

Federal Housing Finance Agency

Examination Guidance

Issuance Date: October 27, 2009

Subject: Examination for Accounting Practices

To: FHFA Director of Enterprise Regulation
FHFA Director of Federal Home Loan Banks Regulation
FHFA Office of Director, Associate Directors, and General Counsel
Chief Executive Officers of Freddie Mac and Fannie Mae
Chief Accounting Officers of the Federal Home Loan Banks
Presidents of the Federal Home Loan Banks
Office of Finance

I. PURPOSE AND SCOPE.

This Guidance sets forth examination guidance and standards relating to the accounting practices of the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal Home Loan Banks (FHLBanks) (collectively, the Housing GSEs) consistent with the safety and soundness responsibilities of the Federal Housing Finance Agency (FHFA) under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 and the Office of Federal Housing Enterprise Oversight (OFHEO) Corporate Governance Regulation, FHLBank Act, Code of Federal Regulations and the Housing and Economic Recovery Act of 2008 (HERA).

Consistent with the creation of FHFA as a single regulatory Agency, replacing the 2006 “OFHEO” Accounting Examination Guidance with this revised 2009 “FHFA” Accounting Examination Guidance is meant to articulate a consistent approach across the entities regulated by the FHFA.

This Examination Guidance is not intended to be in conflict with statutes, regulations, generally accepted accounting principals (GAAP), etc.

This Examination Guidance is not intended to relieve or minimize the decision making responsibilities, or regulated duties and responsibilities of a Housing GSE’s management, or Board of Directors, or Committees thereof.

This Examination Guidance becomes effective on the Issuance Date and may be updated or revised periodically, as needed.

II. REFERENCES.

- a. Federal Housing Enterprises Financial Safety and Soundness Act of 1992
- b. Housing and Economic Recovery Act of 2008 §§ 1108 and 1112
- c. FHLBank Act
- d. FHLBank regulations, 12 CFR Parts 917, 985, 989
- e. New York Stock Exchange, Listed Company Manual, Corporate Governance Rules, as modified Nov. 3, 2004 Section 303A of the NYSE Listed Company Manual, as modified from time to time (NYSE rules)
- f. Sarbanes-Oxley Act of 2002 (SOX)
- g. Securities and Exchange Commission (SEC) Staff Accounting Bulletin 99 – Materiality
- h. SEC Rule, 17 CFR §240.13a-15, Controls and Procedures
- i. SEC Rule, 17 CFR § 240.10A-3, Standards Relating To Listed Company Audit Committees
- j. SEC Rule, 17 CFR § 210.2-01, Qualifications of Accountants
- k. Public Company Accounting Oversight Board (PCAOB) Release No. 2003-006 Establishment of Interim Professional Auditing Standards
- l. PCAOB Auditing Standard No. 5: An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements

III. DEFINITIONS.

For purposes of this Guidance:

a. FHFA Chief Accountant; OCA.

Chief Accountant means FHFA’s Chief Accountant or designee(s) of the Chief Accountant; OCA means the FHFA Office of the Chief Accountant.

b. Material; materiality.

For public disclosures filed with the SEC, the materiality guidelines of the SEC should be employed.¹ FHFA is informed by the SEC definitions and may consider them or employ them as part of its ongoing review of Housing GSE accounting. A determination that an accounting matter is material or presents a materiality issue may be a factor in FHFA oversight of a Housing GSE. An item not being "material" or not having "materiality," however, would not necessarily supplant FHFA's supervisory concerns.

¹ SEC Staff Accounting Bulletin 99 – Materiality.

IV. GUIDANCE.

a. FHFA Office of the Chief Accountant.

1. General.

The Office of the Chief Accountant (OCA) develops guidance and policies related to accounting and financial reporting and disclosure that are consistent with GAAP for the Housing GSEs. OCA monitors the Housing GSE's adherence to those policies. In addition, OCA represents and advises the FHFA senior management and supervisory staff on accounting and auditing standard-setting activities and seeks to promote the application of consistent accounting policies across the Housing GSEs where applicable. Furthermore, OCA acts as consultant to other FHFA departments, providing them the Agency's interpretations of GAAP and applicable disclosure requirements. OCA conducts its activities within the scope of the annual budget and supports the FHFA's mission and strategic plan.

2. Designation of staff member to receive notification or reports.

In designating a FHFA staff member to receive notification or reports, the Chief Accountant may designate a staff member under his or her supervision or a staff member of another office within FHFA, such as the Divisions of Enterprise Regulation and FHLBank Regulation or Office of General Counsel, with approval by the respective Deputy Director or General Counsel.

3. Additional accounting guidance.

Beyond the provisions of this Guidance, OCA will develop additional guidance, as needed, including but not limited to guidance to promote consistent application of GAAP by the Housing GSEs where applicable and where any accounting change would be to a preferable method;² and to provide additional examination guidance concerning the Housing GSE accounting policies, practices, procedures, and disclosures.

b. Housing GSE accounting policies and procedures.

1. Development of policies and procedures.

FHFA expects each Housing GSE to establish a formal written procedure for development of accounting policy and to create a system for full disclosure to the Audit Committee of the board of directors (Audit Committee) of these policies and the Housing GSE's compliance with regulatory accounting and GAAP requirements.

² ASC Topic 250, *Accounting Changes and Error Corrections* states, "An entity may change an accounting principle only if it justifies the use of an allowable alternative accounting principle on the basis that it is preferable."

2. Policies and procedures to reflect GAAP.

Each Housing GSE must establish and maintain accounting policies and procedures that properly reflect regulatory requirements and GAAP, as applicable.

3. Establishment of accounting guide.

Each Housing GSE should establish and maintain a complete and current accounting guide that lists all of the Housing GSE's accounting policies and procedures, including a procedure for documenting the business purpose of all significant transactions. The accounting guide, if not previously provided, should be submitted to the Chief Accountant within 120 days of the issuance date of this Guidance. If the Housing GSE determines that it cannot submit its accounting guide within 120 days of the issuance date, a 60 day extension is available, pursuant to the submission and approval of a completion plan.

Notification of any subsequent revisions and an updated accounting guide should be submitted to the Chief Accountant on a quarterly basis or at such later time as determined by the Chief Accountant. The accounting guide will also be available to other FHFA supervisory personnel.

4. Enforcement of Housing GSE policies and procedures.

Each Housing GSE is responsible for designing, implementing, monitoring and maintaining internal control over financial reporting³ and controls over risk management. Each Housing GSE should ensure that controls exist for internal control over financial reporting including activities of the internal audit function, the Audit Committee and self-assessment programs. Each Housing GSE should ensure that employees and consultants comply with the policies and procedures established by the Housing GSE.

³ SEC Rule 13a-15 (f) defines the term "internal control over financial reporting": as a process designed by, or under the supervision of, the issuer's principal executive and principal financial officers, or persons performing similar functions, and effected by the issuer's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

(1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the issuer; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on the financial statements.

5. Periodic review.

Each Housing GSE should have a system in place to assure that accounting policies and procedures reflect current regulatory and GAAP requirements and should have proper procedures and processes in place to assure compliance.

6. Audit Committee oversight.

The Audit Committee is responsible for overseeing that Housing GSE management establishes, implements, and maintains accounting policies and procedures that are in compliance with applicable law, regulation, guidance, and industry standards, including GAAP and other applicable reporting and disclosure standards.⁴

c. Housing GSE Audit Committee.

1. The Enterprises (Fannie Mae and Freddie Mac).

A. Establishment of the Audit Committee.

The board of directors of each Enterprise should establish an Audit Committee of the board. The Audit Committee shall be in compliance with the charter, independence, composition, expertise, duties, responsibilities, and other requirements set forth in section 301 of the SOX⁵ and the NYSE rules,⁶ 12 C.F.R 1710.12 (c).

⁴ Duties of FHLBank Audit Committees are described in Part 917 of the FHLBank regulations.

⁵ Section 301 of SOX provides that each member of the audit committee shall be a member of the board of directors, and shall be independent. To be considered "independent", the member of the audit committee may not receive, other than for service on the board, any consulting, advisory, or other compensatory fee from the issuer (in this case the Enterprise), and may not be an affiliated person of the issuer (Enterprise). The audit committee shall be directly responsible for the appointment, compensation, and oversight of the work of any registered public accounting firm employed by the issuer (Enterprise). The audit committee shall establish procedures for the "receipt, retention, and treatment of complaints" regarding accounting, internal controls, and auditing. The audit committee has the authority to engage independent counsel and other advisors, and to provide for appropriate funding for payment to those advisors.

⁶ The NYSE rules require that the audit committee have at least three members and satisfy SEC Rule, 17 CFR 240.10A-3.

B. Charter of the Audit Committee.

The charter of the Audit Committee should, at a minimum, address the purpose of the Committee and the duties and responsibilities of the Committee as set forth in paragraphs IV.c.3.A. and B. below, and in compliance with the NYSE rules.

i. Purpose of the Audit Committee. The purpose of the Audit Committee, at a minimum, must be to:

(a) Assist the board of directors' oversight of the integrity of the financial statements, compliance with legal and regulatory requirements, the external auditor's qualifications, and performance of the internal audit function.

(b) Prepare an Audit Committee report as required by the SEC to be included in the annual proxy statement.

2. The Federal Home Loan Banks.

A. Audit Committee.

The board of directors of each FHLBank should establish an Audit Committee of the board that complies with the composition, independence, charter, duties, meetings, and other requirements set forth in 12 CFR §917.7.

3. Housing GSEs.

A. The Duties and Responsibilities of the Audit Committee should, at a minimum, include:

i. Duties and responsibilities relating to an annual review of internal quality control procedures of the external auditor; discussion of annual audited financial statements, and earnings releases; review of policies with respect to risk assessment and risk management; periodic meetings with management and external auditors; and setting clear hiring policies for employees or former employees of the external auditor.

- ii. Responsibilities set forth in the SEC Rule, 17 CFR § 240.10A-3(b) relating to audit committees, including establishing procedures for the receipt, retention, and treatment of complaints received by the Housing GSE regarding accounting, internal accounting controls, or auditing matters; and confidential, anonymous submission by Housing GSE staff of concerns regarding questionable accounting or auditing matters.⁷
- iii. As required under SEC Rule, 17 CFR § 240.10A-3(b)(2), selecting, evaluating, and replacing the external auditor. The external auditor is ultimately accountable to the Audit Committee.
- iv. Assuring that the external auditor submits a formal written statement regarding relationships and services which may adversely affect independence and for discussing with the external auditor any disclosed relationships that may impact objectivity and independence.
- v. Overseeing internal audit activities, including decisions regarding the appointment or replacement of the chief audit executive who reports directly to the Audit Committee.
- vi. Receiving, reviewing, and discussing reports from the external auditor on critical accounting policies and practices used, all alternative treatments of financial information within GAAP related to material items that have been discussed with management, ramifications of the use of such alternative treatments, and the treatment preferred by the external auditors.⁸
- vii. Reviewing with the external auditor any difficulties the auditor encountered and management's response.
- viii. Meeting periodically with management, internal auditors, and the external auditor.
- ix. Providing for an annual self-evaluation of the Audit Committee.

⁷ Compliance with SEC Rule, 17 CFR § 240.10A-3(b)(2), (3), (4), and (5) relating to audit committee responsibilities is a requirement made applicable to the Enterprises by Sec. 303A.07 of the NYSE rules and to the FHLBanks by Sec. 1112 of HERA (which amends the Securities Exchange Act of 1934 by adding new Sec. 38).

⁸ The term “material” is used here as defined in the SEC guidance referenced in footnote 1, above.

B. Additional Responsibilities of the Audit Committee. The Audit Committee plays a critical role and, at a minimum, should:

- i. Assure that the Housing GSE has policies in place to notify FHFA of any accounting treatments or policies identified as having significant legal, reputation, or safety and soundness risk with a focus on accounting treatments or policies that do not employ GAAP or preferred methods.
- ii. Approve and evaluate the staffing, budget, and audit plan of the internal audit function.
- iii. Assure that management provides it with adequate information and reports to carry out its duties and responsibilities.
- iv. Annually review the adequacy of its charter.

d. Housing GSE independent internal audit function.

1. Establishment of the Housing GSE internal audit function.

A. General. Each Housing GSE must maintain an internal audit function that is independent and objective in performing its activities. The internal audit function should have a charter approved by the Audit Committee. Performance of the internal audit function should be evaluated no less frequently than annually.

B. Compensation. Compensation for the internal auditor should include appropriate focus on performance of activities and not exclusively on the financial performance of the Housing GSE.

C. Reporting. The head of the internal audit function should report directly to the Audit Committee and administratively to executive management.

D. Access to Records. The internal audit function should have independent access to all internal records and systems, including the general ledger, of the Housing GSE.

2. Reporting by the internal audit function.

The board of directors should assure that the internal audit function maintains open and direct communication with management and the Audit Committee. The head of the internal audit function should report periodically to the Audit Committee and senior management on internal audit's activities and performance. Reporting should include internal audit's assessment of significant risk exposures and control issues, corporate governance issues, and other matters needed or requested by the Audit Committee and senior management.

3. Internal audit staff.

A. Qualifications and Training. Each Housing GSE should have policies and procedures in place to assure that technically competent internal audit staff are hired and appropriate training and professional development is provided to such staff so that they remain professionally competent and current with professional standards.

B. Understanding of Duties. Each Housing GSE should have policies and procedures to assure that internal audit staff clearly understands their duties. These duties should include that they report, when noted, non-compliance of GAAP to appropriate management and the Audit Committee.

C. Quality Control. Each Housing GSE shall develop and implement internal control procedures to assure that the internal audit staff follows internal policies and procedures.

e. Housing GSE accounting staff.

1. Qualifications and training.

Each Housing GSE should have policies and procedures in place to assure that technically competent accounting staff are hired and are provided appropriate training and development so that they remain professionally competent and current in professional standards.

2. Understanding of duties.

Each Housing GSE should have policies and procedures that specify the duties of accounting staff. These duties should include reporting non-compliance of GAAP to appropriate management.

3. Quality control.

Each Housing GSE should develop and implement internal control procedures to assure that accounting staff members follow internal accounting policies and procedures.

f. Financial statements.

1. Each Housing GSE should prepare and submit periodic financial statements and disclosures pursuant to the Securities Exchange Act, within the time periods specified in the SEC's rules and forms.
2. FHFA expects each Housing GSE to submit financial information, disclosures, and such other data to FHFA as specified by the Chief Accountant. This information will also be available to other FHFA supervisory personnel.

g. External auditor.

1. Housing GSE Audit Committee responsibilities with respect to the external auditor.

The Audit Committee is responsible for assuring that adequate policies and procedures are in place so that the Audit Committee may assess the expertise and capacity of the external auditor to fulfill its duties and obligations; selecting, evaluating, and replacing the external auditor; and assuring that the external auditor submits a formal written statement regarding its relationships and services which may affect objectivity and independence.

2. Audit partner engagement.

A Housing GSE may not accept audit services from an external auditor if the lead (or coordinating) and concurring partner who has primary responsibility for the external audit of the Housing GSE, or if the audit partner who has responsibility for reviewing the external audit, has performed auditing services for the Housing GSE in each of the five previous fiscal years; 15 U.S.C. § 78j-1(j).

3. Auditing firm engagement.

A. Auditing Firm Change. As a matter of safety and soundness, FHFA believes that it is best practice for each Housing GSE to periodically rotate its external audit firm. Such rotation would enhance the assurance of audit independence. To that end, each Housing GSE should establish a policy regarding audit firm rotation that requires an open competition of its audit contract on a periodic basis -- typically, no less frequently than every ten years.

- i. The policy should require that the Housing GSE issue a request for proposal (RFP) for auditing firms to conduct their independent audit no less frequently than every ten years.

ii. The policy should further require that if, as a result of the RFP selection process, an independent audit firm is retained beyond 10 years, the Housing GSE will issue succeeding RFPs for audit services in no more than 5 years. The policy should also require that the Housing GSE provide the basis of its selection decision to FHFA.

iii. FHFA expects each Housing GSE to include in its current accounting guide (referenced in IV.b.3.), the policies and procedures to meet these RFP issuance standards.

iv. FHFA may review a Housing GSE's RFP selection process and policies in its reviews and assessments of the Housing GSE's governance and in establishing the scope of FHFA's risk-based supervisory activities. Further, Audit Committees should consider the current auditor's tenure in assessing the need for Targeted independent reviews as discussed in later Section IV.h.2 of this guidance.

B. Other Auditing Firm Change. Should an auditing firm change occur or be planned for other than the purposes of paragraph IV.g.3.A. the Housing GSE should provide prompt notice to the Chief Accountant.

C. Auditing firm transition plan. Three years prior to the scheduled end of an audit engagement the Housing GSEs should consider the ramifications of hiring external consultants who may subsequently be involved in an RFP.

No less than one year prior to the RFP process a Housing GSE should prepare a plan that addresses RFP bidding and related processes, time schedules, operational problems, and other relevant facts. The plan will be subject to review by the Chief Accountant.

D. External auditor review. The Audit Committee should review the external auditor's engagement and other non-audit activities of the auditing firm to the Housing GSE to understand the extent of work performed by the external auditor.

E. Communication with external auditor. Each Housing GSE's audit engagement letter with the external auditor should provide that:

i. The external auditor may, upon the Chief Accountant's request, provide the Chief Accountant with access to senior audit partners on the engagement and any other personnel whom such partners deem necessary. The Chief Accountant also may have access to the external auditor's working papers prepared in the course of performing the services set forth in the engagement letter and the Chief Accountant may have such access to the external auditor without Housing GSE personnel in attendance.

ii. The engagement letter should provide that the external auditor, without the approval of the Housing GSE, may meet with the Chief Accountant with such frequency and about such matters as determined by the Chief Accountant, and may provide reports or other communications arising from the audit engagement directly to the Chief Accountant.

iii. The audit engagement letter should not contain provisions characterized as unsafe and unsound in the “Interagency Advisory on the Unsafe and Unsound Use of Limitation of Liability Provisions in External Audit Engagement Letter,” 71 F.R. 6847 (February 9, 2006).

F. Matters covered by Reports or Communications. The matters covered by external auditor reports or communications referenced above in paragraph IV.g.3.E.ii. may include, but are not limited to:

i. Fraud involving senior management, and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements.

ii. Illegal acts that come to the external auditor’s attention and has a significant impact on the financial statements or the external auditor’s opinion on the financial statements.

iii. Adjustments arising from the audit that have a significant effect on the financial statements, identified by either the external auditor or management.

iv. Major issues that were discussed with management in connection with the initial or recurring retention of the external auditor, including any discussions regarding the application of accounting principles and auditing standards.

v. Disagreements with management over the application of accounting principles to the Housing GSE’s specific transactions and events that could be significant to the Housing GSE’s financial statements or the auditor’s report.

vi. Processes used by management in formulating particularly sensitive accounting estimates and the basis for the auditor’s conclusions regarding the reasonableness of those estimates.

vii. Initial selection of and changes in accounting policies, including critical accounting policies, alternative treatments within GAAP and the auditor’s judgment about the quality of the Housing GSE’s accounting policies.

viii. Consultation by management with other accountants about auditing and accounting matters.

ix. External auditor’s responsibility under GAAP for matters of interest in internal control and degree of assurance obtained about the financial statements.

x. Any serious difficulties encountered by the external auditor in dealing with management relating to the performance of the audit. Such difficulties may include significant matters involving, among other things, unreasonable delays by management in permitting the commencement of the audit or in providing needed information, whether the timetable set by management is unreasonable under the circumstances, unavailability of client personnel, and the failure of client personnel to complete schedules on a timely basis.

xi. A report by the external auditor describing in detail the auditing firm's internal quality-control procedures; any issues raised by the most recent internal quality-control review, peer review, or PCAOB inspection of the firm and any steps taken to deal with any such issues, including the auditing firm's letters of response to the peer review and PCAOB inspection reports. The Chief Accountant may meet with senior partners or representatives of the auditing firm to discuss the report by the independent auditor, peer review report, or PCAOB inspection report and various letters of response in understanding the firm's quality control procedures.

G. Independence of External Auditor. In oversight of a Housing GSE's efforts to assure independence and fitness for service of external auditors, the Chief Accountant will consider carefully regulatory and professional independence requirements, including relevant facts and circumstances of specific conduct as well as factors of reputation risk, appearance of a lack of independence or impropriety, and the ability to perform responsibilities.⁹

H. Conflicts of Interest.

i. With respect to the auditing firm and its oversight of a Housing GSE, to assure fitness for service of external auditors, the Chief Accountant will carefully review the responsibility and actions of a firm of external auditors to adopt and apply a system of quality control in conducting an audit practice consisting of policies, procedures, and a code of conduct.

The review by the Chief Accountant may include, but is not limited to, a review of the audit firm's quality control practices addressing matters such as outside employment, business relationships, confidentiality requirements, exchange of gifts and entertainment, contributions to charitable activities, community service, and state board licensing requirements addressing violations of professional standards of conduct, disciplinary action, or conviction of any felony and/or misdemeanor charge(s).

⁹ The external auditor must meet the requirements of independence set forth by the PCAOB Release No. 2003-006 and in SEC Rule, 17 CFR § 210. 2-01.

ii. With respect to the lead engagement team partner (or coordinating) and concurring partner and subject to the external auditor's ethical and legal obligations, the Chief Accountant will consider and evaluate situations involving possible conflicts of interest with the Housing GSE relative to professional and firm standards including, but not limited to outside employment, business relationships, exchange of gifts and entertainment, contributions to charitable activities and community service, and state board licensing requirements addressing violations of professional standards of conduct, disciplinary action, or conviction of any felony and/or misdemeanor charge(s).

h. Review of audit and accounting functions.

1. Annual review by Audit Committee.

At least annually, the Audit Committee should review, with appropriate professional assistance, the requirements of laws, rules, regulations and guidelines that are applicable to its activities and duties. The Audit Committee should provide the Chief Accountant with the materials and procedures employed in such review.

2. Targeted independent review.

No less frequently than every two years, the Audit Committee should assess the need for an independent consultant or accounting firm to conduct an evaluation of one or more accounting policy areas, and report its findings to the board of directors, senior management, and the Chief Accountant. The Chief Accountant may review the conclusions from the assessment.

If the Audit Committee determines that the results of the assessment warrant a targeted evaluation, the Audit Committee should then consider the appropriate form and scope of engagement (for example, agreed-upon procedures, review, etc.). The Chief Accountant may review the appointment of the firm, and the work plan for the engagement. The Chief Accountant should have access to the firm during the engagement.

V. ADDITIONAL MATTERS.

a. Report on consistency with the accounting Examination Guidance.

In addition to annual reports and other specific reports described in this Guidance, the board of directors should cause to be submitted a summary description of the Housing GSE's consistency (*Report on Consistency with the accounting Examination Guidance*) with this Guidance to the Chief Accountant no later than June 30th of each year. The board of directors should assure that the report on consistency with the Guidance includes a summary of the current plans, policies, procedures, and organizational structure the

Housing GSE has developed and all other actions taken to be consistent with the provisions of this Guidance. The board should cause to be submitted annual updates to the initial report to the Chief Accountant.

b. Safety and soundness.

Any failure of the Housing GSE to meet the terms of this Guidance may raise safety and soundness concerns and may be determined to constitute an unsafe and unsound practice.

c. Preservation of existing authority.

Nothing in this Guidance in any way limits the authority of FHFA to otherwise address unsafe or unsound conditions or practices or violations of applicable law, regulation or supervisory order. FHFA has the ability to act in the case of a poorly performing external auditor of a Housing GSE at any time, not just at the time of a planned change. Action referencing the Guidance may be taken separate from, in conjunction with, or in addition to any other enforcement action available to FHFA. Compliance with the Guidance in general would not preclude a finding by the Agency that a Housing GSE is otherwise engaged in a specific unsafe or unsound practice or is in an unsafe or unsound condition, or requiring corrective or remedial action with regard to such practice or condition. That is, supervisory action is not precluded against a Housing GSE that has not been cited for a deficiency under the Guidance. Conversely, a Housing GSE's failure to comply with one of the supervisory requirements set forth in the Guidance may not warrant a formal supervisory response from FHFA, if FHFA determines the matter may be otherwise addressed in a satisfactory manner. For example, FHFA may require the submission of a plan to achieve compliance with the particular requirement or standard.