



ANNUAL PERFORMANCE PLAN FOR FISCAL YEAR 2022

October 2021



Office of Planning, Performance, and Risk

Table of Contents

Mission 2

Vision..... 2

Values 2

Message From the Acting Director 3

Scope of Responsibilities 5

 I. Regulator 5

 II. Conservator 6

Relationship between the Strategic Plan and the Annual Performance Plan 7

Strategic Goals and Objectives..... 8

 I. Strategic Goal 1: Ensure Safe and Sound Regulated Entities Through World-Class Supervision 9

 II. Strategic Goal 2: Foster Competitive, Liquid, Efficient, and Resilient (CLEAR) National Housing Finance Markets 15

 III. Strategic Goal 3: Position the Agency as a Model of Operational Excellence by Strengthening the Workforce and Infrastructure 22

Program Evaluations..... 29

Cross-Agency Collaboration 30



Mission

Ensure the regulated entities fulfill their mission by operating in a safe and sound manner to serve as a reliable source of liquidity and funding for the housing finance market throughout the economic cycle.

Vision

FHFA is a world-class independent regulatory Agency that ensures a competitive, liquid, efficient, and resilient (CLEAR) housing finance market.

Values

FHFA’s culture is built on a foundation of promoting diversity and inclusion in our internal practices and those of our regulated entities. As such, we expect all FHFA employees to emulate the following values:

- Fairness* We value varied perspectives and thoughts and treat others with impartiality.

- Accountability* We are responsible for carrying out our work with transparency and professional excellence.

- Integrity* We are committed to the highest ethical and professional standards to inspire trust and confidence in our work.

- Respect* We treat others with dignity, share information and resources, and collaborate.



Message From The Acting Director

This *FY 2022 Annual Performance Plan* provides the performance measures, associated targets, and means and strategies that will guide the Federal Housing Finance Agency (FHFA) over the course of Fiscal Year 2022 as the Agency fulfills its duties as regulator of the FHLBank System and as regulator and conservator of Fannie Mae and Freddie Mac – together, the Enterprises. This plan meets the requirements of the Government Performance and Results Modernization Act of 2010 and Office of Management and Budget Circular A-11.

The strategic goals for which this report sets performance measures were established by a strategic plan, including the associated mission, vision, and values, before the beginning of my term as Acting FHFA Director. As such, while continuing to meet these existing goals, I have also begun transitioning the Agency and its regulated entities toward new goals that I believe are necessary to enable FHFA to fulfill its statutory responsibilities. In keeping with the new goals, equity, along with diversity and inclusion, are foundational to our values.

We will release a new FHFA Strategic Plan in calendar year 2022 that will reflect and advance our mission, vision, and values that better support these new priorities:

- 1) Ensuring all Americans, especially those in underserved communities, have access to a fair, equitable, and sustainable housing finance system that supports safe, decent, and affordable homeownership and rental housing opportunities;
- 2) Strengthening the safety and soundness of Fannie Mae, Freddie Mac, and the Federal Home Loan Banks to protect the housing finance system throughout the economic cycle; and
- 3) Protecting FHFA's infrastructure by cultivating a diverse and talented workforce that respects and values differences, by defending against cybersecurity threats, and by managing taxpayer resources prudently.

FHFA is responding to shortages in the overall housing supply by ensuring our regulated entities finance the existing affordable housing stock, enable homes in disrepair to be rehabilitated, and support the growth of our nation's housing supply. As these shortages contribute to worsening affordability, a key priority for our regulated entities will be to support affordable housing in a safe and sound manner.

FHFA continues to strengthen the safety and soundness of our regulated entities. In FY 2021, we finalized a regulatory capital rule for the Enterprises that is designed to ensure the financial health of Fannie Mae and Freddie Mac throughout the economic cycle. Upon gaining experience with the implementation of that framework, we followed up by proposing two enhancements that will ensure the rule operates as intended and transfers risk away from taxpayers and to private markets. After considering public comments received, FHFA will finalize these enhancements in FY 2022.



FHFA's high-performance culture leads us to continuously review our work to identify opportunities for improvements. Transparency and ongoing dialogue with stakeholders and the public are vital to the policymaking process. The publication of this plan is one of the ways FHFA informs the public about our planned actions and decision making to facilitate this ongoing dialogue.

Sincerely,



SANDRA L. THOMPSON
Acting Director, Federal Housing Finance Agency
October 29, 2021



Scope of Responsibilities

The Federal Housing Finance Agency (FHFA) was established by the Housing and Economic Recovery Act of 2008 (HERA), amending the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act). The Agency is responsible for the effective supervision, regulation, and housing mission oversight of the Federal National Mortgage Association (Fannie Mae); the Federal Home Loan Mortgage Corporation (Freddie Mac); Common Securitization Solutions, LLC (CSS); and the Federal Home Loan Bank System, which includes 11 Federal Home Loan Banks (FHLBanks) and the Office of Finance (OF), a joint office of the FHLBanks. FHFA’s mission is to ensure that Fannie Mae, Freddie Mac, and the FHLBanks (together, the regulated entities¹) fulfill their mission by operating in a safe and sound manner so that they serve as a reliable source of liquidity and funding for housing finance and community investment throughout the economic cycle. Since September 6, 2008, FHFA has also served as conservator of Fannie Mae and Freddie Mac (together, the Enterprises).

I. Regulator

The Safety and Soundness Act, as amended by HERA, assigns to FHFA regulatory oversight of the Enterprises and the FHLBank System.² The statute vests FHFA with the authorities, similar to those of other prudential financial regulators, to maintain the financial health of the regulated entities. FHFA is responsible for supervising the business and operations of the regulated entities to ensure that they are safe and sound and aligned with the missions set forth in their authorizing statutes. FHFA exercises these regulatory and supervisory authorities by issuing rules, policy guidance documents, and regulatory orders.

The Safety and Soundness Act requires FHFA to fulfill the following duties:

- (A) to oversee the prudential operations of each regulated entity; and
- (B) to ensure that
 - i. each regulated entity operates in a safe and sound manner, including maintenance of adequate capital and internal controls;

¹ OF is not a “regulated entity” as the term is defined by statute (see 12 U.S.C. 4502(20)). However, for convenience, references to the “regulated entities” in this document should be read to also apply to OF unless otherwise noted.

² 12 U.S.C. § 4513.



- ii. the operations and activities of each regulated entity foster liquid, efficient, competitive, and resilient national housing finance markets (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities);
- iii. each regulated entity complies with the Safety and Soundness Act and the rules, regulations, guidelines, and orders issued under this chapter and the authorizing statutes;
- iv. each regulated entity carries out its statutory mission only through activities that are authorized under and consistent with the Safety and Soundness Act and the authorizing statutes; and
- v. the activities of each regulated entity and the manner in which such regulated entity is operated are consistent with the public interest.³

II. Conservator

FHFA's authority as both conservator and regulator of the Enterprises is based upon statutory mandates, which include the following conservatorship authorities granted by HERA:

- (D) ...take such action as may be—
- i. necessary to put the regulated entity in a sound and solvent condition; and
 - ii. appropriate to carry on the business of the regulated entity and preserve and conserve the assets and property of the regulated entity.⁴

Continuing the business of the Enterprises in conservatorships also incorporates the above-referenced responsibilities that are enumerated in 12 U.S.C. § 4513(a)(1).

Additionally, under the Emergency Economic Stabilization Act of 2008, FHFA has a statutory responsibility in its capacity as conservator to “implement a plan that seeks to maximize assistance for homeowners and use its authority to encourage the servicers of the underlying mortgages, and considering net present value to the taxpayer, to take advantage of...available programs to minimize foreclosures.”⁵

³ 12 U.S.C. § 4513(a)(1).

⁴ 12 U.S.C. § 4617(b)(2)(D).

⁵ 12 U.S.C. § 5220(b)(1).



Relationship between the Strategic Plan and the Annual Performance Plan

The Fiscal Year (FY) 2022 Annual Performance Plan (APP) supports the *FHFA Strategic Plan: Fiscal Years 2021-2024* (Strategic Plan)⁶, which the Agency issued in October 2020. The APP sets out performance measures and targets in support of the goals in the Strategic Plan.

FHFA's APP has four components: (1) strategic goals; (2) strategic objectives; (3) performance measures and associated targets; and (4) means and strategies.

The **strategic goals**, established in the Strategic Plan, are the starting point for the FY 2022 APP. Aligning the APP with the Strategic Plan ties FHFA's annual priorities to the Agency's mission, vision, and values.

The **strategic objectives** in the APP link directly to those established in FHFA's Strategic Plan. Each strategic objective is an intermediate outcome or output necessary to achieve the corresponding strategic goal.

The **performance measures** and associated **targets** correspond to activities that FHFA expects to perform during FY 2022. In many cases, these performance measures represent incremental progress toward achieving the strategic goals. The performance measures are important indicators to management that FHFA is making progress to achieve its strategic objectives.

The **means and strategies** are key activities and actions that the Agency plans to undertake to achieve each strategic objective.

⁶ The *FHFA Strategic Plan: Fiscal Years 2021-2024* is available at:
https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/FHFA_StrategicPlan_2021-2024_Final.pdf



Strategic Goals and Objectives

The FY 2022 APP details a series of performance measures, as well as means and strategies, to support three strategic goals and nine strategic objectives. The APP also presents data validation and verification information for each strategic objective describing the Agency’s process for determining that a performance measure has been met and that the supporting data is accurate, reliable, and complete.

Strategic Goal 1:		Strategic Objectives
Ensure Safe and Sound Regulated Entities Through World-Class Supervision	1.1	Ensure the safety and soundness of the regulated entities through risk-focused supervision
	1.2	Develop and maintain a world-class supervision program
	1.3	Responsibly end the conservatorships of the Enterprises
Strategic Goal 2:		Strategic Objectives
Foster Competitive, Liquid, Efficient, and Resilient (CLEAR) National Housing Finance Markets	2.1	Institute reforms at the regulated entities that serve to foster CLEAR national housing finance markets
	2.2	Ensure that the regulated entities fulfill their statutory missions to support affordable housing, community development, and diversity and inclusion requirements
	2.3	Position FHFA as a leader in providing the public with information and analysis on the state of the housing finance markets and related matters
Strategic Goal 3:		Strategic Objectives
Position the Agency as a Model of Operational Excellence by Strengthening the Workforce and Infrastructure	3.1	Cultivate a high-performing, diverse, accountable, and engaged workforce
	3.2	Ensure sound governance and good stewardship of Agency resources
	3.3	Deliver information technology resources and systems that support the Agency’s mission and safeguard the Agency’s resources



I. Strategic Goal 1: Ensure Safe and Sound Regulated Entities Through World-Class Supervision

As regulator of the FHLBank System and as regulator and conservator of the Enterprises, FHFA has a statutory duty to ensure safe and sound operations at the regulated entities, which the Agency promotes through its supervisory programs. FHFA uses a risk-based approach in conducting supervisory examinations, which prioritizes examination activities based on the risk a given practice poses to a regulated entity’s safe and sound operation or to its compliance with applicable laws and regulations. FHFA conducts ongoing risk analysis, examinations, and monitoring. In addition, FHFA issues written standards in the form of advisory bulletins to the regulated entities, establishes expectations for strong risk management, identifies risks, and requires timely remediation of identified deficiencies.

A. Strategic Objective 1.1: Ensure the safety and soundness of the regulated entities through risk-focused supervision

During FY 2022, FHFA will use the following measures, and means and strategies to accomplish Strategic Objective 1.1:

Measure		Target	Goal Leader
1.1.1a	Conduct risk-focused supervision and examinations of the Enterprises by having written risk-based examination plans approved by January 31, 2022	100 percent of the time	Deputy Director, Division of Enterprise Regulation
1.1.1b	Conduct risk-focused supervision and examinations of the FHLBanks by having written risk-based examination plans in place prior to the commencement of examinations for each of the FHLBanks	100 percent of the time	Deputy Director, Division of Bank Regulation
1.1.2a	Approve reports of examination by March 31, 2022, for the Enterprises	100 percent of the time	Deputy Director, Division of Enterprise Regulation
1.1.2b	Approve reports of examination within 90 days after completing examination work for each of the FHLBanks	100 percent of the time	Deputy Director, Division of Bank Regulation
1.1.3	Ensure a quarterly Market Value of Equity to par value of capital stock ratio greater than or equal to one for each FHLBank	100 percent of the time	Deputy Director, Division of Bank Regulation



Measure		Target	Goal Leader
1.1.4	Ensure each FHLBank is adequately capitalized on a quarterly basis	100 percent of the time	Deputy Director, Division of Bank Regulation

Means and Strategies for Strategic Objective 1.1

1. Conduct examination work and targeted examinations on specific programs or operations at each regulated entity in accordance with examination plans;
2. Perform ongoing monitoring and analysis of key risk areas, incorporating input from other FHFA divisions;
3. Issue written communication to boards of directors and senior management of the regulated entities about examination findings and conclusions;
4. Engage with the regulated entities’ management to discuss identified weaknesses and supervisory expectations for risk management during the course of ongoing monitoring and targeted examinations;
5. Set supervisory policy for regulated entity operations;
6. Manage data submitted to FHFA by the regulated entities, or data available through other sources, and make it accessible to examiners and analysts for use in supervision;
7. Hold supervision planning meetings to set the priorities for the risk-based examinations of the regulated entities;
8. Perform quality control of examination work, consistent with division guidance; and
9. Continue to strengthen the Housing Finance Examiner commissioning program.

Data Validation and Verification for Strategic Objective 1.1

Measure 1.1.1 — FHFA develops its examination plans for each FHLBank prior to the start of that FHLBank’s annual examination. FHFA approves examination plans for the Enterprises by January 31 annually. Examination plans are approved, dated, and maintained electronically.

Measure 1.1.2 — FHFA approves its report of examination (ROE) for each FHLBank within 90 days after an examination’s exit meeting. FHFA approves its ROE for each Enterprise by March



31. Documentation of the Deputy Director’s approval and issuance of each ROE is maintained electronically.

Measure 1.1.3 — FHFA uses the Call Report System (CRS) to verify that the Market Value of Equity (MVE)-to-par ratio is greater than or equal to one at each FHLBank at quarter end. FHFA summarizes the FHLBanks’ MVE ratios each quarter in a memorandum that is maintained electronically.

Measure 1.1.4 — FHFA monitors the capital positions of the FHLBanks and their compliance with capital regulations. Capital compliance is determined each quarter automatically by way of the FHFA CRS, or by Director discretion. A letter to each FHLBank communicates the capital classification by the end of the following quarter. Letters to the FHLBanks are maintained electronically. Also, as required by statute, FHFA provides written notice of its quarterly capital classification determination to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.

B. Strategic Objective 1.2: Develop and maintain a world-class supervision program

During FY 2022, FHFA will use the following measures, and means and strategies to accomplish Strategic Objective 1.2:

Measure		Target	Goal Leader
1.2.1a	Determine that the Enterprises have satisfactorily addressed safety and soundness Matters Requiring Attention in accordance with agreed upon remediation plans and timeframes	90 percent of the time	Deputy Director, Division of Enterprise Regulation
1.2.1b	Determine that the FHLBanks and Office of Finance have satisfactorily addressed safety and soundness Matters Requiring Attention in accordance with agreed upon remediation plans and timeframes	90 percent of the time	Deputy Director, Division of Bank Regulation

Means and Strategies for Strategic Objective 1.2

1. Use a collaborative, inclusive review process to consider input from all stakeholders prior to finalizing guidance;
2. Conduct surveillance and risk analysis;



3. Issue Matters Requiring Attention (MRAs) that require the boards of directors and/or management to take corrective action to address a critical supervisory matter or deficiency in accordance with FHFA and divisional guidance;
4. Monitor, review, and evaluate the regulated entities' implementation of corrective actions within agreed-upon timeframes;
5. Manage data submitted to FHFA by the regulated entities, or data available through other sources, and make it accessible to examiners and analysts for use in supervision;
6. Share information and collaborate across divisions to ensure supervision of each Enterprise aligns with FHFA's mission and objectives; and
7. Educate supervision staff on current and emerging risks through internal and external training programs.

Data Validation and Verification for Strategic Objective 1.2

Measure 1.2.1 — Where there is a significant supervisory concern at one of the regulated entities, FHFA may issue an MRA that requires the board of directors and/or management to take corrective action to address a critical supervisory matter or deficiency. FHFA tracks the remediation of MRAs to ensure that the regulated entities address critical supervisory matters or deficiencies.

FHLBanks: Pursuant to FHFA's annual examination cycle for the FHLBanks, FHFA completes its review of FHLBank remediation of MRAs. During this review, FHFA determines whether MRAs outstanding prior to the examination were addressed by the FHLBank within agreed upon timeframes.

Enterprises: The Enterprises address MRAs by implementing corrective action by the FHFA due date. For each MRA for which an Enterprise submits a closure package (which includes the internal audit function's validation and may include a performance period) to FHFA between June 1 of the prior FY and May 31 of the current FY, FHFA reviews the Enterprise's actions and the internal audit function's validation by the end of the FY to determine whether the Enterprise has satisfactorily addressed the MRA.

FHFA maintains MRAs and associated documentation electronically.



C. Strategic Objective 1.3: Responsibly end the conservatorships of the Enterprises

During FY 2022, FHFA will use the following measures, and means and strategies to accomplish Strategic Objective 1.3:

Measure		Target	Goal Leader
1.3.1	Issue a proposed rule on Enterprise disclosures under the Enterprise Regulatory Capital Framework	FY 2022	Deputy Director, Division of Housing Mission and Goals
1.3.2	Issue a proposed rule on Enterprise Capital Planning	FY 2022	Deputy Director, Division of Housing Mission and Goals

Means and Strategies for Strategic Objective 1.3

1. Continue to support Enterprise efforts to fill any vacancies for board members and Chief Executive Officers on a timely basis;
2. Continue to develop and publish a Conservatorship Scorecard as a mechanism for communicating FHFA’s annual goals for the Enterprises. FHFA will monitor achievement of these goals through a quarterly assessment process;
3. Continue to require the Enterprises’ proposed annual budgets to meet FHFA’s standards before approval;
4. Communicate expectations to the regulated entities’ boards and management;
5. Ensure that FHFA has an effective process in place to respond efficiently to matters that are submitted by the Enterprises for conservator decisions;
6. Continue to undertake legal actions necessary to put the Enterprises in a sound and solvent condition and appropriate to preserve and conserve Enterprise assets and property;



7. Oversee the Enterprises' execution of FHFA-approved retained portfolio plans to reduce the size of the Enterprises' legacy retained portfolios;
8. Oversee and monitor the Enterprises' and CSS's Uniform Mortgage-Backed Security (UMBS) performance;
9. Provide updated information to the public about UMBS performance and the Common Securitization Platform;
10. Provide oversight and direction for the Enterprises' ongoing implementation of their credit risk transfer programs that reduce taxpayer risk by attracting private capital; and

Data Validation and Verification for Strategic Objective 1.3

Measure 1.3.1 — FHFA will issue an NPR on Enterprise disclosures under the Enterprise Regulatory Capital Framework. The NPR will be published in the Federal Register and on FHFA's website.

Measure 1.3.2 — FHFA will issue an NPR for Enterprise capital planning. The NPR will be published in the Federal Register and on FHFA's website.



II. Strategic Goal 2: Foster Competitive, Liquid, Efficient, and Resilient (CLEAR) National Housing Finance Markets

The FHFA Director’s principal statutory duties include ensuring that the activities of each regulated entity foster competitive, liquid, efficient, and resilient national housing finance markets. FHFA uses a multi-faceted approach to achieve these objectives. FHFA works with the regulated entities to implement risk measurement and risk management guidelines to promote liquidity and stability in the housing finance markets. Achieving a liquid, resilient housing finance market throughout the country also requires improved access to sustainable mortgage credit. FHFA is committed to fair and equitable access to the regulated entities’ financial services by qualified institutions and qualified borrowers. FHFA also monitors and reports on trends in housing and mortgage markets, such as trends in house prices, guarantee fees, and consumer sentiment, to enable FHFA to respond appropriately to developments in the housing finance market and to promote market stability.

A. Strategic Objective 2.1: Institute reforms at the regulated entities that serve to foster CLEAR national housing finance markets

During FY 2022, FHFA will use the following measures, and means and strategies to accomplish Strategic Objective 2.1:

Measure		Target	Goal Leader
2.1.1	Document review of regulated entity public filings	Quarterly documentation of reviews within 45 days after the required filing date	Deputy Director, Division of Accounting and Financial Standards
2.1.2	Publish annual Guarantee Fee Report	December 31, 2021	Deputy Director, Division of Research and Statistics

Means and Strategies for Strategic Objective 2.1

1. Assess whether capital and liquidity requirements for nonbank seller/servicers should be updated;



2. Monitor the Enterprises' acquisitions relative to FHFA's multifamily production cap and make adjustments, as appropriate;
3. Review quarterly and annual FHLBank individual financial disclosures and FHLBank System consolidated financial reports;
4. Lead and administer FHFA quarterly acknowledgement statement process for Enterprise financial disclosures while in conservatorship;
5. Monitor CSS functions through monthly performance reviews and board meetings, monitor the performance of the UMBS, and monitor Enterprise compliance with the related regulation; and
6. Assess the effectiveness of the Enterprises' aligned Flex Modification changes for borrowers with COVID-19 hardships as measured by an increasing share of eligible borrowers with payment reductions.

Data Validation and Verification for Strategic Objective 2.1

Measure 2.1.1 — FHFA's Division of Accounting and Financial Standards will provide written confirmation that the financial statement review was completed. Documentation will be maintained electronically.

Measure 2.1.2 — On an annual basis, FHFA will conduct an independent analysis of guarantee fees, including an assessment of differences by seller delivery volume. The annual Guarantee Fee Report is formally approved by senior management. The final Guarantee Fee Report will be published on FHFA's website.



B. Strategic Objective 2.2: Ensure that the regulated entities fulfill their statutory missions to support affordable housing, community development, and diversity and inclusion requirements

During FY 2022, FHFA will use the following measures, and means and strategies to accomplish Strategic Objective 2.2:

Measure		Target	Goal Leader
2.2.1	Publish final Enterprise housing goals rule for 2022-24	December 2021	Deputy Director, Division of Housing Mission and Goals
2.2.2	Issue annual ratings for each Enterprise’s Duty to Serve performance in 2020	October 2021	Deputy Director, Division of Housing Mission and Goals
2.2.3	Determine that the Enterprises have met the mission-driven requirements in <u>Appendix A of the Conservatorship Scorecard</u> ⁷	<ol style="list-style-type: none"> 1. Each Enterprise’s mission-driven business meets or exceeds 50% of total multifamily business for CY 2021, and 2. at least 20%⁸ of each Enterprise’s total business is affordable at or below 60% of area median income (AMI) 	Deputy Director, Division of Housing Mission and Goals
2.2.4	Issue an Operating Procedures Bulletin on fair lending examinations for the Enterprises	July 2022	Deputy Director, Division of Housing Mission and Goals

⁷ The 2022 Scorecard expands the definition of naturally occurring affordable housing to include affordability adjustments in certain markets FHFA designates as cost-burdened to renters and classifies as mission-driven, financing that facilitates energy and water conservation measures for low-income tenants. Other mission-driven business includes loans on manufactured housing; community blanket loans; loans that finance properties in rural markets; loans that finance small multifamily (5-50 unit) properties; loans that finance seniors housing assisted living properties; and loans on properties encumbered by a regulatory agreement or recorded use restriction that restricts the unit rents and the incomes of the tenants occupying the units.

⁸ The requirement for CY 2022 will be 25 percent.



Measure		Target	Goal Leader
2.2.5	Determine regulated entities have satisfactorily addressed Matters Requiring Attention relating to their Diversity and Inclusion programs, in accordance with agreed-upon remediation plans and timeframes	90 percent	Director, Office of Minority and Women Inclusion
2.2.6a	Approve Diversity and Inclusion reports of examination by March 31, 2022, for the Enterprises and Common Securitization Solutions	100 percent of the time	Director, Office of Minority and Women Inclusion
2.2.6b	Approve Diversity and Inclusion reports of examination for at least nine of the FHLBank System regulated entities	100 percent of the time	Director, Office of Minority and Women Inclusion

Means and Strategies for Strategic Objective 2.2

1. Continue to assess opportunities to address responsible access to credit and develop recommendations for improvements where appropriate;
2. Review, score, and non-object to the Enterprises’ new Duty to Serve (DTS) Underserved Markets Performance Plans covering calendar years 2022-2024 by December 31, 2021;
3. Conduct diversity and inclusion (D&I) examinations of the regulated entities;
4. Monitor and evaluate the FHLBanks and OF’s outreach efforts to advance diversity and inclusion on their respective boards of directors;
5. Provide training and technical assistance to the regulated entities and OF on the requirements of the Minority and Women Inclusion regulation;
6. Assess the implementation of the Enterprises’ refinance programs targeting lower area median income borrowers, monitor take-up, and make aligned programmatic adjustments as needed;
7. Issue a Fair Lending Compliance Advisory Bulletin for the Enterprises; and
8. Conduct a fair lending baseline horizontal examination of the FHLBanks.



Data Validation and Verification for Strategic Objective 2.2

Measure 2.2.1 — FHFA will develop an internal timeline featuring the critical dates the Enterprise housing goals rule will have to meet in order to publish the final rule by Q1 FY 2022 and measure progress against that timeline. The final rule will be published in the Federal Register and on FHFA’s website.

Measure 2.2.2 — FHFA will assess the Enterprises’ DTS performance data and other results against the targets set in the DTS 2018-2021 plans on an annual basis. FHFA will prepare and complete dashboard updates according to an established schedule, as well as an end-of-year rating report that is to be sent to Congress. FHFA’s DTS monitoring dashboards and end-of-year rating report will be maintained electronically.

Measure 2.2.3 — The measure is met when both parameters in the target have been achieved by December 31, 2021. The status of the measure is tracked on a monthly basis through reporting submitted by the Enterprises; reports are stored electronically.

Measure 2.2.4 — An Operating Procedures Bulletin will be developed and published on FHFA’s external website. No less than once per quarter, the supervisory team lead and office manager will discuss and document progress on this measure.

Measure 2.2.5 — For the FHLBanks and OF, a summary and rolling count of remediated MRAs will be summarized in a memorandum quarterly. FHFA will summarize information on Enterprise MRAs quarterly and at FY-end. All summaries will be maintained electronically.

Measure 2.2.6 — FHFA approves its D&I ROE for each Enterprise, CSS, and at least nine regulated entities in the FHLBank System. Documentation of approval and issuance of each D&I ROE is maintained electronically.



C. Strategic Objective 2.3: Position FHFA as a leader in providing the public with information and analysis on the state of the housing finance markets and related matters

During FY 2022, FHFA will use the following measures, and means and strategies to accomplish Strategic Objective 2.3:

Measure		Target	Goal Leader
2.3.1	Publish FHFA House Price Indexes	12 monthly and 4 quarterly	Deputy Director, Division of Research and Statistics
2.3.2	Publish annual Public Use Database	September 2022	Deputy Director, Division of Research and Statistics
2.3.3	Publish quarterly aggregate statistics on mortgage profiles and delinquencies from National Mortgage Database	One per quarter	Deputy Director, Division of Research and Statistics

Means and Strategies for Strategic Objective 2.3

1. Publish the monthly and quarterly FHFA Foreclosure Prevention and Refinance Report, which monitors the Enterprises’ foreclosure prevention and refinance activities;
2. Publish demographic data related to the Enterprises’ fair lending and housing goals activities to provide insights into the racial, ethnic, and geographic composition of single-family loans acquired by the Enterprises;
3. Establish and publish annual conforming loan limits for the subsequent year;
4. Conduct quarterly National Survey of Mortgage Originations (NSMO) and publish an annual Public Use File of NSMO;
5. Perform annual review of production and validation procedures for FHFA House Price Index[®] (HPI) data;
6. Conduct and publish original research on issues affecting the housing markets;
7. Promote data accountability and responsible use of FHFA statistical data products;
8. Enhance profile within housing finance sector through research relevant to general public, experts, and legislators, and provide arena for exchange of ideas related to housing finance; and



9. Enhance public’s understanding of housing finance and FHFA.

Data Validation and Verification for Strategic Objective 2.3

Measure 2.3.1 — The HPI releases will occur on dates that have been pre-announced by the Agency and published on the FHFA website. Prior to index publication, an internal team will review and validate the HPI values, including validation of the underlying data, to ensure that the indices are published using the standard “repeat-transactions” methodology. FHFA will publish the HPI monthly on the FHFA website, and four of these releases will also contain a quarterly update.⁹

Measure 2.3.2 — The data will be sourced and certified by the respective Enterprise. FHFA will post the PUDB to its website by September 30 of the year following mortgage acquisition.

Measure 2.3.3 — Prior to the National Mortgage Database (NMDB) release, an internal team will review and validate all analysis including underlying data to ensure that the data and analysis meets Office of Management and Budget (OMB) data standards for publication. Data will be published on the FHFA website.¹⁰

⁹ FHFA’s HPI is available at: www.fhfa.gov/DataTools/Downloads/pages/house-price-index.aspx.

¹⁰ The NMDB is available at: https://www.fhfa.gov/DataTools/Downloads/Pages/NMDB_Data_Sets.aspx



III. Strategic Goal 3: Position the Agency as a Model of Operational Excellence by Strengthening the Workforce and Infrastructure

Strategic goals and target outcomes cannot be achieved without prudent and effective management of resources to ensure that the right people, funds, security, supplies, physical space, and technology are in place. In addition, achieving FHFA’s goals requires communication, collaboration, and coordination by staff across all offices and divisions within the Agency. Empowered employees are effective stewards of Agency resources.

A. Strategic Objective 3.1: Cultivate a high-performing, diverse, accountable, and engaged workforce

During FY 2022, FHFA will use the following measures, and means and strategies to accomplish Strategic Objective 3.1:

Measure		Target	Goal Leader
3.1.1	Responses to the Federal Employee Viewpoint Survey reflect that "My work unit has the job-relevant knowledge and skills necessary to accomplish organizational goals"	Positive responses equal to or higher than both the small agency and government-wide averages	Chief Operating Officer
3.1.2	Federal Employee Viewpoint Survey Employee Engagement Index is at or above the percent that the Office of Personnel Management considers an agency "Strength" ¹¹	65 percent positive ¹²	Chief Operating Officer
3.1.3	Improve the number of days to hire	95 workdays ¹³	Chief Operating Officer
3.1.4	Develop FHFA Human Capital Plan	July 2022	Chief Operating Officer

¹¹ Questions averaging 65 percent or more positive are considered strengths.
¹² Depends upon OPM’s interpretation of what is a successful Engagement Index Score.
¹³ FY 2021 average time to hire was 106 workdays.



Means and Strategies for Strategic Objective 3.1

1. Review, revise and implement human resources policies and procedures to provide consistent human resource practices;
2. Collaborate with managers to provide consultation and advice on staffing, retention, succession planning, and performance management practices;
3. Enhance recruitment processes and programs through D&I strategies and practices and Equal Employment Opportunity (EEO) action plans that support the recruitment of diverse employees. There will be special emphasis on using available hiring authorities to seek out underrepresented employee populations, such as Hispanics and individuals with disabilities;
4. Collaborate with FHFA offices to identify, deliver, and evaluate the impact of targeted, competency-based learning events and organizational effectiveness engagements;
5. Determine optimal staffing competencies and levels and set strategy to achieve and obtain those competencies and levels;
6. Enhance the automated staffing system for detailed tracking and reporting of key metrics;
7. Implement electronic workflow of days to hire to more closely report and track performance metrics;
8. Develop management reporting on workforce characteristics and trends;
9. Improve employee recognition through continued use of the Excellence Awards Program and by encouraging supervisors to use available awards;
10. Collect feedback and evaluate the newly implemented performance management system;
11. Coordinate Federal Employee Viewpoint Ambassadors program and other Federal Employee Viewpoint Survey (FEVS) initiatives;
12. Review and update the Agency Harassment Prevention Policy and Procedures;
13. Build out a workplace alternative dispute resolution program inclusive of, but broader than, EEO-related conflicts and disputes; and



14. Review Agency policies, practices, and procedures in order to make recommendations to leadership for changes that remove obstacles to various employee populations.

Data Validation and Verification for Strategic Objective 3.1

Measure 3.1.1 — FHFA will compare the Agency’s results on FEVS question “My work unit has the job-relevant knowledge and skills necessary to accomplish organizational goals” against the response to this question in the FEVS for both small agencies and the entire federal government. The annual 2021 FEVS report will be released by OPM in FY 2022, and FHFA will maintain the results electronically.

Measure 3.1.2 — FHFA will compare the Agency’s Employee Engagement Index in the 2021 report against the results for both small agencies and the entire federal government. The Engagement Index score is provided shortly after the annual release of the FEVS. FHFA will maintain the results electronically.

Measure 3.1.3 — Measurement will begin when a vacancy announcement or hiring action has been authorized by the hiring manager and will conclude when an applicant accepts a job offer. Days-to-hire will be tracked monthly through the staffing plan and reported on quarterly.

Measure 3.1.4 — Achievement of the measure will be the completion of a human capital plan by July 2022. The plan will be maintained electronically.

B. Strategic Objective 3.2: Ensure sound governance and good stewardship of Agency resources

During FY 2022, FHFA will use the following measures, and means and strategies to accomplish Strategic Objective 3.2:

Measure		Target	Goal Leader
3.2.1	Ensure FHFA's financial statements audit receives an unmodified opinion with no material weaknesses	100 percent of the time	Chief Operating Officer
3.2.2	Award FHFA contracts competitively	75 percent	Chief Operating Officer



Measure		Target	Goal Leader
3.2.3	Complete corrective actions to address audit recommendations in a timely manner	95 percent of the corrective actions to address Office of Inspector General (OIG) recommendations are completed within one year of the resolution date	Chief Operating Officer
3.2.4	Increase the dollar amount of FHFA contracts awarded to minority- and women-owned businesses consistent with legal standards	Total dollar amount of contracts greater than the five-year average	Chief Operating Officer Director, Office of Minority and Women Inclusion

Means and Strategies for Strategic Objective 3.2

1. Ensure that financial statements fairly present FHFA’s financial position, its net cost of operations, changes in net position, and budgetary resources in accordance with U.S. Generally Accepted Accounting Principles;
2. Assess the effectiveness of internal control over financial reporting, the efficiency and effectiveness of Agency operations, and compliance with applicable laws and regulations to evaluate and strengthen FHFA’s internal control environment, as appropriate;
3. Enhance the efficiency and effectiveness of developing Agency budgets, monitoring their execution, and forecasting future budgets through the continued development and use of automated budgeting software;
4. Develop, track, and report achievement of FHFA’s APP in the Performance and Accountability Report in order to provide transparency to the public on Agency activities;
5. Implement a program for reviewing contractor compliance with the Good Faith Effort requirements included in Agency contracts in accordance with FHFA policies;
6. Engage with organizations that serve and support minority-, women-, and disabled-owned businesses as potential FHFA contractors;
7. Implement guidance for executives, managers, and supervisors for meeting the Agency required D&I competencies in support of principles, policies, standards, and programs related to equal contracting opportunities;



8. Provide expertise, tools, and methods to advance and promote consistent project management practices across the Agency;
9. Use project management best practices to guide critical projects, programs, and initiatives to increase the likelihood of achieving and surpassing desired benefits and results; and
10. Conduct a pilot of an integrated planning framework that will enable multi-year program planning that identifies, prioritizes, and resources mission-critical needs.

Data Validation and Verification for Strategic Objective 3.2

Measure 3.2.1 — The Government Accountability Office’s (GAO) opinion on FHFA’s financial statements will reflect whether any material weaknesses or significant deficiencies have been noted for the year. FHFA will receive the Independent Auditor’s Report, which GAO also publishes on its website.

Measure 3.2.2 — FHFA will review new contract awards to determine if at least 75 percent were competitively solicited. Contracting reports will be maintained electronically.

Measure 3.2.3 — The management actions to address recommendations issued by OIG to FHFA will be completed within one year of the report date or final agreement date (whichever is later). Information is maintained in the FHFA Internal Control Information System.

Measure 3.2.4 — FHFA will obtain and analyze Agency contracting data for the previous five years and will compare the average aggregate value of such five-year period with FY 2022 totals to determine if the percentage of the dollar value in contracting actions obligated to minority- and women-owned businesses increased. Contracting reports will be maintained electronically.



C. Strategic Objective 3.3: Deliver information technology resources and systems that support the Agency’s mission and safeguard the Agency’s resources

During FY 2022, FHFA will use the following measures, and means and strategies to accomplish Strategic Objective 3.3:

Measure		Target	Goal Leader
3.3.1	Ensure FHFA's Federal Information Security Modernization Act audit identifies no significant deficiencies	100 percent of the time	Chief Operating Officer
3.3.2	Ensure FHFA's infrastructure systems are continuously available for use by FHFA staff	99.5 percent of the time	Chief Operating Officer
3.3.3	Determine average user response on FHFA Help Desk ticket surveys	4.5 rating on a scale of 0 to 5	Chief Operating Officer

Means and Strategies for Strategic Objective 3.3

1. Ensure critical computer systems are readily available to staff with minimal downtime;
2. Identify and implement technologies and tools to increase the productivity of FHFA staff;
3. Manage FHFA’s technology resources, investments, and assets;
4. Ensure security of the Agency’s data and information systems; and
5. Monitor and report Agency compliance with the Federal Information Security Modernization Act (FISMA).

Data Validation and Verification for Strategic Objective 3.3

Measure 3.3.1 — The FHFA OIG FISMA report will reflect whether any significant deficiencies have been noted for the year.

Measure 3.3.2 — Service availability will be determined by collecting data on outages that occur between 7am-7pm using monitoring software and other reporting tools. The outage time will be recorded, and the uptime will be calculated each month for the services identified. Reports will be maintained electronically.



Measure 3.3.3 — Survey data will be stored in Footprints survey workspace and will include a direct link to each ticket. The data will be pulled from this location and summarized on a spreadsheet. The Customer Relations Section will verify that each field from Footprints matches the data in the spreadsheet and will report the final average score each quarter.



Program Evaluations

FHFA management uses the budget formulation and execution processes to determine resource needs and reallocate resources to meet its strategic goals. FHFA's Executive Committee on Internal Controls meets quarterly to review the results of internal and external program evaluations. The committee tracks and evaluates audit findings to determine if remediation has been implemented for FHFA activities. Committee activities provide input to FHFA's determinations of the adequacy of internal controls under OMB Circular A-123. The FHFA Office of Quality Assurance also performs internal reviews of various programs and functions.

Program evaluation is also an important feedback tool to ensure that FHFA's activities are meaningful and effective. FHFA will monitor and track program performance and conduct program evaluations to ensure that FHFA's goals are meaningful and the strategies for achieving them are effective. FHFA's quarterly reviews of the performance measures serve as an opportunity for the Agency to assess performance collectively and consider corrective measures where necessary.

Additionally, the FHFA OIG plays a role in program evaluation by conducting reviews of various aspects of Agency operations. Under the requirements of HERA, GAO also conducts financial statements, audits, and other reviews of FHFA. FHFA uses the findings and/or recommendations from OIG and GAO to implement improvements in its operations.

FHFA will also participate in OMB initiatives to implement best practices designed to strengthen and improve performance across the federal government.



Cross-Agency Collaboration

FHFA will continue to work closely with the Financial Stability Oversight Council and its member agencies to identify emerging risks and mitigate systemic threats to the financial system through ongoing market surveillance and timely dissemination of information. The Agency regularly collaborates and coordinates activities with:

- Board of Governors of the Federal Reserve System
- Consumer Financial Protection Bureau
- Federal Deposit Insurance Corporation
- National Credit Union Administration
- Office of the Comptroller of the Currency
- U.S. Commodity Futures Trading Commission
- U.S. Department of Housing and Urban Development
- U.S. Department of the Treasury
- U.S. Securities and Exchange Commission

