FEDERAL HOUSING FINANCE AGENCY

Order No. 2026-OR-B-2

ORDER ON FHLBANK FRAUD REPORTING

1. **Purpose and Applicability.** This Order sets forth the fraud reporting requirements applicable to the Federal Home Loan Banks (FHLBanks).

2. **Authority.** 12 U.S.C. § 4514 authorizes U.S. Federal Housing (Federal Housing Finance Agency or FHFA) to require regulated entities, by general or specific order, to submit regular or special reports on their condition, management, activities, and operations as FHFA considers appropriate. 12 U.S.C. § 4514 further authorizes FHFA to require regulated entities, by general or specific order, to submit special reports on any relevant topic, if, in the judgment of FHFA, such reports are necessary to carry out the purposes of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended (the Safety and Soundness Act) (12 U.S.C. § 4501 *et seq.*).

   Under the Safety and Soundness Act, the principal duties of the Director include ensuring that the regulated entities operate in a safe and sound manner and comply with the Safety and Soundness Act, any rules, regulations, guidelines, or orders issued thereunder, and the authorizing statute.

   The Safety and Soundness Act at 12 U.S.C. § 4642(a) requires timely fraud reporting by regulated entities upon the discovery or suspicion of fraudulent loans or financial instruments they have either purchased or sold. It is necessary and appropriate for FHFA to compile information related to fraud reporting for supervisory oversight and for law enforcement purposes. This data will be used to maintain oversight of the Enterprises' fraud risk management environments, including timely reporting of any fraud or possible fraud to FHFA, and by FHFA to appropriate authorities, consistent with its statutory duties and the requirements of 5 CFR 2635.101.

3. **Reporting Requirements.** This Order sets forth the statutory fraud reporting requirements that are implemented in regulations at 12 CFR Part 1233 – Reporting of Fraudulent Financial Instruments. The Safety and Soundness Act (12 U.S.C. § 4642), as implemented in regulations at 12 CFR Part 1233, requires a regulated entity to submit to FHFA a timely report upon discovery that it has purchased or sold a fraudulent loan or financial instrument, or when it suspects a possible fraud related to the purchase or sale of any loan or financial instrument. The notification must be immediate in any situation that would have a significant impact on the regulated entity (12 CFR § 1233.3(a)). The FHLBanks must adhere to this

reporting order to comply with these statutory and regulatory requirements and for supervisory oversight purposes.

A. Immediate Notification

To comply with the immediate notification requirement in 12 CFR Part 1233, an FHLBank must notify FHFA electronically within one calendar day from when the FHLBank becomes aware of fraud or possible fraud as defined in 12 CFR Part 1233 that may have a significant impact on the FHLBank. Fraud or possible fraud is considered to have a significant impact if it may create substantial financial or operational risk for the FHLBank, whether from a single event/incident or because it is systemic. Fraud or possible fraud is also considered significant, regardless of any monetary threshold, if it involves a member of the board of directors, officer, employee, or a contractor temporarily engaged to fill a position or perform a particular function at an FHLBank or other individual similarly engaged by an FHLBank.

B. Suspicious Activity Report Filing Notification

An FHLBank must notify FHFA by electronic communication that it has filed a Suspicious Activity Report (SAR) with the U.S. Department of the Treasury, Financial Crimes Enforcement Network (FinCEN) on the same day as filing the SAR. This notification must include the Discovery Date, FinCEN filing date, SAR filing name, the estimated monetary value, a description of the activity reported in the filing, and any other information requested by FHFA.

C. Cumulative Quarterly Status Report

Each FHLBank must submit a quarterly report to FHFA, referred to as the Cumulative Quarterly Status Report, that must include a summary of all SARs filed with FinCEN during the current year, all open (unresolved) SARs, and any SARs closed or resolved during the past three years. FHFA has provided the FHLBanks with a template for the Cumulative Quarterly Status Report. Each FHLBank must provide FHFA with its Cumulative Quarterly Status Report within ten (10) calendar days after the end of each calendar quarter, regardless of whether the FHLBank had a reportable event during the period covered by the report. The FHLBank must send the report electronically through secure methods or such other process as established by FHFA.

D. Annual Conformance Review and Report

No less than annually, each FHLBank must review the requirements of 12 CFR Part 1233, the FHLBank's internal controls, and this reporting order to determine whether its practices are aligned with FHFA's expectations.

Each FHLBank must submit an Annual Conformance Report to its board of directors describing the results of its annual review. At a minimum, the Annual Conformance Report must include a summary of the FHLBank's policies, procedures, internal controls, and training for financial instrument fraud and anti-money laundering risk that have been developed, modified, or enhanced; other actions taken by the FHLBank to conform with the provisions of this reporting order; and the status of the FHLBank's efforts to remediate "matters requiring attention" related to the discovery and reporting of fraud or possible fraud identified as part of FHFA targeted examinations or ongoing monitoring activities.

Upon its approval and as documented in meeting minutes, the FHLBank's board of directors must submit the Annual Conformance Report to the Director's designee(s) three months after the close of the reporting cycle. The Annual Conformance Report must cover the time period of July 1 through June 30 of the following year, with the Annual Conformance Report submitted on or before September 30.

E. Ad Hoc Reporting

FHFA may request additional information related to fraud or potential fraud from the FHLBanks individually or collectively to accomplish the agency's supervisory objectives.

4. General Provisions.

A. Each report submitted under this Order shall be governed by 12 U.S.C. § 4514 and include a declaration by an authorized officer of the FHLBank that the report is true and correct to the best of that officer's knowledge and belief.

B. FHFA has provided, and may periodically update, a template describing the format, content, and submission procedures for each report required by this Order.

C. If a submission deadline falls on a weekend or federal holiday, the applicable submission will be due on the next business day.

D. Reports must be sent electronically through secure methods established by FHFA.

5. **Rescission of FHFA Advisory Bulletin 2015-01, *FHLBank Fraud Reporting*.** Advisory Bulletin 2015-01, *FHLBank Fraud Reporting*, is rescinded upon the issuance of this Reporting Order.

6. **Effective Date.** This Order is effective upon issuance.

IT IS HEREBY ORDERED:

CLINTON JONES
Digitally signed by CLINTON JONES
Date: 2026.08.07 14:57:25 -04'00'

pp Clinton Jones for
William J. Pulte
Director, Federal Housing Finance Agency

August 7, 2026