Executive Summary

The Federal Housing Finance Agency (FHFA/Agency) has safety and soundness oversight responsibility for the housing government-sponsored enterprises (GSEs): Fannie Mae and Freddie Mac (the Enterprises), and the Federal Home Loan Banks (FHLBanks). FHFA’s oversight responsibilities are critical because, among other things, the Enterprises own or guarantee $5 trillion in mortgage assets. Should either or both Enterprises sustain losses that exceed their decreasing capital reserves, the Department of the Treasury, and hence taxpayers, will be responsible for their losses.

Since 2011, FHFA has publicly acknowledged the need for a commissioned examiner program to provide classroom and on-the-job training (OJT) to examiners to further their development of technical competencies and practical examination experience. According to FHFA, commissioned examiners have the skills and technical knowledge necessary to lead the examination of a major risk area at an entity supervised by FHFA. In an evaluation issued in September 2011 reporting on the Agency’s examination capacity, FHFA’s Office of Inspector General (OIG) found that only about one-third of FHFA’s examiners—roughly 40—were commissioned, in that they received commissions from other federal or state regulators prior to their employment with the Agency. At that time, FHFA acknowledged that its relative lack of commissioned examiners impeded the efficiency and effectiveness of its supervision program.

In June 2013, FHFA established its Housing Finance Examiner (HFE) commission program, consisting of OJT and course requirements and a final examination. When it rolled out the HFE commission program, FHFA advised its employees, in an internal communication, that it would take approximately four years to complete.

Roughly two years later, we assessed FHFA’s administration of the HFE program from August 2013 to March 2015. We found that the HFE program was not on track to produce commissioned examiners within the four-year projected completion period because many enrollees were not completing their OJT and course requirements. We also identified a number of other shortcomings with FHFA’s implementation of the HFE program. We recommended that the Agency determine the causes of these weaknesses and develop and implement a strategy to ensure the HFE program fulfills its objectives.

FHFA agreed with our recommendation and committed to implementing five corrective actions to resolve the problems we identified. In December 2015, FHFA submitted documentation to OIG indicating that it had completed the implementation of the five corrective actions. We conducted this review to assess the status of FHFA’s implementation of its corrective actions. We found that
FHFA implemented four of the five corrective actions. While considerable progress has been made to implement the fifth corrective action, more remains to be done to ensure that FHFA’s HFE program gets on track to produce commissioned examiners. In addition, FHFA has not completed development of a final examination for the HFE program, which precludes any enrollee from earning an HFE commission through completion of the program.

We will hold open our 2015 recommendation pending action on FHFA’s part to implement the fifth corrective action as it committed to do, complete the HFE examination, and otherwise take steps to demonstrate that the HFE program can produce, and is producing, commissioned examiners.

This report was prepared by Karen E. Berry, Senior Investigative Counsel, with assistance from Wesley M. Phillips, Senior Policy Advisor, and Patrice Wilson, Senior Investigative Evaluator. We appreciate the cooperation we received from FHFA in completing this report.

This report has been distributed to Congress, the Office of Management and Budget, and others and will be posted on our website, [www.fhfaoig.gov](http://www.fhfaoig.gov).

Richard Parker
Deputy Inspector General
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### ABBREVIATIONS

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<tr>
<td>DBR</td>
<td>Division of Federal Home Loan Bank Regulation</td>
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<td>DER</td>
<td>Division of Enterprise Regulation</td>
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<tr>
<td>EDB</td>
<td>Examiner Development Branch</td>
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<tr>
<td>Enterprises</td>
<td>Fannie Mae and Freddie Mac</td>
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<td>FHFA or Agency</td>
<td>Federal Housing Finance Agency</td>
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<td>FHLBanks</td>
<td>Federal Home Loan Banks</td>
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<td>GSE</td>
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<td>Individual Commission Plan</td>
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BACKGROUND

Findings and Recommendation from OIG’s 2011 Evaluation Report on FHFA’s Lack of an Examiner Commission Program

In a September 2011 evaluation report on the Agency’s capacity to examine the GSEs, we found that only about one-third of FHFA’s examiners were commissioned, and the Agency lacked a commission program.1 At that time, FHFA’s examination staff included roughly 40 examiners who had received commissions previously from other federal or state financial regulators.

Agency officials reported to us that the efficiency and effectiveness of the Agency’s examination program was impeded by an insufficient number of commissioned examiners. They advised that FHFA was in the early stages of developing an examiner commission program, patterned after programs at other federal financial regulators. We recommended that FHFA management “[m]onitor the development and implementation of the examiner accreditation [commission] program and take needed actions to address any shortfalls[.]”2

FHFA agreed with our recommendation and, in October 2012, we closed it based on the Agency’s progress in developing its commission program.

FHFA’s Roll-Out of the HFE Program in 2013

FHFA completed development of the HFE program in 2013 and opened enrollment to Agency employees in August of that year. In its 2013 Performance and Accountability Report, FHFA explained that its award of an HFE commission “will indicate whether an examiner is qualified to lead the examination of a major risk area at Fannie Mae, Freddie Mac, and the Federal Home Loan Banks [and] . . . ensure an examiner has the skills and technical

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1 OIG, Evaluation of Whether FHFA Has Sufficient Capacity to Examine the GSEs (EVL-2011-005) (Sept. 23, 2011).

2 Id. at 28.
knowledge necessary to evaluate the condition and practices of the entities that FHFA supervises.”

When FHFA established the HFE program in June 2013, it announced that any of its employees with commissions from other financial regulators would also receive an HFE commission. In our 2015 compliance review, based on information provided to us by FHFA, we reported that through the end of 2014 FHFA had awarded HFE commissions to 65 examiners previously commissioned by other financial regulators. FHFA has now revised that number downward and reports that it awarded 59 HFE commissions through year end 2014 and has not issued any HFE commissions since then. FHFA currently has 45 employees with HFE commissions as compared with roughly 40 commissioned examiners in 2011.

For those employees who did not have a commission from another regulator, FHFA announced in 2013 that the HFE program was “an approximately four-year commitment” and that the time frame “may be shortened for participants with prior classroom training and work experience.”

As originally designed in 2013, the HFE program consisted of:

- A total of 16 intra-divisional and cross-divisional OJT assignments during which candidates take part in examinations of the Enterprises and the FHLBanks;
- Twelve internal courses on FHFA’s examination practices, credit risk, market risk, model risk, operational risk, governance risk, capital, and earnings, among others;
- Four external courses offered by the Global Association of Risk Professionals and the Mortgage Bankers Association, with associated tests; and
- A final examination, involving a mock “board” presentation of examination findings.

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5 FHFA explained the discrepancy involving the issuance of 6 HFE commissions as follows: (1) 5 employees submitted documents demonstrating that they had received prior commissions but left FHFA in 2014 before FHFA issued HFE commissions to them. The other employee was erroneously identified to OIG in 2015 as having qualified for an HFE commission.
6 Of the 59 FHFA employees issued HFE commissions since 2013 on the basis of these individuals having commissions from other federal or state agencies, 45 are currently employed by FHFA and 14 are no longer employed by the Agency.
FHFA determined that participation in the HFE program would be voluntary for examiners hired prior to July 17, 2013, and mandatory for examiners hired after that date. The program requirements are the same for mandatory and voluntary enrollees.

FHFA has vested responsibility for administering the HFE program across the Agency with the Examiner Development Branch (EDB).

**OIG’s July 2015 Compliance Review: HFE Program Was Not on Track to Produce Commissioned Examiners Within a Four-Year Time Frame**

In February 2015, we initiated a compliance review to assess FHFA’s implementation of the HFE program. In our July 2015 report, which covered the period August 2013 through March 2015, we found that the HFE program was not on track to produce commissioned examiners who could lead major risk sections of GSE examinations within the projected four-year time frame. The most significant problem we identified was that many HFE enrollees were not participating in required OJT or completing required courses.

Of the 66 program enrollees, only 1 had submitted records to EDB reflecting completion of any of the 16 required OJT assignments during 2014 and early 2015. We found that FHFA had suspended the HFE program’s cross-divisional OJT requirement through the second quarter of 2015 because of resource constraints and Agency officials reported to us that FHFA was considering alternative approaches to cross-divisional OJT.

We also found that the internal control procedures put into place to ensure that course credits were properly awarded and OJT requirements were waived, based on prior experience, were not regularly followed. As a result, we concluded that FHFA lacked reasonable assurance that the waivers it granted satisfied its established criteria.

To address these shortcomings, we recommended that FHFA determine the root causes and develop and implement a strategy to ensure the HFE program met its objective of producing commissioned examiners, qualified to lead major risk sections of GSE examinations, within a four-year time frame.

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7 FHFA records also indicated that over 20% of the enrollees had completed no more than one of the required 16 courses.

8 As originally implemented, the cross-divisional OJT requirement necessitated that DBR and DER enrollees relinquish their assigned examination duties for up to 12 consecutive weeks; many were unable to do so.
Five Corrective Actions Proposed by FHFA to Address Our Recommendation

On July 22, 2015, FHFA agreed with our recommendation and proposed to take five corrective actions. Its five proposed corrective actions were:

- EDB would periodically communicate to HFE program enrollees and their managers the enrollees’ progress in completing program requirements;
- EDB would periodically notify senior Agency executives (within the Division of Federal Home Loan Bank Regulation (DBR) and the Division of Enterprise Regulation (DER)) of enrollees’ progress in completing program requirements;
- EDB would review previously authorized waivers to ensure that they were issued in compliance with the HFE program’s internal control standards;
- DBR and DER would review the cross-divisional OJT requirement to determine whether it should be continued; and
- Each HFE enrollee would be required to submit to EDB an approved Individual Commission Plan (ICP) with a timetable for completion of the remaining HFE program requirements, and the annual employee performance review process would include, for HFE enrollees, HFE requirements, such as filing an ICP and making progress against it.9

In December 2015, FHFA submitted documentation to OIG indicating that it had completed the implementation of the five corrective actions.10

OIG’S ASSESSMENT OF FHFA’S IMPLEMENTATION OF ITS FIVE PROPOSED CORRECTIVE ACTIONS

We subsequently initiated this review to determine whether to close the recommendation. To do so, we reviewed EDB procedures, HFE enrollee information and data, and the ICPs and associated documentation for a random, non-statistical sample of ten HFE enrollees. We also

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9 FHFA’s annual employee performance review process is formally known as the “Performance Management Policy.”

10 At that time, FHFA had established procedures by which it proposed to implement its five corrective actions. However, as explained in the next section of this report, FHFA did not implement all of these procedures until 2016. We tested FHFA’s implementation of them in 2016.
interviewed EDB’s manager and members of the EDB staff, as well as officials from DBR and DER.

We found that FHFA implemented four of its five corrective actions but had not fully implemented both parts of the fifth corrective action. Separately, we learned that no final examination for the HFE program had been developed since August 2013, when the HFE program was rolled out. As a result, no enrollees in the HFE program have been able to earn their commissions, even when they have completed their OJT and course requirements.

**FHFA Fully Implemented Four of Its Five Proposed Corrective Actions**

As summarized below and described in more detail in the Objectives, Scope, and Methodology section of this report, we found that FHFA has implemented the following four corrective actions:

- **Corrective Action Commitment:** EDB will periodically communicate to HFE program enrollees and their managers the enrollees’ progress in completing program requirements.

  **Action Taken:** EDB sent transcripts to all HFE enrollees and their managers on February 18, 2016, which showed the enrollees’ remaining requirements as of that date.

- **Corrective Action Commitment:** EDB will periodically notify senior Agency executives of enrollees’ progress in completing program requirements.

  **Action Taken:** On February 29, 2016, EDB distributed to DBR’s and DER’s senior executives summary tables showing the progress to date and requirements remaining for the HFE enrollees in their respective divisions.

- **Corrective Action Commitment:** EDB will review previously authorized waivers to ensure their compliance with the HFE program’s internal control standards.

  **Action Taken:** EDB verified that all HFE program waivers authorized prior to June 30, 2015, complied with the Agency’s internal controls with a few non-material exceptions.

- **Corrective Action Commitment:** DBR and DER will review the cross-divisional OJT requirement to determine whether it should be continued.

  **Action Taken:** DBR and DER narrowed the scope of the cross-divisional OJT requirement and authorized enrollees to complete that requirement in staged intervals, rather than in continuous 6- to 12-week periods.
Despite Considerable Progress, FHFA Has Not Fully Implemented the Fifth Corrective Action

Implementation of ICP Requirement for HFE Enrollees

Employing a two-part corrective action, FHFA sought to address the finding in our 2015 compliance review that HFE enrollees were not making progress in completing the HFE program. The first part of the corrective action requires HFE enrollees, in coordination with their supervisors, to establish a plan to complete specific HFE program requirements during the calendar year.

On February 18, 2016, EDB sent all then-current HFE program enrollees instructions to prepare an ICP and a corresponding ICP template form. The instructions directed each enrollee to develop a timetable to complete his or her remaining HFE requirements within the next four years and to document that timetable, with milestones for completion of specific requirements, on the ICP template. Enrollees were asked to submit completed ICPs, approved by their supervisors, to EDB within 90 days, or no later than May 18, 2016. According to EDB data, 50 of the 58 enrollees (86%) submitted completed ICPs.

We reviewed a random, non-statistical sample of 10 of these 50 ICPs and found that all reflected written approval by the enrollees’ managers and all contained a timetable for completion of outstanding OJT and course requirements within four years. For each of these 10 enrollees, we compared his or her progress in satisfying HFE program requirements during 2016 (as reflected in EDB documentation) against the timetable set forth in the ICP and determined that the progress proposed in the ICP was largely met.12

Eight of the 58 (14%) did not submit their ICPs during 2016. In June and October 2016, FHFA officials sent follow-up emails attempting without success to obtain the outstanding ICPs.13 Of these 8, 6 were from DER, 1 was from DBR, and 1 was from the Division of Housing Mission and Goals. We reviewed the progress of each of these 8 enrollees in

11 EDB sent the instructions and ICP template to the 68 FHFA employees then enrolled in the HFE program. Of those 68 enrollees, 1 had already completed all of the HFE program requirements, 1 subsequently left the Agency, and 8 later withdrew from the HFE program.

12 Eight of the 10 enrollees in our sample met the total number of HFE program requirements scheduled for completion during 2016 in the ICPs. One enrollee completed nearly 80% of HFE program requirements scheduled for completion during 2016; another enrollee completed approximately 43%.

13 In June 2016, EDB sent an email to 7 of the 8 enrollees who failed to submit ICPs. EDB did not send the email to the eighth enrollee because it was still trying to determine how many waivers the enrollee would be granted. In October 2016, a senior DER official sent another email requesting ICPs from 4 of the 8 enrollees. The official did not send the email to 3 enrollees due to an oversight, and FHFA maintains that it was still trying to determine the appropriate number of waivers for the eighth enrollee.
meeting the HFE program requirements in 2016, based on the records maintained by EDB, and found that only 1 enrollee made considerable progress.\textsuperscript{14} For the remaining 7 enrollees, progress was minimal. Of these 7, 1 is a supervisory examiner enrolled on a mandatory basis since 2014 who had not completed a single OJT or course requirements as of December 2016.

\textit{Implementation of Commitment to Incorporate HFE Requirements into Annual Employee Performance Reviews}

The second part of FHFA’s fifth proposed corrective action was to include HFE requirements, such as filing ICPs and progressing according to their schedules, in enrollees’ annual performance reviews. The EDB Manager explained to us that EDB envisioned this assessment as FHFA’s primary mechanism to ensure timely completion of HFE program requirements. During the calendar year, EDB procedure is to notify DBR and DER managers of HFE requirements satisfied by enrollees under their supervision to enable those managers to track progress of enrollees against their ICP timetables.

For 2016, we found that EDB provided DBR and DER with updates on the progress made by their enrolled employees in completion of HFE requirements against their ICPs. However, DBR’s Deputy Director reported to us that DBR had not established guidance for its managers on incorporating an assessment of enrollee progress in meeting HFE requirements into the 2016 annual performance review process. For the 16 DBR enrollees in the HFE program, such an assessment was not regularly included in DBR’s 2016 annual performance reviews. He also advised that DBR had not used the annual performance review process to establish consequences for any of its 16 enrollees who had not satisfied HFE requirements for 2016, as planned in their ICPs. During 2016, 39 enrollees in the HFE program were from DER, of which 21 (54\%) were enrolled voluntarily and 18 (46\%) were mandatory enrollees.\textsuperscript{15} DER instructed its managers to include HFE requirements in enrollees’ annual performance reviews for its 18 employees enrolled in HFE on a mandatory basis and permitted managers to determine whether to include such assessments for its 21 employees enrolled on a voluntary basis.\textsuperscript{16}

Notwithstanding the terms of the second element of FHFA’s fifth corrective action, neither DBR nor DER incorporated those terms into 2016 annual performance reviews for all enrollees. DBR did not use the 2016 annual performance review process to establish consequences for any of its 16 enrollees who had not satisfied HFE requirements for 2016, and DER only required the process to be used for its 18 mandatory enrollees, even though

\textsuperscript{14} The one enrollee who made considerable progress completed 7 of the 32 HFE program requirements.

\textsuperscript{15} Four of these 21 voluntary enrollees from DER failed to submit ICPs during 2016.

\textsuperscript{16} DER officials represented to us that DER included HFE requirements in all but one of the performance reviews for its employees who were enrolled in the program on a mandatory basis in 2016.
FHFA made no distinction between mandatory and voluntary enrollees. Based on this analysis, we found that FHFA did not fully implement this second element of the fifth corrective action.

**Since August 2013, No Final Examination Has Been Developed for the HFE Program**

While FHFA rolled out its HFE program in 2013, we reported in our 2015 compliance review report that EDB had not developed a final examination for the HFE program as of July 2015. According to EDB officials at that time, EDB had been working with the Office of Personnel Management to develop the final examination and a “pilot” of that examination was planned during December 2015.

EDB failed to meet that target date. During our field work, the EDB manager reported to us that EDB had continued to work with OPM to develop a final HFE examination and planned to “pilot” the examination by the end of the first quarter of 2017. According to these officials, the planned “pilot” will involve administering the HFE final examination to FHFA employees not enrolled in the HFE program. Assuming that EDB meets this revised milestone to “pilot” the HFE final examination, an administration date for HFE enrollees to take the final examination will be set at a future date.

Our review of EDB documentation found that three enrollees have satisfied the HFE course and OJT requirements and are eligible to take the final examination. One of these three enrollees completed these requirements by March 2015 and has waited for two years for a final examination to be developed and administered. Five other enrollees have completed all but one or two of the HFE requirements.

**CONCLUSION**

FHFA asked us to close the recommendation in our July 2015 compliance review on the HFE program because it fully implemented the five corrective actions it proposed to take. We found that FHFA implemented four of the five corrective actions. While considerable progress has been made to implement the fifth corrective action, more remains to be done to ensure that FHFA’s HFE program gets on track to produce commissioned examiners. In addition, FHFA has not completed development of a final examination for the HFE program, which precludes any enrollee from earning an HFE commission through completion of the program.

We will hold open our 2015 recommendation pending action on FHFA’s part to implement the fifth corrective action as it committed to do, complete the HFE examination, and
otherwise take steps to demonstrate that the HFE program can produce, and is producing, commissioned examiners.
OBJECTIVE, SCOPE, AND METHODOLOGY ..................................................

Our overall objective for this report was to determine whether FHFA implemented the five corrective actions as articulated in its July 22, 2015, management response to the compliance review report. Those corrective actions are as follows:

1. To assist program participants in tracking progress toward their HFE commission curriculum and OJT requirements, DER will enhance existing recordkeeping and communication mechanisms so that EDB periodically communicates to participating examiners and their managers EDB’s record of the remaining program requirements for each examiner;

2. To promote timely, documented progress toward participant completion of program requirements, DBR and DER will enhance program planning practices so that:
   a. Each examiner enrolled in the program will submit for manager review an ICP for fulfillment of remaining curriculum and OJT program requirements, with consideration given to any waivers granted;
   b. Managers will be responsible for review and approval of ICPs;
   c. Each ICP will include a target program completion date within a reasonable time, with consideration of examination objectives and priorities;
   d. The ICP will be promptly (i.e., within 90 days) documented by the participant and his or her manager, and communicated to an EDB point of contact; and
   e. Managers will incorporate HFE commission requirements into performance management discussions.

3. To better enable effective senior executive oversight of program participants’ progress, EDB will, by December 15, 2015, establish information reporting processes to ensure that senior executives in DBR and DER receive periodic updates going forward on the progress of the HFE commission program participants in DBR and DER;

4. To address potential inconsistencies in waiver granting and documentation, EDB will, by October 8, 2015, confirm that all waiver documentation provided through June 30, 2015, has been reviewed to determine whether documentation is complete. EDB will determine by December 15, 2015, whether clarifications should be made to waiver guidance for program participants, managers, second-line supervisors, and EDB;
5. The ongoing importance to the HFE commission program of cross-divisional OJT remains under consideration by DBR and DER. By November 5, 2015, the Deputy Directors of DBR and DER will make a determination on whether and how to continue the requirement for cross-divisional OJT (subject to Agency review). The determination will be based on a written recommendation by an advisory group of senior DBR and DER staff.

In general, we addressed our objective by reviewing HFE policies, procedures, and program data. We also interviewed the EDB program manager, EDB staff, the Deputy Director of DBR, and DER officials.

We also selected a random, but non-statistical, sample of 10 of the 50 enrollees17 (or 20%) in the HFE program as of early 2016 who had submitted ICPs to EDB in 2016.18 We requested that FHFA provide documentation for these 10 enrollees, such as their transcripts and related documentation and their ICPs. We reviewed this documentation and other materials to assess FHFA’s compliance with the five corrective actions as described in more detail below.

For the first corrective action, EDB stated that it sent HFE transcripts to all enrollees and their managers on February 18, 2016. For our 10 enrollee sample, we reviewed EDB emails and the transcripts as well as associated documentation. Our analysis verified EDB’s assertion.

For the second corrective action, EDB notified all enrollees on February 18, 2016, that their approved ICPs were due by May 18, 2016. We reviewed EDB data, which indicated that 8 enrollees did not comply with the requirement during 2016. We also reviewed the ICPs for our 10-person sample, as well as associated documentation. This analysis verified that the ICPs associated with our sample were submitted by the due date, that the ICPs reflected plans for completing the remaining program requirements for each enrollee, and that the enrollees’ supervisors had approved the ICPs. We also discussed with the Deputy Director of DBR and DER officials whether the divisions incorporate HFE requirements into their annual employee performance review process and we reviewed associated DER documentation on this subject.

17 On February 18, 2016, EDB sent HFE program transcripts to 68 enrollees who were identified as being in the program. However, 1 of these enrollees had already completed all of the program’s OJT and training requirements, 8 subsequently withdrew from the program, and 1 left the Agency (and, as noted, 8 failed to submit ICPs). Thus, we selected our sample from the remaining population of 50 enrollees who were required to submit, and did submit, to EDB an ICP reflecting a timeline pursuant to which they intended to complete their remaining program requirements.

18 The population of 50 candidates in the HFE program is statistically small. A statistical sample would require almost all 50 records to be selected for testing. Therefore, we employed a random, but non-statistical sample of 20% of the population (10 records). Although our test results cannot be projected to the population, the randomness of the sampling permitted us to collect unbiased, evidentiary material by which to assess the controls over the population. The 20% sample of the population exceeds the generally accepted level for testing small populations (see American Institute of Certified Public Accountants, Audit Sampling Considerations of Circular A-133 Compliance Audits (2009)).
Our review indicates that DBR and DER do not fully comply with this corrective action component as discussed in the body of this report.

For the third corrective action, FHFA stated that on February 29, 2016, EDB staff distributed to DBR and DER executives summary tables reflecting the progress and remaining requirements of enrollees in their respective divisions. We reviewed this information and determined that EDB complied with this requirement and completed the corrective action.

For the fourth corrective action, EDB stated that it had reviewed all waivers granted prior to June 30, 2015, to ensure such waivers complied with established internal controls. For the 10 enrollees in our sample, we reviewed EDB’s HFE tracking spreadsheet dated March 6, 2015, to identify the waivers those enrollees had been granted. We then reviewed the waiver documentation provided by EDB to determine whether: a waiver form was present for each waiver granted, the documents were complete, and all required approval signatures were present.

In 2 of 10 cases, the enrollees had not been granted any waivers. For the remaining 8 enrollees, EDB generally provided documentation reflecting complete waiver forms and appropriate approvals for the waivers granted to the enrollees. Specifically, for 2 enrollees, we identified that documentation for three OJT requirements was incomplete: approval signatures pertaining to two OJT requirements were missing and a waiver form for a third OJT requirement was missing altogether. We concluded that the missing documentation was not material to the overall finding that EDB reviewed existing waivers as it committed to do and completed the corrective action.

For the fifth corrective action, FHFA asserted that DBR and DER staff met in late 2015 to prepare a written recommendation on whether and how to continue the cross-divisional OJT requirement. Subsequently, the Deputy Directors of DBR and DER accepted a recommendation to continue the cross-divisional OJT requirement with a revised focus. We reviewed applicable memoranda and meeting minutes and verified this to be the case.

FHFA provided technical comments on a draft of this report which were incorporated as appropriate.

We conducted our review during the period October 2016 to January 2017 under the authority of the Inspector General Act and in accordance with the Quality Standards for Inspection and Evaluation (January 2012), which were promulgated by the Council for the Inspectors General on Integrity and Efficiency.
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  Washington, DC  20219