



2018 Annual Report

Federal Financing Bank



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November 15, 2018

Dear Reader,

I am pleased to present the Federal Financing Bank's (FFB) 2018 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 2018, the FFB's loan portfolio (loans receivable) decreased by \$881 million, or 1.13 percent, to \$76.9 billion from \$77.8 billion. The FFB's net position increased by \$336 million, or 6.72 percent, to \$5.3 billion at September 30, 2018 from \$5.0 billion at September 30, 2017 as a result of positive earnings.

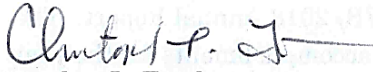
Strong financial management and internal controls continue to be our highest priorities. During the year, the FFB conducted a comprehensive assessment of the effectiveness of internal controls over financial reporting. Based on the results, we can provide reasonable assurance that internal controls over financial reporting are operating effectively. In fiscal year 2018, the FFB received an unmodified opinion for the twenty-fifth 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 123 loan agreements for the Rural Utilities Service totaling \$3.7 billion; 14 loan agreements for the United States Postal Service totaling \$74.8 billion; one loan agreement for the Department of Treasury's Community Development Financial Institution (CDFI) Bond Guarantee Program totaling \$150 million; eight loan agreements for the Department of Education totaling \$251.5 million for loans to four Historically Black Colleges and Universities; one loan agreement for \$750 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 41 loan agreements totaling \$487.8 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. 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 2019, we will seek new approaches to achieve our mission of lowering the cost of Federal credit, coordinating Federal program borrowings with the Government's overall fiscal policy, and ensuring that Federal program borrowings are done in ways that are least disruptive to private markets.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher L. Tuttle", with a horizontal line extending to the right from the end of the signature.

Christopher L. Tuttle
Acting 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.

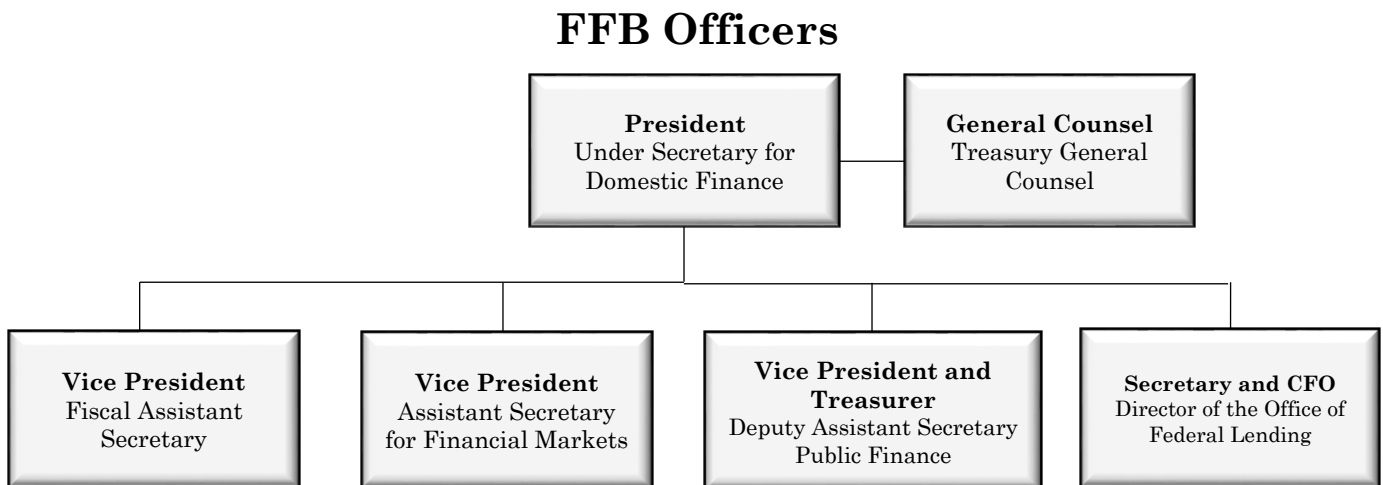
The FFB makes funds available to Federal agencies and to guaranteed borrowers as required by the relevant Federal agency program rules and regulations. The FFB is capable of providing a lending rate for any amount required and for nearly any maturity. The FFB's methodology for terms such as prepayment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



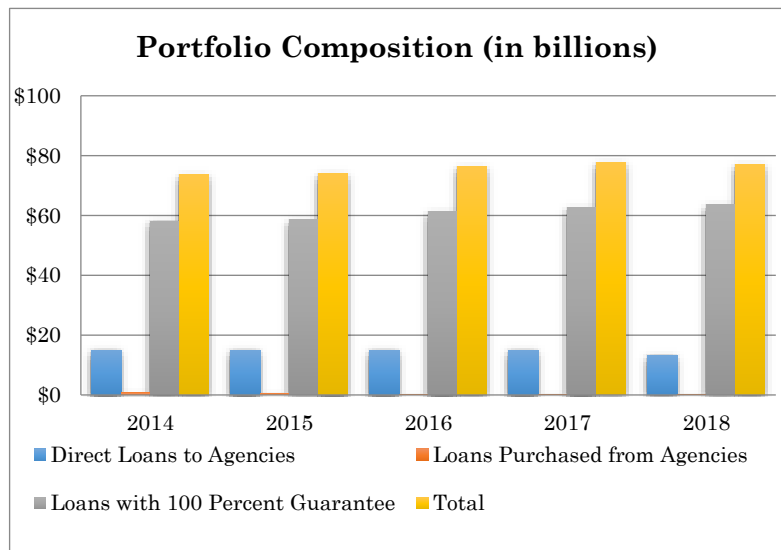
The FFB's management structure consists of four areas of functional responsibility: Accounting, Information Technology (IT), Lending, and Operations. Each unit is headed by a Director that reports to the Chief Financial Officer. The FFB currently is under the supervision of an acting Chief Financial 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.

Financial Highlights

The FFB received an unmodified opinion from its independent auditors on its fiscal year 2018 and 2017 financial statements. The following is a synopsis of the FFB’s financial performance during the fiscal year. As of September 30, 2018, interest on loans of \$2,385.3 million decreased by \$11.9 million or 0.5 percent from the previous fiscal year. 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 \$1.2 million, which was an increase from \$0.9 million in the previous year. Interest on borrowings of \$2,028.1 million increased by \$59.6 million, or 3.03 percent, from \$1,968.5 million in fiscal year 2017, primarily due to higher rates on outstanding borrowings. Net income of \$336 million for the fiscal year represents a decrease from \$407.6 million the previous year. The FFB’s net position increased by \$336.0 million, or 6.7 percent, to \$5,339.2 million from \$5,003.2 million at September 30, 2018 as the result of positive earnings.

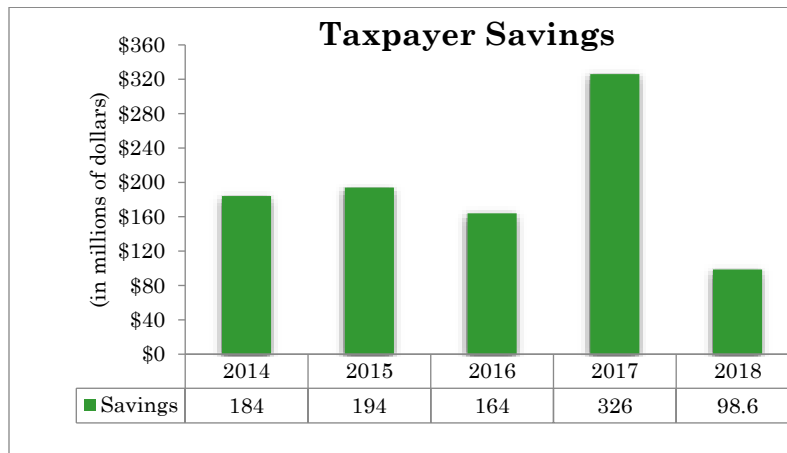


Loan Portfolio

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 2018, the loan portfolio decreased by \$881 million or 1.13 percent to \$76.9 billion from \$77.8 billion on September 30, 2017. The net change during the year was due to the decrease in direct loans to agencies partially offset by an increase in loans with 100 percent guarantee.

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 \$98.6 million in savings in fiscal year 2018. These savings largely are attributable to the following loan activity in fiscal year 2018:

- RUS loan guarantee program – 123 new guaranteed notes, totaling \$3.7 billion in new commitments, with \$3.1 billion disbursed; and
- The Department of Housing and Urban Development’s (HUD) Section 542 Risk-Sharing program – 41 notes financed, totaling \$487.8 million with \$487.8 million 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:

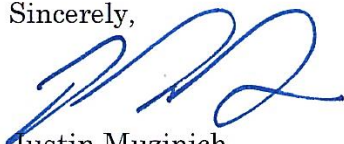
- obligations and costs comply with applicable law;
- all assets are safeguarded against waste, loss, unauthorized use, and misappropriation;
- revenues and expenditures applicable to agency operations are recorded and accounted for properly; and
- reliable complete financial and statistical reports 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, 2018, 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 2018.

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 2018 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 2017 has been reconciled to the fiscal year 2017 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 2018 cannot be performed since fiscal year 2018 actual amounts will not be available until the *Budget of the United States Government, Fiscal Year 2020 – Appendix* is published. The Statement of Budgetary Resources for fiscal year 2018 will be reconciled to the P&F Schedule for fiscal year 2018 after the fiscal year 2020 Budget is released.

FEDERAL FINANCING BANK
Fiscal Year 2017 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	1,695	1,695	0
Budgetary Resources:			
Unobligated balance:			
Unobligated balance bought forward, Oct 1	598	598	0
Borrowing authority	0	0	0
Unobligated balance transfer from other accounts	0	0	0
Unobligated balances applied to repay debt	<u>(598)</u>	<u>(598)</u>	
Unobligated balance (total)	0	0	0
Spending authority from offsetting collections, mandatory:			
Collected	1,825	1,825	0
Total budgetary resources available	1,825	1,825	0
Total new obligations	<u>(1,695)</u>	<u>(1,695)</u>	0
Unexpired unobligated balance, end of year	130	130	0
Change in obligated balance:			
Unpaid obligations:			
Obligations incurred, unexpired accounts	1,695	1,695	0
Outlays (gross)	(1,695)	(1,695)	0
Budgetary authority and outlays, net:			
Mandatory:			
Budget authority gross	1,825	1,825	0
Outlays, gross:			
Outlays from new mandatory authority	1,695	1,695	0
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
Federal sources	(2,029)	(2,029)	0
Outlays, net (total)	(334)	(334)	0

Annual Performance Report

Strategic Goals

The FFB’s Strategic Plan 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 2017 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 2019-2022 Strategic Plan and anticipates releasing it during calendar year 2019. For 2019, the FFB will retain some 2018 measures and add additional measures, consistent with the strategic direction to be outlined in the 2019-2022 plan.

Strategic-Operational Relationship

The relationship between the FFB’s Goals outlined in its Strategic Plan and its 2018 annual program performance goals are shown in the chart below.

General Goals from Strategic Plan	2018 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 2018.
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.

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 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 2018

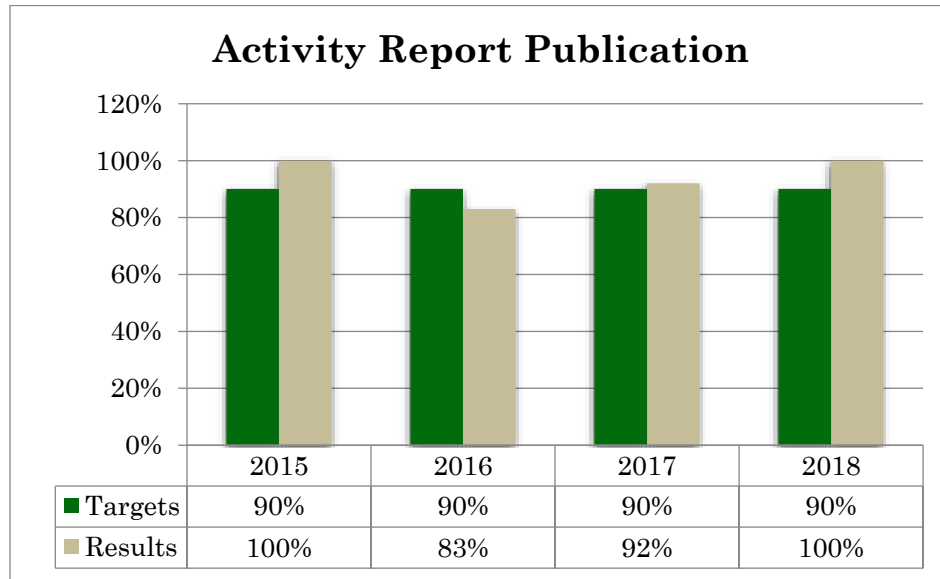
Goal 1: Execute the day-to-day operations of the FFB in a control-oriented, transparent, and efficient manner.

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 2018, 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-fifth consecutive year. In June 2018, 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, 2018, 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.



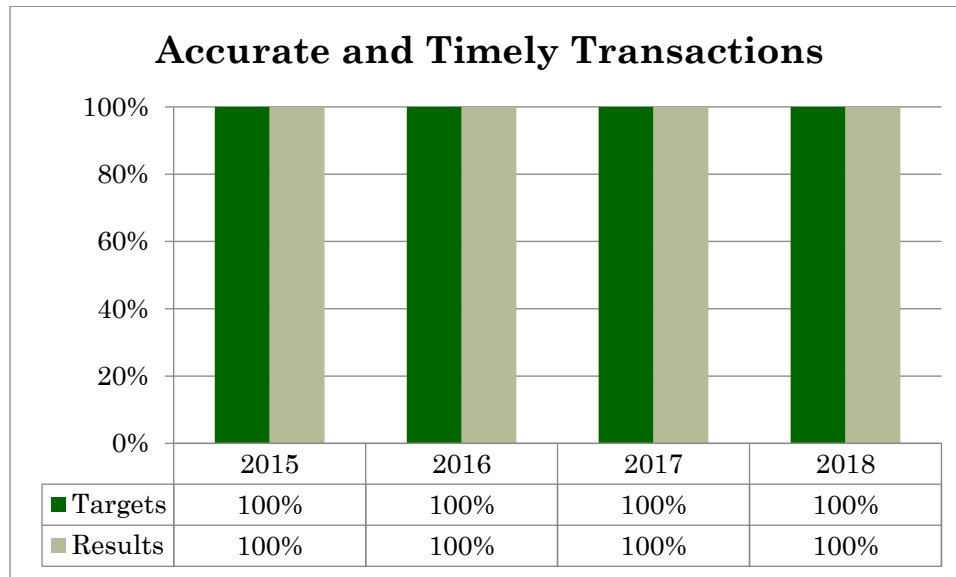
The FFB’s monthly activity report helps inform the public and other stakeholders about the FFB’s lending activity. These reports provide information about the FFB’s total outstanding obligations and program-specific lending activity. The FFB began tracking this metric in fiscal year 2014 and met this goal in fiscal year 2018. The FFB produced 100 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 2018.

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. In 2018, the Federal Financing Bank held its first Board meeting with its newly-appointed members as the result of a change in administration. The FFB did not meet this goal in fiscal year 2018.

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

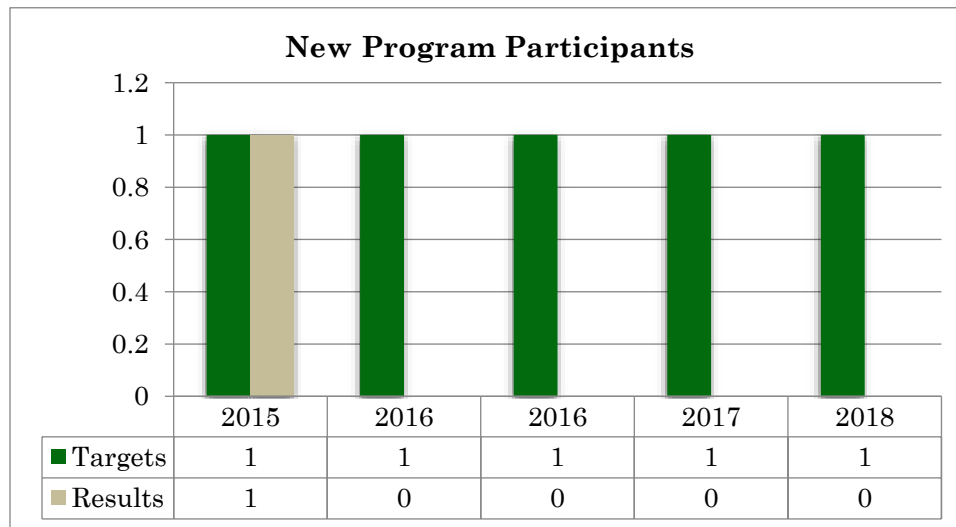
In fiscal year 2018, the FFB achieved its performance goal of completing 100 percent of loan transactions on time. The FFB successfully processed 189 new commitments, 798 new loan requests, 208 loan prepayments, 42,090 loan repayments, and 3,913 routine pricings.



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

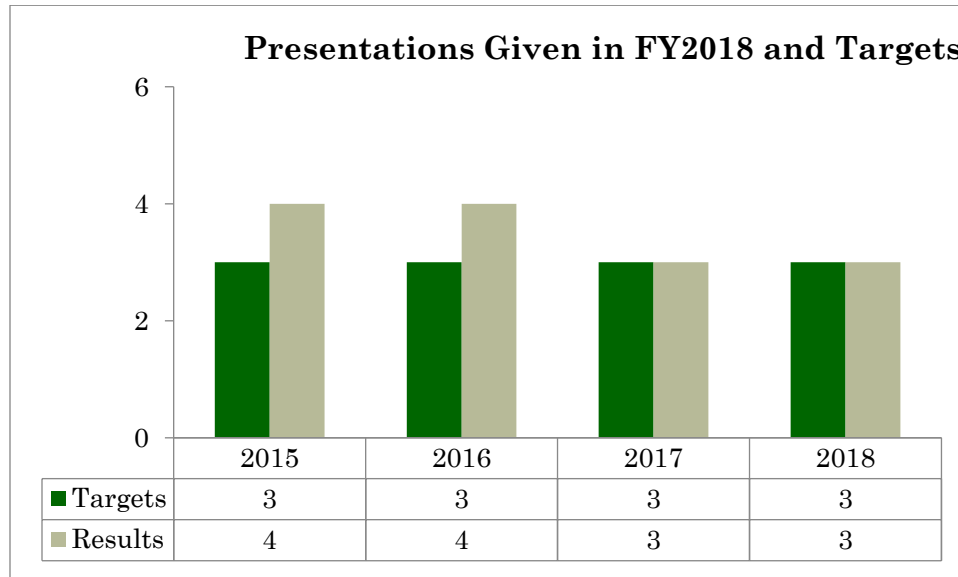
The FFB continues to provide innovative and customized solutions to Federal borrowing needs. FFB staff are recognized as a key source of specialized expertise in Federal program finance with information technology to support sophisticated financial solutions. The FFB will continue to meet this goal by 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 2018. The FFB is in discussions with one additional Federal entity concerning a new program that would likely be financed in fiscal year 2019.

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

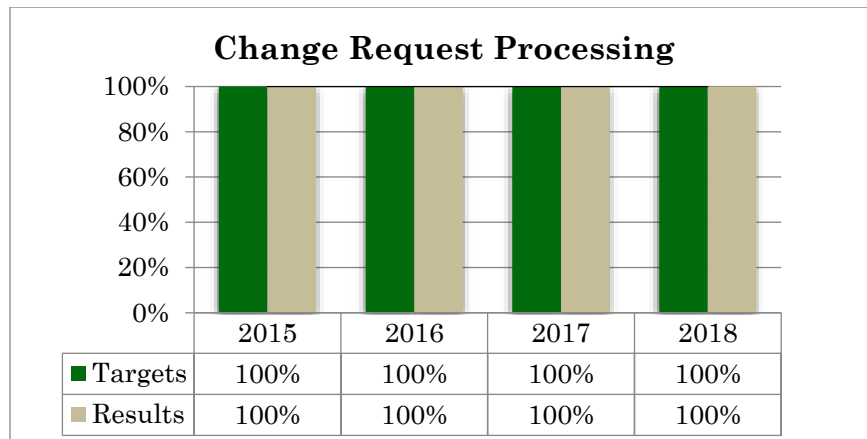


During fiscal year 2018, the FFB consulted with three Federal organizations about supporting loan programs not financed through the FFB. One of these consultations resulted in the FFB entering into a multi-year agreement to provide a range of loan servicing and pricing services for a Federal entity that focuses on disaster response.

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: 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 2018, the FFB processed 100 percent of its 167 newly-submitted change requests in conformance with its procedures. There were 66 production deployments for 113 change request items. Of the 113 change requests that were processed, 96 of the items were related to FFB’s ongoing operations and maintenance of LMCS, while the remaining 17 items were related to FFB’s modernization. The FFB concluded the remaining of its initial phase of its modernization in May 2018.

Performance Measure 3B: Complete the procurement and onboarding of Amazon Web Services (AWS) contractor and build out of the development environment in the cloud of the FFBs core lending and accounting system from hosting on outdated physical servers to cloud computing platform that meets FedRAMP High security requirements.

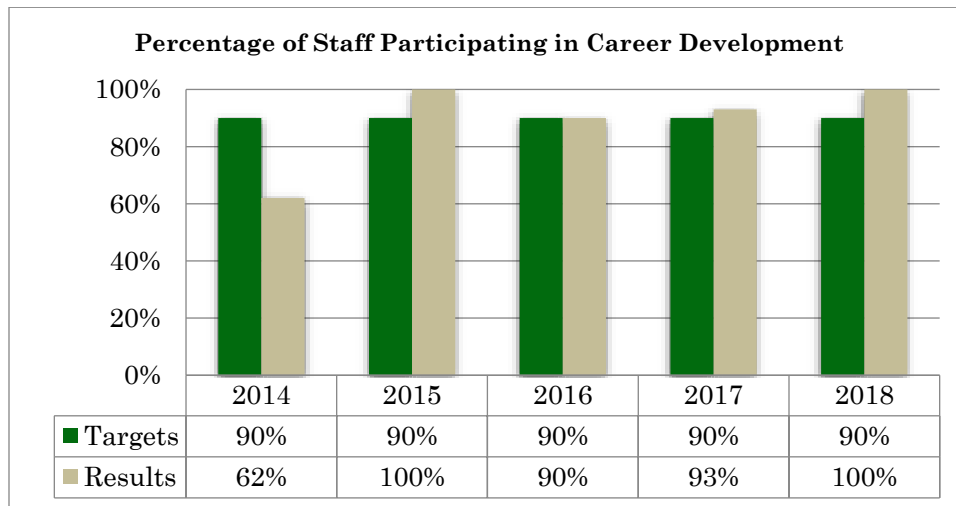
The next step in the FFB’s modernization of LMCS is to transition the hosting platform from end-of-life servers to a cloud-based solution that meets FedRAMP High security requirements. This migration is expected to improve LMCS’s performance and disaster recovery, mitigate the technical risk associated with older servers, and significantly reduce the annual cost of maintaining the system. FFB began planning for a cloud migration to use Amazon Web Services (AWS) in 2018. By the close of fiscal year 2019, the FFB estimates the completion of the LMCS Web Application for its development environment inside the AWS. These efforts will include: selecting a vendor who will be charged with completing all phases of the LMCS cloud migration; onboarding key contract personnel who will support the FFB’s staff in executing its project timeline; procuring software licenses

that will allow users to operate LMCS in the new AWS infrastructure; completing the planning for the LMCS migration; and completing the development environment inside the AWS infrastructure for the LMCS Web Application.

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 2018, FFB achieved its performance goal in this area by having 100 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 improved the cost-effectiveness and scope of its career development program by investing in larger group-training sessions. The FFB's goal was to procure at least two training programs and have those sessions attended by more than 10 employees. The FFB met this goal for fiscal year 2018, with a total of four group training sessions focused on communications, including conflict management and team development.

*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 counting press releases that were posted 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 2018.

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 2018.

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: 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: 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 3B: 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 the completion of the development of the FFB's production environment of its Loan Management and Control System (LMCS).

Verification and Validation: This measure will be verified by the completion of development architecture that is 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.