’ new business volumes for the year 2025 totaled \$150 billion. FHFA’s 2025 Report to Congress acknowledged that, at the end of calendar year 2025, both Enterprises lacked adequate capital to support the risks associated with their business models and did not meet minimum regulatory capital requirements established by FHFA.

Fraud is a serious risk in the multifamily market. Investigations conducted by the OIG Office of Investigations (OI) and partner law enforcement agencies identified a range of fraud schemes

² [To Be Good Financial Stewards, FHFA Inspector General’s Budget Will Match the Budgets of Peer Agencies | FHFA.](#)

³ [Funding Notification Letter to Congress 9.30.26.](#)

⁴ See [DHMG’s Oversight of the Enterprises’ Compliance with Duty to Serve Requirements Was Not Fully Effective Due to Incomplete Evaluation Documentation and Outdated Guidance](#), (AUD-2025-005) (Aug. 28, 2025) and [The Division of Federal Home Loan Bank Regulation Needs to Improve Controls Over Internal Model Risk](#), AUD-2025-009 (Sept. 29, 2025). Corrective actions for other FHFA-OIG recommendations regarding documentation and record-keeping are underway.

focused on multifamily financing. For example, in January 2026, OI and law enforcement partners successfully prosecuted a significant multifamily case involving real estate investors who carried out a scheme to fraudulently obtain loans for the purported sale and purchase of various residential and commercial properties.

Actions taken by the Enterprises also reflect increased awareness of fraud in the multifamily market. In 2025, Fannie Mae imposed remedies on several lenders, including loan repurchase, indemnification, and increased lender loss sharing, in response to fraudulent transactions. Freddie Mac also made repurchase requests in response to fraudulent activity. In early 2026, one of Freddie Mac's largest lenders completed an internal investigation into the origination of two portfolios of loans that revealed fraudulent documentation submitted by the borrowers. Furthermore, both Enterprises also made guide updates. Freddie Mac expanded its Multifamily Seller/Service Guide requirements on fraud prevention, detection, and reporting in July 2025, and Fannie Mae issued Guide Update 26-20: Potential Red Flags for Mortgage Fraud and Other Suspicious Activity, which went into effect in August 2026.

The FHFA Director has a statutory duty to ensure that the Enterprises' multifamily businesses operate in a safe and sound manner and comply with FHFA's regulations and prudential management and operations standards. FHFA reported to Congress in June 2026 that the Agency identified several areas "that require further improvement" and listed multifamily risk management among those areas.

Why This is a Challenge

Multifamily transactions currently account for billions of dollars a year in business for the Enterprises. In recent years, FHFA has expanded its cap on the Enterprises' multifamily loan acquisitions by 25 percent. For 2026, FHFA has allowed each Enterprise to purchase \$88 billion in market-rate multifamily loans. The Enterprises' multifamily businesses are expected to grow when, according to FHFA, they continue to face heightened fraud risk. FHFA also considers their current risk management practices to be unsatisfactory. Further, the capital of both Enterprises remains below FHFA's regulatory requirements. These conditions heighten the Enterprises' exposure to potential credit losses and present a serious challenge to FHFA's ability to ensure that the Enterprises operate in a safe and sound manner.

Furthermore, dramatic reductions in funding to OIG will force the discontinuation of essentially all criminal investigations, including investigations of multifamily fraud schemes. Absent the criminal investigative capacity of OIG, the Agency cannot develop the evidence necessary to prosecute the fraudsters who engage in these schemes, which serves as a primary deterrent. This loss is critical, as FHFA itself lacks criminal investigative expertise and the law enforcement authorities, including the power to issue subpoenas, necessary to effectively identify and investigate multifamily fraud.

FHFA's Progress in Addressing this Challenge

In 2025, the Division of Enterprise Regulation (DER) examined several multifamily-related topics at the Enterprises, including multifamily credit risk management, enterprise risk management, seller/servicer risk management, small balance loans, and trading. FHFA's 2025 Scorecard for Fannie Mae, Freddie Mac, and Common Securitization Solutions⁵ communicated the Agency's priorities and expectations for the Enterprises, including:

- Explore establishing aligned and consistent standards for multifamily borrowers to reduce risk of fraud; and
- Strengthen multifamily asset management capabilities and responsiveness to property condition issues.

Additionally, DER's 2026 supervision plan scheduled examination work in the areas of, among other things, multifamily credit modeling, credit risk management, front-end processes, and loss mitigation.

In our FY 2026 audits, we found that DER effectively oversaw Fannie Mae's multifamily lenders and loan monitoring activities, but the examiners did not fully document their sampling approach for the selection of Fannie Mae loan files tested. This deficiency was remediated in FY 2026. We also determined that DER designed and implemented effective oversight of the Enterprises' multifamily credit risk transfer programs. Furthermore, our 2026 evaluation determined that Fannie Mae adjusted its allowance for loan losses to address suspected fraud found in its multifamily book of business.

Despite progress, the funding cuts to OIG and its ability to properly investigate and prosecute multifamily fraud represent a significant step backwards for FHFA in this area.

Select OIG Report Related to the Enterprises' Multifamily Businesses:

[DER Designed and Implemented Effective Oversight of the Enterprises' Multifamily Credit Risk Transfer Programs](#) (AUD-2026-008, September 29, 2026)

[DER Effectively Oversaw Fannie Mae's Multifamily Lenders and Loan Monitoring Activities, But Should Improve Documentation of its Sampling Approach](#) (AUD-2026-002, March 31, 2026)

[FHFA Continues to Monitor and Assess the Adequacy of Fannie Mae's Allowance for Loan Losses in Its Multifamily Line of Business](#) (EVL-2026-001, January 6, 2026)

⁵ <https://www.fhfa.gov/document/2025-Scorecard.pdf>.

Select OIG Criminal Investigation on Multifamily Fraud:

[Real Estate Investor Pleads Guilty to \\$230 Million Fraud Conspiracy](#) (Press Release, May 21, 2026)

[Grand Jury Indicts Owners of Real Estate Investment Group, Closing & Title Company Employees in More than \\$50 Million Bank Fraud Conspiracy](#) (Press Release, January 14, 2026)

Challenge 2: Managing Vulnerability within FHFA’s Information Security Programs and at the Regulated Entities

FHFA’s regulated entities comprise central components of the U.S. financial system and electronically connect with other large financial institutions and counterparties. As part of their business processes, the regulated entities receive, store, and transmit highly sensitive private information about borrowers and businesses, including financial data and personally identifiable information (PII). Protecting this information is critically important and reflects an ongoing challenge to FHFA and the regulated entities. Unfortunately, the regulated entities continue to face the threat of cyberattacks.

The threat landscape in this area is ever-changing, requiring constant vigilance and monitoring. FHFA has engaged in oversight of cybersecurity at the regulated entities and assessed that cybersecurity continues to be an operational risk. Similarly, in a number of FHLBanks, the Agency identified examination concerns related to IT systems, including inadequate separation of IT systems, identity and access controls, and information security practices.

In addition to FHFA’s oversight of the regulated entities’ cybersecurity posture, FHFA must also ensure the effectiveness of its own information security program. In this regard, FHFA collects and manages sensitive information, including PII, which FHFA must safeguard from unauthorized access or disclosure.

Vulnerability management is an essential component of information security programs that includes both regular vulnerability assessments and the timely remediation of vulnerabilities that exceed an entity’s risk appetite. Without consistent and adequate vulnerability management, hackers could exploit vulnerabilities to take control of systems and perform a denial-of-service attack or gain unauthorized access to modify systems and data. Vulnerabilities that remain unremediated over an extended period of time increase the exposure and likelihood that the confidentiality, integrity, and availability of systems and data can be compromised.

Why This is a Challenge

Regulated Entities

In its 2025 Report to Congress, FHFA continued to report that “Fannie Mae’s exposure to information security risk persisted because of both elevated levels of cyber threats and opportunities for improvement in information security risk management.” Additionally, Freddie Mac continues to work on matters related to information security, data management, and model risk. While both Enterprises employ information security programs, operational risks remain elevated given increased exposure to cybersecurity threats. In addition to the Enterprises, the FHLBanks continued to face moderately elevated cyber and information security risk. FHFA examiners identified areas that exhibited or could exhibit unacceptable operational risks in vulnerability management, privileged access management, identity and access management controls, among other cybersecurity areas.

FHFA

Pursuant to Federal Information Security Modernization Act of 2014 (FISMA),⁶ OIG contracted with an independent public accountant (IPA) to conduct evaluations of FHFA’s information security programs and practices. Since FY 2023, FHFA has not completed remediation of several previously identified and past-due exploitable vulnerabilities. In the FY 2023 evaluation, the IPA noted that FHFA did not fix 1,716 of 2,820 vulnerabilities within 14 days of discovery, as required by the Cybersecurity and Infrastructure Security Agency (CISA) and FHFA’s Vulnerability Management Process. FHFA acknowledged its failure to correct most of the identified vulnerabilities. By FY 2026, the IPA reported that the remediation of past due exploitable vulnerabilities was in progress and FHFA provided estimated completion dates that have already passed.

In other audit work, we noted that exploitable vulnerabilities persist. Our FY 2024 audit of the Agency’s security controls found that they were ineffective for protecting FHFA’s network and information systems against internal threats. Penetration testing demonstrated that the Agency’s network has serious vulnerabilities that increase the likelihood that hacking attempts will succeed. Our auditors were able to gain access to a privileged user account that allowed us to view, edit, or save files on the local drives of any user’s laptop or desktop, including FHFA executives at the highest levels. The auditors were also able to elevate a standard user account to a domain administrator and take full control of FHFA’s network. In all, we identified a total of

⁶ FISMA requires agencies to develop, implement, and document an agency-wide information security program and practices. The Act also requires Inspectors General to conduct an annual independent evaluation of their agencies’ information security programs and practices.

3,318 potentially exploitable vulnerabilities on FHFA's servers, workstations, and other devices of which 64 percent were critical.

Furthermore, FHFA acknowledged in its FY 2025 Performance and Accountability report that Agency operations are in constant threat from cyberattacks, noting that they deploy technology to block network intrusion attempts. Our FY 2025 audit of the Agency's public-facing systems found vulnerabilities that exposed FHFA's information technology infrastructure and its non-public data to unauthorized access. Our auditors were able to obtain unauthorized access to non-public data and systems during testing. If a malicious actor had conducted this as a real-world attack, FHFA's mission, operations, and public trust could have suffered significant harm.

In our FY 2026 audit of the Agency's security controls over its internal network, we followed up on the vulnerabilities identified in the FY 2024 audit and found that these issues persist. In another audit, we determined FHFA's design and implementation of select security controls for its Enterprise Governance, Risk, and Compliance (eGRC) Cloud System were not fully effective to manage access and protect information. We found that FHFA did not consistently implement access controls for privileged and inactive accounts; did not fully document and implement data protection controls for sanitizing hotline complaints referred by the OIG; did not fully describe the controls applicable to the system in its security documentation; and did not fully implement identification and authentication controls to protect account passwords, enforce multifactor authentication, and uniquely identify users. These weaknesses reduce FHFA's ability to ensure that access is appropriate, complaint information is protected, and security controls are documented.

FHFA's Progress in Addressing this Challenge

Regulated Entities

As reported in FHFA's 2025 Report to Congress, the Enterprises continue to address and improve operational matters to include, among other things, information technology risk, information security, and data management. FHFA encourages the regulated entities to pursue various avenues for discovering and mitigating vulnerabilities such as engaging in penetration testing exercises, establishing frameworks to perform threat modeling, and participating in a vulnerability disclosure program to learn of vulnerabilities through external parties.

The Enterprises each continued to implement technology solutions to protect the security and confidentiality of sensitive information and to respond to emerging cybersecurity threats. In our 2026 audit, we determined that the Division of Federal Home Loan Bank Regulation provided sufficient oversight of the FHLBank System's information security and cybersecurity risk management and generally complied with its guidance for conducting examination activities.

FHFA

FHFA's Office of the Chief Information Officer started tracking past due exploitable vulnerabilities on a quarterly basis in FY 2025. Despite these efforts, FHFA still carries many unresolved vulnerabilities with estimated completion dates that have already passed. Some vulnerabilities now span four fiscal years, demonstrating persistent challenges in remediating them. In addition, implementation of recommendations to address recent audit findings, including the FY 2024, FY 2025, and FY 2026 audits of the Agency's security controls and the eGRC Cloud System, remains in progress.

Select OIG Reports Related to Vulnerability Management in Information Security Systems:

[*FHFA's Security Controls Were Not Effective to Protect Its Network and Systems Against Internal Threats*](#) (AUD-2026-007, September 29, 2026)

[*FHFA's Design and Implementation of Select Security Controls for its eGRC Cloud System Were Not Fully Effective*](#) (AUD-2026-006, September 28, 2026)

[*Audit of the Federal Housing Finance Agency's Information Security Programs and Practices Fiscal Year 2026*](#) (AUD-2026-004, July 30, 2026)

[*DBR's Quality Control Program Did Not Detect a Documentation Deficiency in Its Oversight of the FHLBank System's Information Security and Cybersecurity Risk Management*](#) (AUD-2026-003, May 13, 2026)

[*Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data*](#) (AUD 2025-007, September 25, 2025)

[*Audit of the Federal Housing Finance Agency's Information Security Programs and Practices Fiscal Year 2025*](#) (AUD-2025-004, July 30, 2025)

[*FHFA's Security Controls Were Not Effective to Protect Its Network and Systems Against Internal Threats*](#) (AUD-2024-007, August 12, 2024)

Challenge 3: Addressing Human Capital Risk at FHFA and the Enterprises

In order to achieve FHFA's broader mission, the Agency must have a workforce that possesses the requisite skills. It is imperative to recruit, develop, and maintain a workforce that possesses the skills to, among other things, satisfy statutory requirements (for example, establish capital requirements, set annual housing goals, and conduct annual onsite examinations) and achieve the strategic goals established by the FHFA Director. The Enterprises' ability to accomplish their missions and business objectives also requires a skilled and experienced workforce.

Why This is a Challenge

FHFA

In prior years, we have reported on needed improvements to FHFA's workforce planning, particularly related to its examination function, and instances in which FHFA may not have the workforce needed to discharge certain statutory responsibilities.

The Agency's ability to fulfill its mission, meet its strategic goals and objectives, and achieve operational success depends on its personnel and their collective skills. Like other federal agencies, FHFA has reduced the size of its workforce as required under applicable executive orders. This reduction in personnel included executives, managers, and other staff directly involved in mission-related activities, increasing the risk of gaps in vital institutional knowledge. For example, in our FY 2026 compliance review of FHFA's compliance with reimbursements and stipends policy and procedures, we found that staff turnover over the last several years was the cause of the Agency's inability to locate records. FHFA management faces challenges as it continues to adapt the organization's operations and practices to the Agency's smaller size and change in composition.

Enterprises

In FY 2026, the Enterprises experienced significant leadership changes at management levels that have implications for human capital risk, including potential impacts on institutional expertise, workforce productivity, and organizational stability. Such leadership changes require FHFA's oversight to ensure the Enterprises manage these risks effectively and continue to execute their mission.

FHFA's Progress in Addressing this Challenge

FHFA previously advised us that it had initiated actions designed to improve the Agency's workforce planning and completed actions to address hiring issues.

In 2026, we confirmed that FHFA's Division of Federal Home Loan Bank Regulation (DBR) performed an Affordable Housing Program (AHP) workforce planning analysis to determine current and future examination needs and address any identified staffing gaps. In this regard, DBR analyzed its workforce needs for oversight of AHP as part of its broader organizational changes. DBR determined that it no longer required a specialized team focused solely on AHP, and former AHP examiners were reassigned to the safety and soundness examination teams. DBR also concluded that its staffing levels are sufficient to fully execute all targeted examinations, including necessary AHP examinations.

However, workforce limitations continue to be a cause of findings in our oversight work, leaving agreed to recommendations unimplemented.

Select OIG Reports Issued Related to Addressing Human Capital Management

[FHFA Did Not Consistently Comply with Policies and Procedures for Paying Employee Reimbursements and Stipends](#) (EVL-2026-002, March 30, 2026)

[Vulnerabilities in FHFA's Public-Facing Systems Risk Unauthorized Access to Non-Public Data](#) (AUD-2025-007, September 25, 2025)

Challenge 4: Overseeing the Regulated Entities' Reliance on Counterparties and Third Parties

FHFA continues to face challenges overseeing the regulated entities' reliance on counterparties for business-critical matters. The regulated entities are exposed to counterparty risk when they engage in business transactions with institutions such as sellers, servicers, mortgage insurers and reinsurers, among others. Further, regulated entities are exposed to counterparty risk when they outsource critical operational and information technology functions to third-party providers.

Counterparty risk occurs when: (a) a counterparty deteriorates in creditworthiness before a transaction settles, or defaults on amounts owed (also known as counterparty credit risk); or (b) a third-party provider does not perform as expected.

Why This is a Challenge

The regulated entities' continued reliance upon counterparties and third parties presents a persistent challenge because FHFA lacks statutory authority to supervise those parties directly. Some challenges to note:

- An institutional counterparty that defaults on its obligations could negatively impact a regulated entity's ability to operate.
- The private mortgage insurance industry, which accounts for the largest portion of the Enterprises' counterparty risks, is concentrated in a few monoline providers which face risk due to a lack of diversification.
- The regulated entities' reliance on nonbank seller/servicers presents risk from the monoline nature of their activities, heavy reliance on the availability of external financing, and lack of strong regulatory oversight. Further, in February 2026, the Government Accountability Office issued a report noting opportunities for FHFA to

enhance its assessment of the financial condition of non-bank seller/servicers.⁷

- The regulated entities rely on third-party service providers for a wide range of services, some of which are critical to their operations. These third-party service providers are subject to risks that arise from factors such as: the complexity of the arrangement; the volume or type of product or service provided; the criticality of service provided; access and/or storage of sensitive data; and a third-party's potential use of subcontractors ("fourth parties"). Like third parties, fourth parties pose risks that must be managed; however, the regulated entities typically have limited or no visibility into the fourth parties' operations and related risks.
- The regulated entities' increasing reliance on super intelligence tools and services developed, maintained, or supported by third parties may expose the regulated entities to operational, cybersecurity, data protection, and intellectual property risks. These risks may be increased when the regulated entities have limited visibility into third-party development and deployment practices or where third parties use super intelligence in ways not authorized by the regulated entities.
- OIG's criminal investigations have included numerous cases over time of alleged fraud by various counterparties and third parties, reinforcing the need to ensure strong controls to prevent fraud. The increasing use of super intelligence technologies may create additional opportunities for fraud schemes involving counterparties and third parties.

While FHFA oversees the regulated entities themselves, including, but not limited to, their risk management, it has no regulatory authority over counterparties and third parties. Therefore, FHFA has only a limited ability to oversee risks to the regulated entities arising from their reliance upon them. FHFA reported this limitation in its 2025 Annual Report to Congress. With respect to the Enterprises, FHFA relies on conservatorship authority to require that the Enterprises include provisions in their third-party contracts to grant FHFA access to information about service providers; and, as conservator, FHFA exercises the Enterprises' contractual audit rights to obtain necessary information to fulfill its statutory safety and soundness responsibilities. FHFA does not have similar authority with regard to the FHLBanks, as they are not in conservatorship. Both the Government Accountability Office and the Financial Stability Oversight Council recognized challenges related to third parties and have recommended that Congress provide FHFA authority to examine third parties that do business with the regulated

⁷ GAO-26-107436, [Nonbank Mortgage Companies – Ginne Mae and FHFA Could Enhance Financial Monitoring](#) (February 2026)

entities similar to that conferred upon the federal banking agencies through a provision in the Bank Service Company Act.

FHFA's Progress in Addressing this Challenge

FHFA continued supervisory and oversight activities to mitigate risks associated with the regulated entities' reliance on counterparties and third parties. Enhancing Enterprise counterparty risk controls and super intelligence risk management activities are included as evaluation criteria in the 2025 Scorecard for Fannie Mae, Freddie Mac, and Common Securitization Solutions. For more than six years, DER has identified third-party oversight as a supervisory priority. Accordingly, third-party, fourth-party and counterparty risk management have been a point of emphasis in DER's 2026 supervisory planning. DER is planning both examination and non-examination activities on these topics, including oversight of developing super intelligence usage by the Enterprises. Single-family seller/servicers remain a focus of the Enterprises' counterparty risk oversight efforts because of the potential credit and operational risks associated with them. DBR has also planned targeted examinations and monitoring activities for relevant topics such as counterparty credit risk and supply chain management, and will monitor developing super intelligence usage in the FHLBank System.

To strengthen oversight of private mortgage insurer counterparties, the Enterprises issued updated Private Mortgage Insurer Eligibility Requirements (PMIERs) under FHFA's oversight in 2024 and 2026. PMIERs establish the requirements private mortgage insurers must meet to remain eligible to provide mortgage insurance on loans acquired by the Enterprises. This new guidance was phased in with an effective date of September 30, 2026.

The Agency continued its use of the Suspended Counterparty Program, which FHFA established to help protect the regulated entities from individuals and entities with a history of fraud or other financial misconduct. Under this program, FHFA may issue orders suspending an individual or entity from doing business with the regulated entities. FHFA reported having issued 76 suspension orders in FY 2026, which is far greater than the six suspension orders it issued in FY 2025. In FY 2023, FHFA proposed to amend the existing Suspended Counterparty Program regulation to expand the categories of covered misconduct on which a suspension might be based, to include sanctions arising from certain forms of civil enforcement. After considering comments, the Agency published a second proposed rule in FY 2025 to address a number of material changes deemed necessary; a subsequent proposal in FY 2026 intends to remove the term "reputational harm" from the rule. This rulemaking remains pending.

Select OIG Reports Related to Counterparty or Third-Party Issues

[DER Effectively Oversaw Fannie Mae's Multifamily Lenders and Loan Monitoring Activities, But Should Improve Documentation of its Sampling Approach](#) (AUD-2026-002, March 30, 2026)

[FHFA Continues to Monitor and Assess the Adequacy of Fannie Mae's Allowance for Loan Losses in Its Multifamily Line of Business](#) (EVL-2026-001, January 26, 2026)

[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](#) (AUD-2025-003, March 28, 2025)

[2025 Update of Mortgage Insurers as Enterprise Counterparties](#) (WPR-2025-001, March 19, 2025)

[DER Provided Effective Oversight of the Enterprises' Nonbank Seller/Servicers Risk Management But Needs to Develop Policies and Procedures for Two Supervisory Activities](#) (AUD-2024-003, March 28, 2024)

Select OIG Criminal Investigations Related to Counterparty and Third-Party Matters

[Title Company Owner Sentenced for Embezzlement](#) (Press Release, January 29, 2026)

[St. Louis Man Sentenced to Five Years in Prison for Fraudulently Obtaining \\$1.2 Million in Mortgages](#) (Press Release, September 8, 2025)

[California Lawyer Sentenced to More Than Five Years in Federal Prison for Wire Fraud and Money Laundering](#) (Press Release, March 7, 2025)

Conclusion

The primary goal of this memorandum is to provide FHFA with an objective assessment of key challenges and facilitate the mitigation of operational risks, both internal to the Agency and within the regulated entities. Continued vigilance by FHFA in these efforts is essential. To assist FHFA in addressing the management and performance challenges identified in this memorandum, OIG's FY 2027 oversight, to the extent our budget allows, will focus on these areas in addition to our statutorily mandated functions.