



FEDERAL FINANCING BANK
U.S. DEPARTMENT OF THE TREASURY

2017 Annual Report



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November 15, 2017

Dear Reader,

I am pleased to present the Federal Financing Bank's (FFB) 2017 Annual Report. The report covers the FFB's performance and summarizes its accomplishments for the year. The FFB takes pride in providing timely, reliable, and meaningful information to all its stakeholders.

In fiscal year 2017, the FFB's loan portfolio (loans receivable) increased by \$1.5 billion, or 1.9 percent, to \$77.8 billion from \$76.3 billion. The FFB's net position increased by \$407.6 million, or 8.2 percent, to \$5.0 billion at September 30, 2017 from \$4.6 billion at September 30, 2016 as a result of positive earnings.

Strong financial management and internal controls continue to be our highest priorities. During the year, the FFB conducted a comprehensive assessment of the effectiveness of internal controls over financial reporting. Based on the results, we can provide reasonable assurance that internal controls over financial reporting are operating effectively. In fiscal year 2017, the FFB received an unmodified opinion for the twenty-fourth consecutive year from its independent auditors. The auditors identified no material weaknesses in the FFB's internal control systems.

During the fiscal year, the FFB completed 189 new lending commitments. These commitments include 107 loan agreements for the Rural Utilities Service totaling \$3.6 billion; 15 loan agreements for the United States Postal Service totaling \$33.1 billion; nine loan agreements for the Department of Treasury's Community Development Financial Institution Fund's Bond Guarantee Program totaling \$245 million; four loan agreements for the Department of Education totaling \$140.5 million for loans to three Historically Black Colleges and Universities; one loan agreement for \$375 million under the Rural Utilities Service's Guarantees for Bonds and Notes Issued for Electrification or Telephone Purposes Program; one loan agreement with the National Credit Union Administration for \$2.0 billion; and 52 loan agreements totaling \$646.9 million for the U.S. Department of Housing and Urban Development's Section 542 Risk-Sharing Program.

The FFB devotes significant resources to its core information technology (IT) system, the Loan Management Control System, for upgrades that are part of a multi-year modernization. Most notably, the FFB completed a modernization of its core software in fiscal year 2017 to eliminate its dependence on legacy FORTRAN code. Going forward, the FFB will streamline business processes and improve systems through new technologies. As the FFB is a small organization with limited human resources, IT is a valuable asset that must be effectively managed to carry out our mission.

In 2018, we will seek new and efficient approaches to achieving our mission to lower the cost of Federal credit, to coordinate Federal program borrowings with the Government's overall fiscal policy, and to ensure that Federal program borrowings are done in ways that are least disruptive to private markets.

Sincerely,



Thomas A. Coleman
Chief Financial Officer

Management's Discussion and Analysis

Overview

The Federal Financing Bank (FFB) is a government corporation under the general supervision and direction of the Secretary of the Treasury. Congress created the FFB in 1973 at the request of the U.S. Department of the Treasury (Treasury). The FFB borrows from Treasury and lends to Federal agencies and private entities that have Federal guarantees. The FFB also has debt obligations issued to the Civil Service Retirement and Disability Fund.

Mission of the Federal Financing Bank

The mission of the FFB is to reduce the costs of Federal and federally assisted borrowings, to coordinate such borrowings with the Government's overall fiscal policy, and to ensure that such borrowings are done in ways that least disrupt private markets. To accomplish this mission, the FFB exercises its statutory authority to purchase obligations issued, sold, or guaranteed by Federal agencies.

Federal Financing Bank Objectives

The FFB was formed to be the vehicle through which Federal agencies finance programs involving the sale or placement of credit market instruments including agency securities, guaranteed obligations, participation agreements, and the sale of assets. This principle is applied in a manner consistent with the Federal Financing Bank Act of 1973 (12 U.S.C. § 2281 et seq.) and its legislative history.

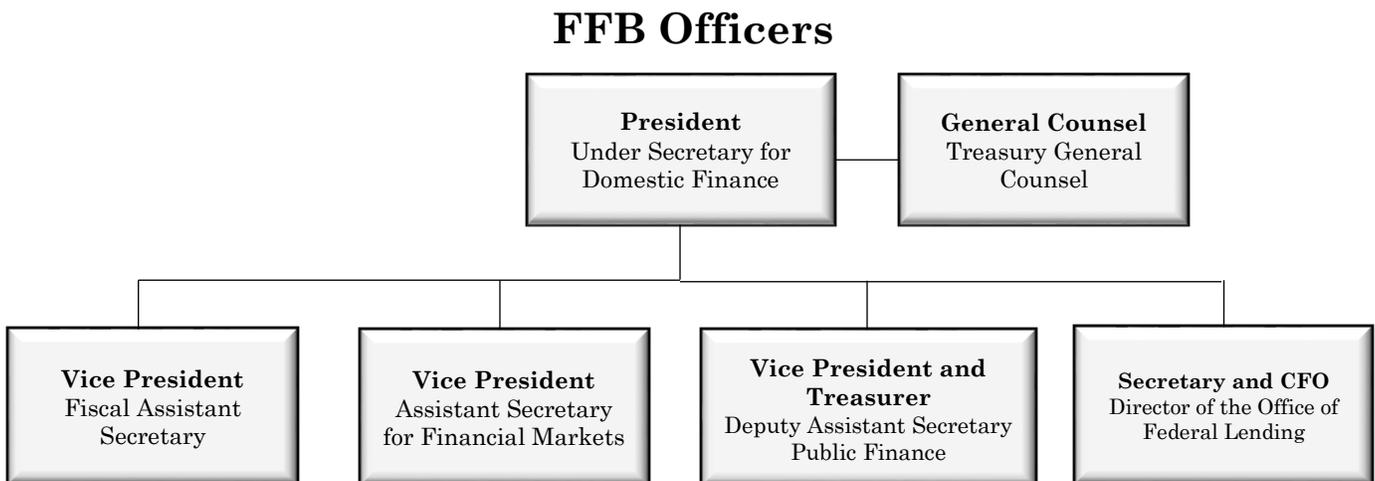
The FFB makes funds available to Federal agencies and to guaranteed borrowers as required by the relevant Federal agency program rules and regulations. The FFB is capable of providing a lending rate for any amount required and for nearly any maturity. The FFB's methodology for terms such as prepayment provisions and service charges is applied consistently for all borrowers.

The lending policy of the FFB is flexible such that Federal agencies do not need to accumulate pools of funds. The policy does not preclude the maintenance of liquidity reserves for those agencies with such a need. In no case are funds provided by the FFB invested in private credit instruments or used to speculate in the market for public securities.

Organizational Structure

The FFB is subject to the general supervision and direction of the Secretary of the Treasury. The Board of Directors is comprised of the incumbents of the following Treasury offices: the Secretary of the Treasury, who, as provided by law, is the Chairman; the Deputy Secretary; the Under Secretary for Domestic Finance; the General Counsel; and the Fiscal Assistant Secretary.

The officers are incumbents of the following Treasury offices (corresponding FFB positions are in parentheses): the Under Secretary for Domestic Finance (President); the General Counsel (General Counsel); the Assistant Secretary for Financial Markets (Vice President); the Fiscal Assistant Secretary (Vice President); the Deputy Assistant Secretary for Public Finance (Vice President and Treasurer); and the Director, Office of Federal Lending (Secretary and Chief Financial Officer). As the office of Under Secretary for Domestic Finance is currently vacant, the Secretary of the Treasury, as Chairman of the FFB, has designated a temporary FFB President until an Under Secretary of Domestic Finance is confirmed. A delegation by the FFB President authorizes any FFB Vice President, in consultation with any other FFB officer, to exercise the powers of the President.



The FFB's management structure consists of four areas of functional responsibility: Accounting, Information Technology (IT), Lending, and Operations. Each unit is headed by a Director that reports to the Chief Financial Officer. A description of each Director's responsibilities follows:

- The Director of Accounting is responsible for loan transactions including but not limited to overseeing loan disbursements and repayments as well as managing accounting and financial reporting.
- The Director of Information Technology is responsible for management and oversight of IT infrastructure including but not limited to software development and

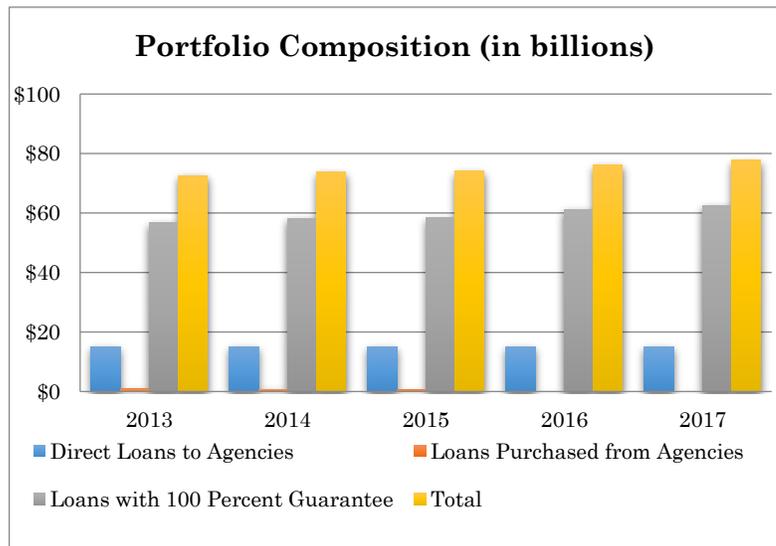
maintenance of mission critical applications that support lending and accounting functions.

- The Director of Lending is responsible for loan administration functions including but not limited to loan origination, loan structuring, credit analysis, and managing customer relationships.
- The Director of Operations is responsible for the general management functions of the FFB including but not limited to budgeting, procurement, human resources, strategic planning, and facilities management. The Director of Operations position is currently vacant with an Acting Director of Operations performing the duties of this position.

Financial Highlights

The FFB received an unmodified opinion from its independent auditors on its fiscal year 2017 and 2016 financial statements. The following is a synopsis of the FFB’s financial performance during the fiscal year. As of September 30, 2017, interest on loans of \$2,397.2 million increased by \$169.3 million or 7.6 percent from the previous fiscal year due to the growth of the portfolio and interest from loans related to the Federal Credit Reform Act (FCRA). Legislatively mandated interest credits to borrowers under the Rural Utilities Service (RUS) “cushion of credit” program reduced interest income by \$10.7 million for the fiscal year. Revenue from servicing loans totaled \$914 million, which was a decrease from \$1.3 million in the previous year.

Interest on borrowings of \$1,968.5 million increased by \$20.5 million, or 1.1 percent, from \$1,948.1 million in fiscal year 2017, primarily due to higher rates on outstanding borrowings. Net income of \$407.6 million for the fiscal year represents an increase from \$247.0 million the previous year. The FFB’s net position increased by the same \$407.6 million, or 8.9 percent, to \$5,003.2 million from \$4,595.5 million at September 30, 2017 as the result of positive earnings.



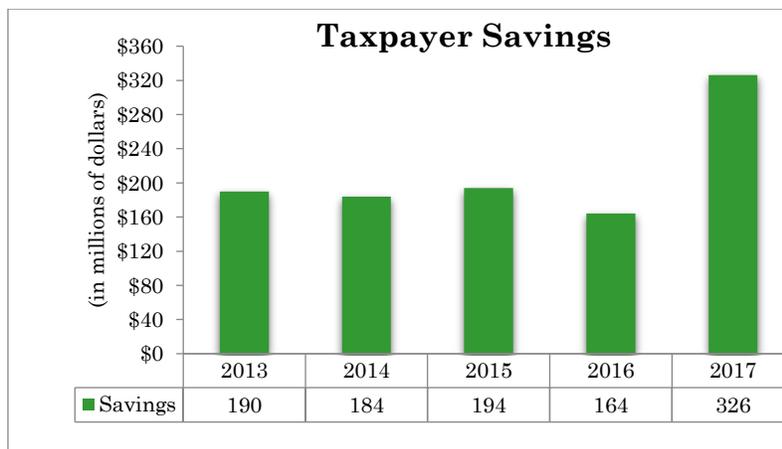
Loan Portfolio

The FFB makes funds available to Federal agencies and to guaranteed borrowers as required by the relevant Federal agency program rules and regulations. All loans in the FFB’s portfolio are federally guaranteed or have a commitment to be full faith and credit obligations of the United States. During fiscal year 2017, the loan portfolio increased by \$1.5 billion or 2.0 percent to \$77.8 billion from \$76.3 billion on September 30, 2016. The

net change during the year was entirely the result of an increase in net holdings of loans with 100 percent Federal guarantees.

Taxpayer Savings

The FFB achieves taxpayer savings by reducing the costs of Federal and federally assisted borrowings. Each year, the FFB estimates the annual taxpayer savings generated by its lending activities by measurement of two factors. First, for loans to Federal agencies, it measures the present value of the difference between the estimated amount of interest that the agency would have paid had the loan been financed in the market and the amount of interest that the FFB pays to Treasury. Second, for guaranteed loans, it measures the present value of fees charged to borrowers on new loans which are credited back to guarantor agencies to offset potential losses under their guarantee programs.



The FFB estimates that its lending activities generated \$325.7 million in savings in fiscal year 2017. These savings are attributable, in part, to the following loan activity in fiscal year 2017:

- RUS loan guarantee program – 107 new guaranteed notes, totaling \$3.6 billion in new commitments, with \$2.9 billion disbursed;
- The Department of Housing and Urban Development’s (HUD) Section 542 Risk-Sharing program – 52 notes financed, totaling \$646.9 million with \$646.9 million disbursed; and
- Department of Energy’s Title XVII loan program – \$275 million in loans disbursed.

*Management's Report on Internal Controls
over Financial Reporting*

The Chief Financial Officers Act of 1990 requires the annual management report of a government corporation to include a statement on internal accounting and administrative control systems, consistent with the requirements for statements on such systems from government agencies under the amendments to the Accounting and Auditing Act of 1950 made by the Federal Managers' Financial Integrity Act of 1982, as amended (FMFIA). FMFIA requires each government agency to establish internal accounting and administrative control systems that provide reasonable assurance that:

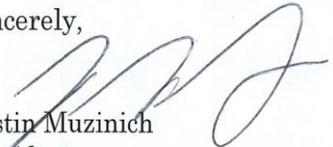
- obligations and costs comply with applicable law;
- all assets are safeguarded against waste, loss, unauthorized use, and misappropriation;
- revenues and expenditures applicable to agency operations are recorded and accounted for properly; and
- reliable complete financial and statistical reports are prepared and accountability for assets is maintained.

FMFIA also requires each agency to conduct an evaluation of its internal accounting and administrative control systems in accordance with the guidelines established by the Office of Management and Budget (OMB) in consultation with the Government Accountability Office (GAO) and requires the head of each agency to state whether the agency's systems provide reasonable assurance that they are achieving their intended objectives.

The FFB conducted its assessment of the effectiveness of internal control over financial reporting which includes the safeguarding of assets and compliance with applicable laws and regulations, in accordance with the requirements of OMB Circular A-123, *Management's Responsibility for Internal Control*. Based on the results of this evaluation, the FFB can provide reasonable assurance that its internal control over financial reporting, as of June 30, 2017, was operating effectively and no material weaknesses were found in the design or operation of the internal control over financial reporting. In addition, Treasury's Office of the Inspector General engaged an independent auditor, KPMG, LLP, who evaluated the internal accounting and administrative control systems of the FFB. The independent auditor found no material weaknesses for fiscal year 2017.

Accordingly, we believe that the FFB's systems of internal accounting and administrative control fully comply with the requirements for agency internal accounting and administrative control systems, providing reasonable assurance that they are achieving the intended objectives.

Sincerely,



Justin Muzinich
President

Summary of Financial Statement Audit and Management Assurances

During the fiscal year 2017 audit, the FFB’s auditor, KPMG, LLP, noted no matters involving the internal control over financial reporting that they considered to be a material weakness.

Summary of Financial Statement Audit

Audit Opinion	Reasonable Assurance				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
	0	0	0	0	0
Total Material Weaknesses	0	0	0	0	0

Summary of Management Assurances

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Unmodified Assurance					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
	0	0	0	0	0	0
Total Material Weaknesses	0	0	0	0	0	0
Effectiveness of Internal Control over Operations (FMFIA § 2)						

Statement of Assurance	Unmodified Assurance					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
	0	0	0	0	0	0
Total Material Weaknesses	0	0	0	0	0	0
Conformance with financial management system requirements (FMFIA § 4)						
Statement of Assurance	Unmodified Assurance					
Non-Conformance	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
	0	0	0	0	0	0
Total non-conformance	0	0	0	0	0	0
Compliance with Federal Financial Management Improvement Act (FFMIA)						
	Agency			Auditor		
Overall Substantial Compliance	Yes			Yes		
1. System Requirements	Yes					
2. Accounting Standards	Yes					
3. USSGL at Transaction Level	Yes					

Budget Reconciliation

The Statement of Budgetary Resources (SBR) for fiscal year 2016 has been reconciled to the fiscal year 2016 actual amounts on the Program and Financing (P&F) Schedule presented in the *Budget of the United States Government, Fiscal Year 2017 - Appendix*. A table representing this comparison is shown on page 15 of this report.

The reconciliation between the Statement of Budgetary Resources and the P&F Schedule for fiscal year 2017 cannot be performed since fiscal year 2017 actual amounts will not be available until the *Budget of the United States Government, Fiscal Year 2019 – Appendix* is published. The Statement of Budgetary Resources for fiscal year 2017 will be reconciled to the P&F Schedule for fiscal year 2017 after the fiscal year 2019 Budget is released.

FEDERAL FINANCING BANK
Fiscal Year 2016 Budget Reconciliation
(in millions of dollars)

	<u>SBR</u>	<u>P&F</u>	<u>Difference</u>
	<u>Amount</u>	<u>Amount</u>	
Obligations by program activity:			
Total new obligations	1,801	1,801	0
Budgetary Resources:			
Unobligated balance:			
Unobligated balance bought forward, Oct 1	1353	1,353	0
Borrowing authority	0	0	0
Unobligated balance transfer from other accounts	0	0	0
Unobligated balances applied to repay debt	<u>(859)</u>	<u>(859)</u>	
Unobligated balance (total)	494	494	0
Spending authority from offsetting collections, mandatory:			
Collected	1,905	1,905	0
Total budgetary resources available	2,399	2,399	0
Total new obligations	<u>(1,801)</u>	<u>(1,801)</u>	0
Unexpired unobligated balance, end of year	598	598	0
Change in obligated balance:			
Unpaid obligations:			
Obligations incurred, unexpired accounts	1,801	1,801	0
Outlays (gross)	(1,801)	(1,801)	0
Budgetary authority and outlays, net:			
Mandatory:			
Budget authority gross	1,905	1,905	0
Outlays, gross:			
Outlays from new mandatory authority	1,801	1,801	0
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
Federal sources	(2,215)	(2,215)	0
Outlays, net (total)	(414)	(414)	0

Annual Performance Report

Strategic Goals

The FFB’s Strategic Plan covers fiscal years 2014-2017 and is aligned with the Treasury’s Strategic Plan. The FFB’s Strategic Plan was developed collaboratively with employees and senior management and guides the FFB’s efforts to support the mission of lowering the cost of Federal credit. The FFB retained the measures originally described in the 2016 annual report that are still effective indicators of the FFB’s performance. The FFB’s plan has five strategic goals.

- Execute robust, consistent, and controlled day-to-day operations;
- Reduce public borrowing costs by offering creative new products and services consistent with legal authorities;
- Pursue legislative and administrative strategies to allow the FFB to provide more solutions to achieve public policy objectives;
- Enhance technology infrastructure to improve operations and support the workforce’s ability to achieve the FFB’s goals; and
- Attract, develop, and retain a competent, highly motivated, and diverse workforce.

Following OMB and Treasury guidance, the FFB has begun developing its fiscal year 2018-2021 Strategic Plan and anticipates releasing it during calendar year 2018. For 2018, the FFB will retain some 2017 measures and add additional measures, consistent with the strategic direction to be outlined in the 2018-2021 plan.

Strategic-Operational Relationship

The relationship between the FFB’s Goals outlined in its 2014-2017 Strategic Plan and its 2016 & 2017 annual program performance goals are shown in the chart below.

General Goals from Strategic Plan	2017 Annual Performance Goals
Execute robust, consistent, and controlled day-to-day operations.	Execute the day-to-day operations of the FFB in a control-oriented, transparent, and efficient manner.
Reduce public borrowing costs by offering creative new products and services, consistent with existing legal authorities.	Increase savings to taxpayers by expanding customer base and types of services offered.
Pursue legislative and administrative strategies to allow the FFB to provide more solutions to public policy objectives.	No applicable annual goals for this element in 2017.
Enhance technology infrastructure to improve operations and support the workforce’s ability to achieve FFB’s mission and goals.	Enhance system capabilities to support business processes and the modernization of FFB’s Loan Management and Control System.

Attract, develop, and retain a competent, highly motivated, and diverse workforce.	Further enhance the FFB's expertise by committing resources to employee development.
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For each Strategic Goal, the annual performance plan identifies supporting annual performance goals to measure accomplishments.

The strategies to achieve the performance plan rely on the processes and technologies continually refined since the inception of the FFB in 1973. In particular, the FFB staff has developed specialized experience and skills in advanced financial information technology to provide sophisticated financing to its customers.

As mandated by the Government Performance and Results Act of 1993 (GPRA), Federal agencies identify critical activities, devise pertinent performance measures, and report on these activities to the President and Congress. We have identified the following key measures to monitor and manage our operations.

Annual Performance Goals and Measures and Report for FY 2017

Goal 1: Execute the day-to-day operations of the FFB in a control-oriented, transparent, and efficient manner.

Each year, the FFB processes tens of thousands of payments, collections, pricing transactions, new lending notes, reconciliations, reports, and other financial transactions. Day-to-day operations are the organization's most important priority. Strategic Goal 1 addresses the FFB's operational performance and responsibility for stewarding public money. The FFB will meet this goal by (1) executing loan transactions in an accurate and efficient manner; (2) ensuring the timely issuance of internal and external communications; and (3) enhancing its documented knowledge base.

Performance Measure 1A: Number of weaknesses in internal control systems identified by independent auditors

In fiscal year 2017, the FFB achieved its annual performance goal of zero material weaknesses in its internal control systems. The FFB received an unmodified audit opinion for the twenty-fourth consecutive year. In June 2017, the FFB completed an in-depth testing of its internal accounting and administrative control procedures in accordance with OMB Circular No. A-123, *Management's Responsibility for Internal Control*. As a result of this review, the FFB can provide reasonable assurance that its internal control over financial reporting, as of June 30, 2017, was operating effectively and no material

weaknesses were found in the design or operation of the internal control over financial reporting.

Performance Measure 1B: Percentage of monthly activity reports published on the FFB website within two weeks of the subsequent month.



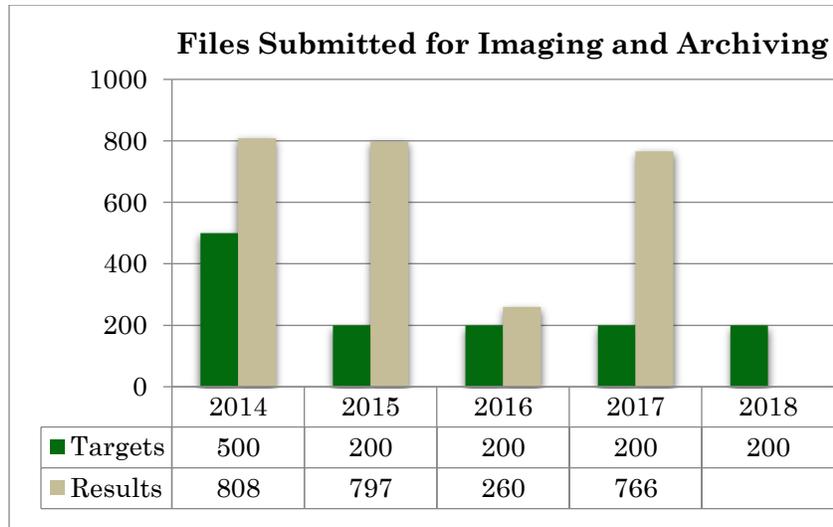
The FFB’s monthly activity report helps inform the public and other stakeholders about the FFB’s lending activity. These reports provide information about the FFB’s total outstanding obligations and program-specific lending activity. The FFB began tracking this metric in fiscal year 2014 and met this goal in fiscal year 2017. The FFB produced 92 percent of its activity reports within two weeks of the close of the subsequent month.

Performance Measure 1C: Number of Meetings of the FFB Board of Directors in Fiscal Year 2017.

Pursuant to the Federal Financing Bank Act of 1973, the FFB is governed by a Board of Directors chaired by the Secretary of the Treasury and comprised of other senior Treasury officials. In 2014, the Chairman of the FFB Board of Directors issued a standing order for semi-annual board meetings. The FFB did not meet this goal in fiscal year 2017 due to vacancies on the Board and among the FFB’s officers as a result of the change in Administration.

In 2018, the Federal Financing Bank plans to adjust this goal to seek a minimum of one Board of Directors meeting a year. This change would not affect the ability of the Chairman to call additional meetings as circumstances warrant.

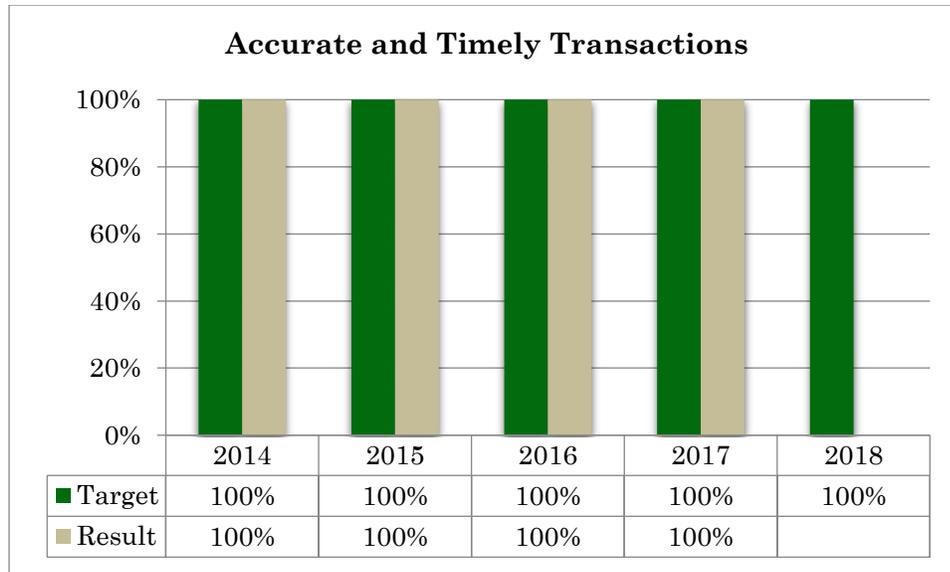
Performance Measure 1D: Number of legacy paper files submitted for digital imaging and archiving.



In fiscal year 2014, the FFB began an initiative to digitize and archive hard-copy accounting and loan documents. Accordingly, the FFB created a digital document library to ensure historical FFB documentation was easily accessible by staff and began reviewing legacy files for submission to Treasury’s Office of Records Management for electronic imaging. The FFB exceeded its imaging and archiving goal for fiscal year 2017 by submitting 766 separate paper files, totaling 189,217 pages for imaging. Digitized copies of scanned files are available for staff reference in FFB’s digital document library. As the FFB has digitized the majority of its legacy files, it will remove this goal in 2018 while continuing its efforts to scan and archive loan files once those files become inactive.

Performance Measure 1E: Percentage of loan transactions processed accurately and on time.

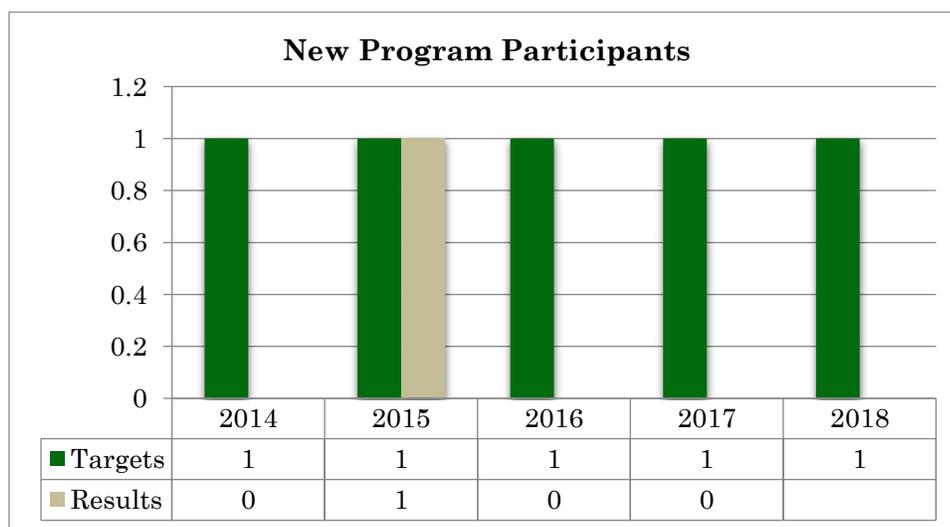
In fiscal year 2017, the FFB achieved its performance goal of completing 100 percent of loan transactions on time. The FFB successfully processed 189 new commitments, 747 new loan requests, 160 loan prepayments, 31,415 loan repayments, and 3,172 routine pricings. While the completion percentage rounded up to 100 percent, the FFB had two transactions which were processed outside agreed upon timeframes, but neither delay disrupted the business of the FFB or the borrower.



Goal 2: Increase savings to taxpayers by expanding customer base and types of services offered.

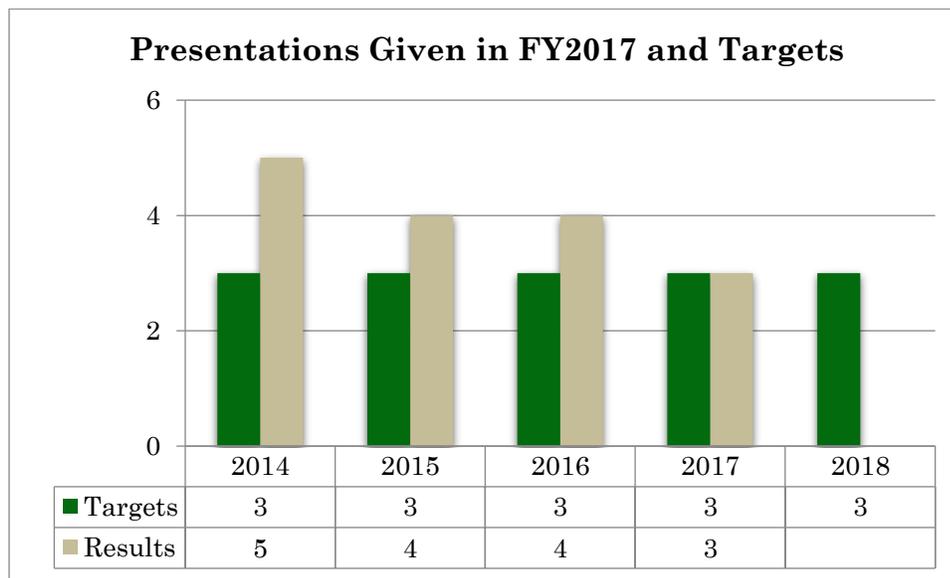
The FFB continues to provide innovative and customized solutions to Federal borrowing needs. FFB staff is recognized as a key source of specialized expertise in Federal program finance with information technology to support sophisticated financial solutions. The FFB will continue to meet this goal by delivering a range of creative products to customers in a timely manner.

Performance Measure 2A: Persuade a new Federal credit program to finance its loans through the FFB.



The FFB did not meet this performance goal in fiscal year 2017. The FFB executed a Program Financing Agreement for a new program with the Maritime Administration in fiscal year 2017 but has not yet financed a loan under this program. Further, the FFB is in discussions with one additional Federal entity concerning a new program that would likely be financed in fiscal year 2018.

Performance Measure 2B: Increase outreach to publicize FFB financing options by establishing an annual target for presentations to potential customer Federal agencies.



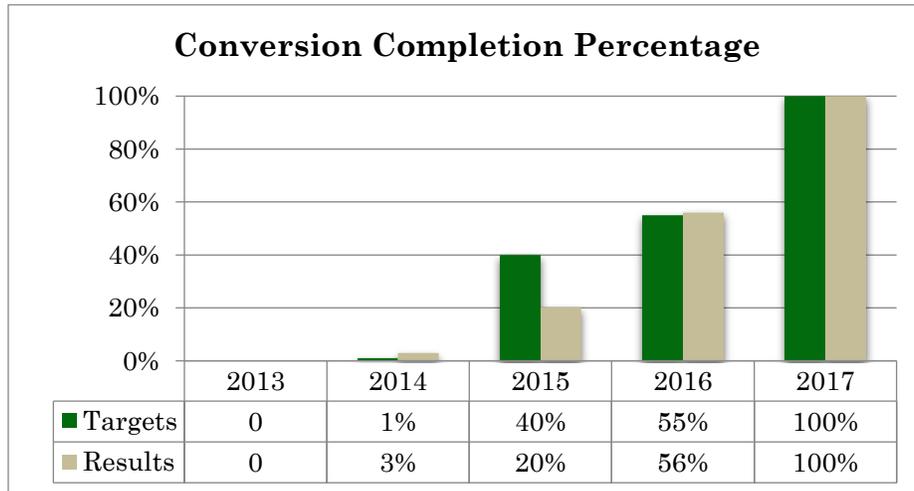
During fiscal year 2017, the FFB consulted with three Federal organizations about supporting loan programs not financed through the FFB. One of these consultations led to the execution of a Program Financing Agreement with the Maritime Administration. Another consultation is ongoing with terms and conditions proposed for management clearance.

Goal 3: Enhance system capabilities to support business processes and modernize the FFB’s Loan Management and Control System

Advanced information technology and automated workflows are crucial to the FFB. During the year, the FFB made strategic investments in technology to improve operational efficiency and provide stakeholders with the most useful and accurate information.

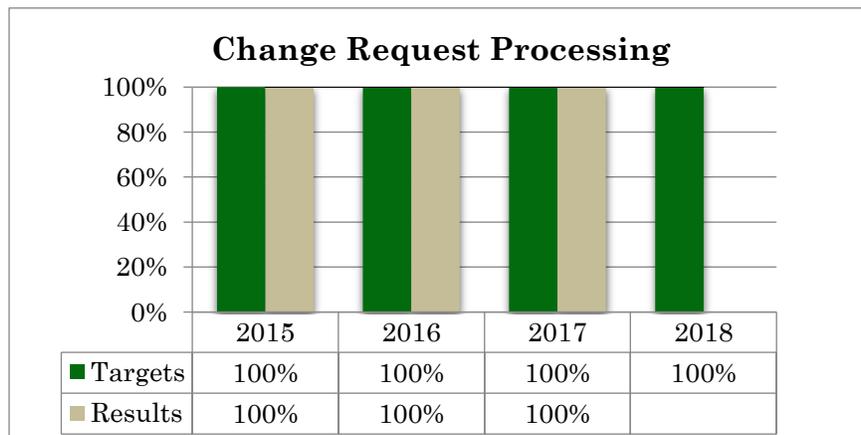
Performance Measure 3A: Modernize the FFB’s core lending and accounting system by converting legacy code to more widely supported programming language.

The FFB’s core lending and accounting system, the Loan Management Control System (LMCS), has been in use since the 1980’s. LMCS is highly reliable, accurate, and essential to day-to-day operations. To ensure LMCS’s continued viability, the FFB is working on a multi-year initiative to transition the system to newer and more widely-supported technologies, including conversion of the legacy FORTRAN code into more widely-supported programming languages.



The FFB met its goal to complete the conversion of LMCS code-base to Java in fiscal year 2017, an important step in the overall modernization of LMCS that will help lower the cost and risks of maintaining the system. The effort required the FFB to convert 320 individual program modules, totaling 104,911 lines of code.

Performance Measure 3B: Percentage of change requests processed in conformance with enhanced Change Management processes.



In 2014, the FFB implemented change control processes to enhance the review, tracking, testing, and approval of system changes, and begun tracking compliance with these new procedures in 2015. In fiscal year 2017, the FFB processed 100 percent of its 160 change requests in conformance with its procedures. Of the 160 change requests that were processed, 101 of the items were related to FFB's ongoing operations and maintenance of LMCS, while the remaining 59 items were related to FFB's modernization effort.

Performance Measure 3C: Modernize the FFB's external website to improve the appearance and navigation.

The FFB's external website helps to inform the public and other stakeholders about the FFB's ongoing lending activity and serves as a repository for governance and policy documents. In 2015, the FFB began exploring options to modernize its external website to enhance its overall appearance and navigability. This effort was concluded in 2017 with the launch of the new website using open-source interfaces on cloud.gov, leveraging existing government technologies which offered substantial savings over commercial options. The upgrade also allowed the website to be managed by internal FFB staff, reducing the time and effort required for maintenance previously handled by external providers.

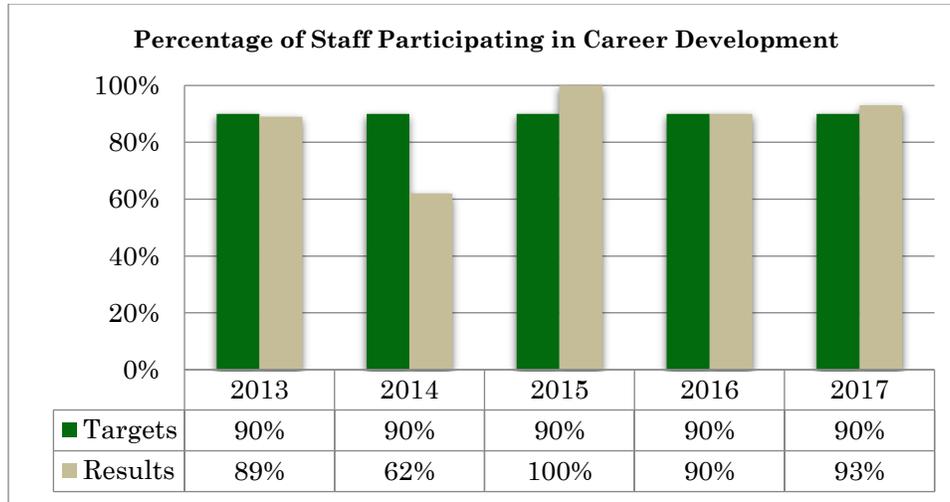
Performance Measure 3D: Complete a migration of the FFB's core lending and accounting system from hosting on outdated physical servers, to cloud computing platform that meets FedRAMP High security requirements.

The next step in the FFB's modernization of LMCS is to transition the hosting platform from end-of-life physical servers to a cloud-based solution that meets FedRAMP High security requirements. This migration is expected to improve LMCS's performance and disaster recovery, mitigate the technical risk associated with older physical servers, and significantly reduce the annual cost of maintaining the system. The FFB began the planning process for a cloud migration in 2017 and its goal is to complete the effort in fiscal year 2018.

Goal 4: Enhance the expertise of the FFB by committing resources to employee development.

The FFB’s goal is to deliver organizational excellence through employee development programs.

Performance Measure 4A: Percentage of employees participating in career development programs.



The FFB has been successful in attracting and retaining a highly motivated and diverse workforce. The FFB makes staff training, retention, and development a priority to ensure that employees have the specialized skills to provide high quality service to customers. In fiscal year 2017, FFB achieved its performance goal in this area by having 93 percent of its staff participate in a career development.

In addition to attending training at commercial providers, our employees took advantage of development opportunities offered by Treasury, the Federal Acquisition Institute, the Treasury Executive Institute, and Treasury’s Bureau of the Fiscal Service.

Performance Measure 4B: Offer group training to improve the efficiency of staff development.

The FFB believes that career development initiatives should not only benefit individual employees but also improve organizational culture and group effectiveness. In fiscal year 2018, the FFB intends to improve the cost-effectiveness and scope of its career development program by investing in larger group-training sessions, with the goal of procuring at least two training programs attended by more than 10 employees. The FFB will survey employees on the results of this approach and track the amount spent per employee to assess the effectiveness of this training strategy.

*Performance Measures: Definition,
Verification and Validation, and Accuracy*

Performance Measures: Definition, Verification and Validation, and Accuracy

Performance Measure 1A: Material weaknesses in internal control systems.

Definition: This measure is the number of material weaknesses as identified by independent auditors. Success will be zero.

Verification and Validation: This measure will be verified through the number of material weaknesses listed in the FFB's annual audited financial statements.

Accuracy: The measurement will be exact.

Performance Measure 1B: Monthly activity reports published on the FFB website within two weeks of the subsequent month.

Definition: This measure is the number of monthly activity reports that are posted on the FFB website within two weeks of the subsequent month. Success will be 90 percent of reports posted within the stated timeframe.

Verification and Validation: This measure will be verified by comparing the date each activity report was submitted to Treasury's Office of the Chief Information Officer with the date of the press releases and counting those releases which were submitted for posting within two weeks of the subsequent month.

Accuracy: The measurement will be exact.

Performance Measure 1C: Meetings of the FFB Board of Directors in fiscal year 2017.

Definition: This measure is the number of FFB Board of Directors meetings with a quorum of Board Members present. Success will be two meetings in 2017.

Verification and Validation: This measure will be verified by the number of Board of Directors meetings during the fiscal year.

Accuracy: The measurement will be exact.

Performance Measure 1D: Legacy paper files submitted for digital imaging and archiving.

Definition: This measure is the number of inactive accounting and/or loan files held in paper copy only that the FFB has submitted to Treasury's records office for digital imaging and archiving. Success will be 200 or more files submitted for imaging and archiving.

Verification and Validation: This measure will be verified through file-level tracking of all legacy papers submitted for digitization and archiving.

Accuracy: The measurement will be exact.

Performance Measure 1E: Loan transactions processed accurately and on time.

Definition: This measure is the percentage of loan disbursements and payments processed on time and accurately. Success will be 100 percent of loans processed accurately and on time.

Verification and Validation: This verification is achieved by internal and external auditing.

Accuracy: The measurement will be exact.

Performance Measure 2A: Persuade new federal credit programs to finance their loans through the FFB.

Definition: This measure is the number of new federal credit programs that finance through the FFB during the fiscal year. Success is one or more new participants.

Verification and Validation: This measure will be verified by the number of programs with loan balances listed in the annual audited financial statements.

Accuracy: The measurement will be exact.

Performance Measure 2B: Outreach to publicize FFB financing options.

Definition: This measure is the number of presentations to Federal agencies with credit programs. Success is three or more presentations and/or continuing substantive discussions on financing terms or program development.

Verification and Validation: This measure will be verified by documenting the number of presentations and/or ongoing substantive discussions with Federal agencies.

Accuracy: The measurement will be exact.

Performance Measure 3A: Modernize the FFB’s core lending and accounting system by converting legacy code to a more widely supported programming language.

Definition: This measure is the number of separate lines of code that are converted from legacy FORTRAN code. Success is meeting the percentage benchmarks for each fiscal year.

Verification and Validation: This measure will be verified by a requirements traceability matrix to track completion and progress of the code conversion.

Accuracy: The measurement will be exact.

Performance Measure 3B: Change requests processed in conformance with enhanced change management processes.

Definition: This measure is the percent of change requests that are processed in accordance with the FFB’s 2014 procedures governing configuration management, change control, and deployment. Success is 100 percent compliance.

Verification and Validation: This measure will be verified by the records of all change requests and related processing on a shared file management platform.

Accuracy: The measurement will be exact.

Performance Measure 3C: Modernize the FFB’s external website to improve the appearance and navigation to enhance the effectiveness of the website.

Definition: This measure is completion of a newly designed FFB website for access by the general public by the end of fiscal year 2017.

Verification and Validation: This measure will be verified by the deployment of an updated version of the FFB website accessible by the public.

Accuracy: The measurement will be exact.

Performance Measure 3D: Migration of the FFB’s core lending and accounting system from hosting on outdated physical servers, to cloud computing platform that meets FedRAMP High security requirements.

Definition: This measure is completion of the migration of the FFB's production environment of its Loan Management and Control System (LMCS) onto a FedRAMP compliant cloud hosting platform.

Verification and Validation: This measure will be verified by the transfer of production operations to onto a FedRAMP High compliant cloud hosting technology.

Accuracy: The measurement will be exact.

Performance Measure 4A: Employees participating in career development programs.

Definition: This measure is the percent of employees participating in ongoing career development programs. Success is 90 percent or greater.

Verification and Validation: This measure will be verified by counting the number of employees that have completed in-house or external training.

Accuracy: The measurement will be exact.

Performance Measure 4B: Group training to staff to improve efficiency of staff development efforts.

Definition: This measure is the number and size of group training programs. Success is delivery of at least two group training sessions that are attended by a minimum of 10 FFB employees. In addition, this measure involves tracking the amount the FFB spends per employee per training course.

Verification and Validation: This measure will be verified by documenting the number of employees attending a group training session.

Accuracy: The measurement will be exact.