2019 Annual Report

Federal Financing Bank

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November 15, 2019

Dear Reader,

I am pleased to present the Federal Financing Bank's (FFB) 2019 Annual Report which summarizes the FFB's performance and accomplishments for the year. The FFB takes pride in providing timely, reliable, and meaningful information to all its stakeholders.

In fiscal year 2019, the FFB's loan portfolio (loans receivable) decreased by $320 million, or 0.42 percent, to $76.6 billion from $76.9 billion. The FFB's net position increased by $470.7 million, or 8.82 percent, to $5.8 billion at September 30, 2019 from $5.3 billion at September 30, 2018 because of positive earnings.

Strong financial management and internal controls are 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 2019, the FFB received an unmodified opinion for the twenty-sixth consecutive year from its independent auditors. The auditors identified no material weaknesses in the FFB's internal control systems.

This year the FFB completed 212 new lending commitments. These commitments include: 120 loan agreements for the Rural Utilities Service totaling $3.3 billion; 15 loan agreements for the United States Postal Service totaling $34.0 billion; six loan agreements for the Department of Education totaling $220.0 million for loans to four Historically Black Colleges and Universities; 23 loan agreements for the Department of Energy's Title XVII program totaling $3.7 billion; one loan agreement for $750.0 million under the Rural Utilities Service's Guarantees for Utility Infrastructure Loans; one loan agreement with the National Credit Union Administration for $2.0 billion; and 46 loan agreements totaling $324.5 million for the U.S. Department of Housing and Urban Development's Section 542 Risk- Sharing Program.

In 2020, 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 programs execute borrowings in ways that are least disruptive to private markets.

Sincerely,

Christopher L. Tuttle

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 programs execute borrowings 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 is 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, consistent with the Federal Financing Bank Act of 1973 (12 U.S.C. § 2281 et seq.).

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 can provide a lending rate for any amount required and for nearly any maturity. The FFB applies its methodology for terms such as prepayment provisions and service charges consistently for all borrowers.

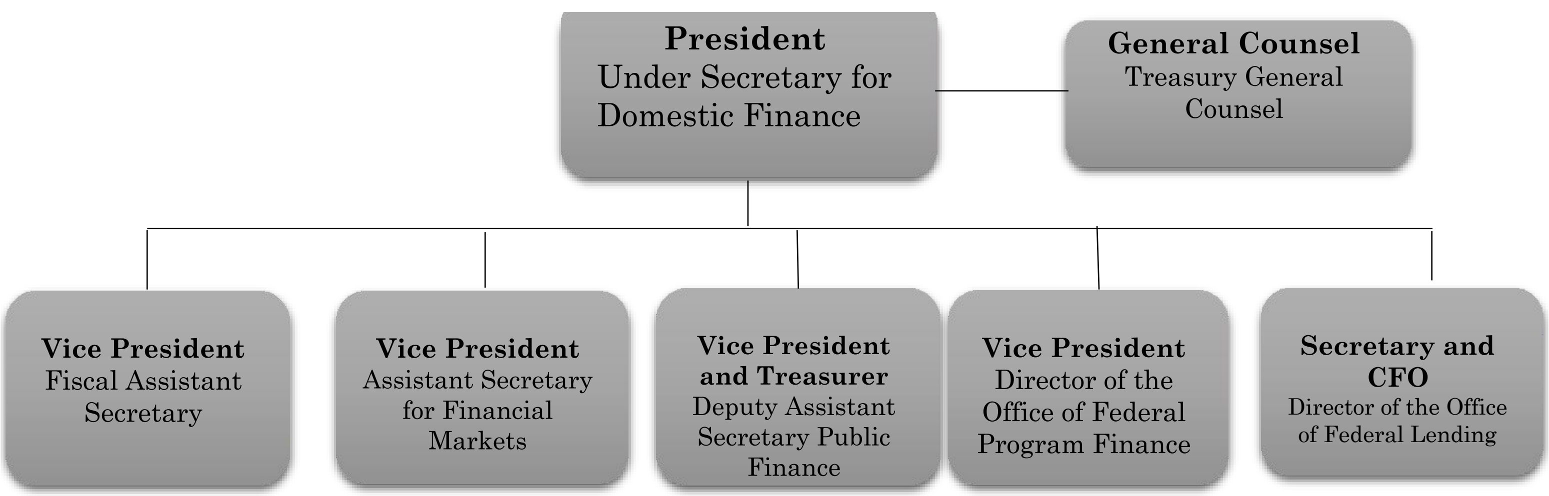
The lending policy of the FFB is flexible such that Federal agencies do not need to accumulate pools of funds. However, the policy does not preclude the maintenance of liquidity reserves for agencies with such a need. The lending policy does preclude agencies from borrowing from FFB to invest in private credit instruments or 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 includes 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 Fiscal Assistant Secretary (Vice President); the Assistant Secretary for Financial Markets (Vice President); the Deputy Assistant Secretary for Public Finance (Vice President and Treasurer); the Director of Federal Program Finance (Vice President) and the Director of the Office of Federal Lending (Secretary and Chief Financial Officer). 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.

FFB Officers



The FFB's management structure consists of four lines of functional responsibility: Accounting, IT, Lending, and Operations. Directors reporting to the Chief Financial Officer head each unit. 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.

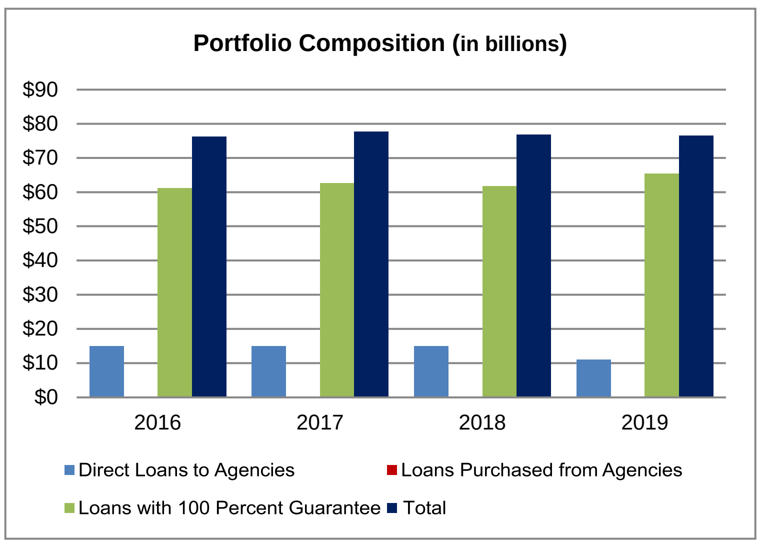
- The Director of Lending is responsible for loan administration functions including but not limited to loan origination, loan structuring, credit analysis, and managing customer relationships.
- The Director of Operations is responsible for the general management functions of the FFB including but not limited to budgeting, procurement, human resources, external affairs, strategic planning, executive correspondence, and facilities management.

Financial Highlights

The FFB received an unmodified opinion from its independent auditors on its fiscal year 2019 and 2018 financial statements. As of September 30, 2019, interest on loans of $2,837.1 million increased by $451.8 million or 18.9 percent from the previous fiscal year, primarily due to increased borrower prepayments authorized in the Agricultural Improvement Act of 2018 (the 2018 Farm Bill).

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 refinancing fees from the RUS totaled $1.3 million, which was an increase from $1.2 million in the previous year. Interest on borrowings of $2,344.6 million increased by $313.3 million, or 15.4 percent, from $2,031.3 million in fiscal year 2018, primarily due to prepayments on borrowings. Net income of $470.7 million for the fiscal year represents an increase from $332.8 million the previous year, which resulted in the net position increasing by 8.8 percent to $5,806.7 million at September 30, 2019 from $5,336 million at September 30, 2018.

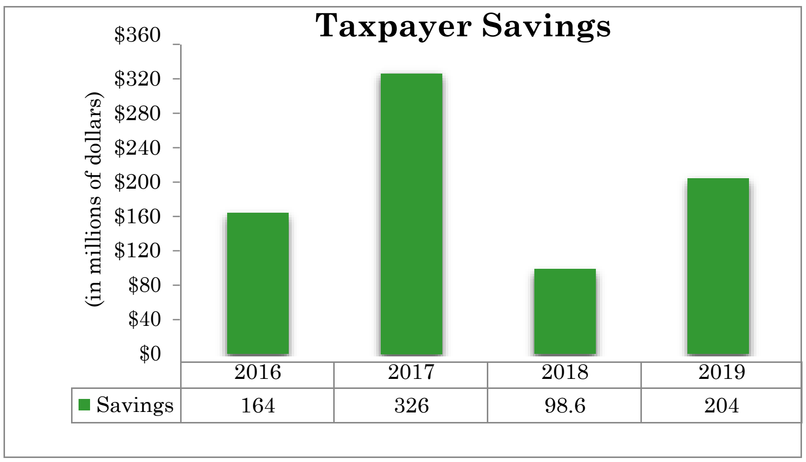
Loan Portfolio



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 have Federal guarantees or have a commitment to be full faith and credit obligations of the United States. During fiscal year 2019, the loan portfolio decreased by $320 million or 0.42 percent to $76.6 billion from $76.9 billion on September 30, 2018. The net change during the year was due to the large number of prepayments from RUS guaranteed borrowers and a reduction in short-term loans to the United States Postal Service. Normal borrowings offset the net change.

Taxpayer Savings

The FFB achieves taxpayer savings by reducing the costs of Federal and federally assisted borrowings. Each year, the FFB measures two factors to estimate the annual taxpayer savings generated by its lending activities. 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 offset potential losses to guarantor agencies.



The FFB estimates that its lending activities generated $203.8 million in savings in fiscal year 2019. These savings largely are attributable to the following loan activity in fiscal year 2019:

- Department of Energy's Title XVII loan program – 23 new loan agreements totaling $3.7 billion committed, and $2.0 billion disbursed;
- RUS loan guarantee program – 120 new guaranteed notes totaling $3.3 billion in new commitments, and $3.6 billion disbursed; and
- The Department of Housing and Urban Development's (HUD) Section 542 Risk-Sharing program – 46 notes totaling $324.5 million, and $324.5 million disbursed.

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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, 2019, 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 2019.

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,

Gary Grippo

Gary Grippo
Vice President and Treasurer

Summary of Financial Statement Audit and Management Assurances

During the fiscal year 2019 audit, the FFB's auditor, KPMG, LLP, noted no matters involving the internal control over financial reporting that they considered material weaknesses.

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 2018 has been reconciled to the fiscal year 2018 actual amounts on the Program and Financing (P&F) Schedule presented in the *Budget of the United States Government, Fiscal Year 2018 - Appendix.* The table on page 14 shows this comparison.

FFB will reconcile the Statement of Budgetary Resources and the P&F Schedule for fiscal year 2019 after OMB publishes the actual 2019 amounts in the *Budget of the United States Government, Fiscal Year 2021 – Appendix.*

FEDERAL FINANCING BANK
Fiscal Year 2018 Budget Reconciliation
(millions of dollars)

	SBR Amount	P&F Amount	Difference
Obligations by program activity:			
Total new obligations	1,965	1,965	0
Budgetary Resources:			
Unobligated balance:			
Unobligated balance bought forward, Oct 1	130	130	0
Borrowing authority	0	0	0
Unobligated balance transfer from other accounts	1,257	1,257	0
Unobligated balances applied to repay debt	(1,118)	(1,118)	
Unobligated balance (total)	269	269	0
Spending authority from offsetting collections, mandatory:			
Collected	2,318	2,318	0
Total budgetary resources available	2,587	2,587	0
Total new obligations	(1,965)	(1,965)	0
Unexpired unobligated balance, end of year	622	622	0
Change in obligated balance:			
Unpaid obligations:			
Obligations incurred, unexpired accounts	1,965	1,965	0
Outlays (gross)	(1,965)	(1,965)	0
Budgetary authority and outlays, net:			
Mandatory:			
Budget authority gross	2,318	2,318	0
Outlays, gross:			
Outlays from new mandatory authority	1,965	1,965	0
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
Federal sources	(2,318)	(2,318)	0
Outlays, net (total)	(353)	(353)	0

Annual Performance Report

Strategic Goals

The FFB aligns its Strategic Plan with the Treasury's Strategic Plan. FFB employees and senior management collaborated to develop the Strategic Plan to support the FFB's mission of lowering the cost of Federal credit. The FFB retained the performance measures originally described in the 2018 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 2020-2023 Strategic Plan and anticipates releasing it during calendar year 2020. For 2020, the FFB will retain some 2019 performance measures and add additional performance measures, consistent with the strategic direction in the 2020-2023 plan.

Strategic-Operational Relationship

The following chart shows the relationship between the FFB's Goals outlined in its Strategic Plan and its 2019 annual program performance goals.

General Goals from Strategic Plan	2019 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.	N/A for 2019.
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 2019

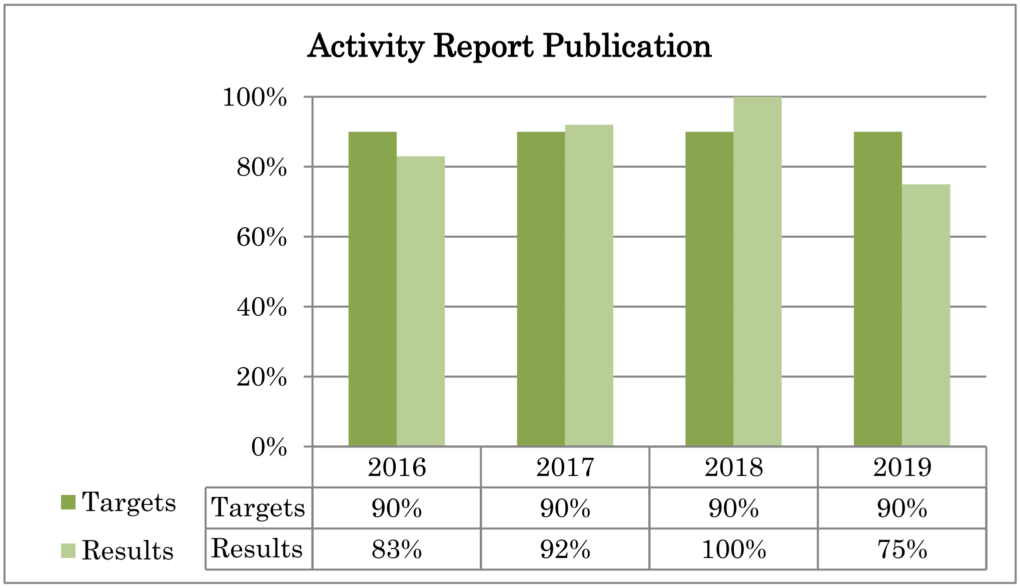
Goal 1: Execute the day-to-day operations of the FFB in a control-oriented, transparent, and efficient manner.

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 2019, 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-sixth consecutive year. In June 2019, the FFB completed an in-depth testing of internal accounting and administrative control procedures in accordance with OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and 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, 2019, 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. Prior to publication, the FFB must first reconcile its lending activity with borrowing agencies to ensure outstanding balances are accurate.

On December 22, 2018, the Federal Government suspended the services offered by many of its component parts due to a lapse in appropriations. This adversely affected the FFB's ability to reconcile its records with its borrowers, and therefore, led to delayed publication of its monthly activity report for December 2018, January 2019, and February 2019.

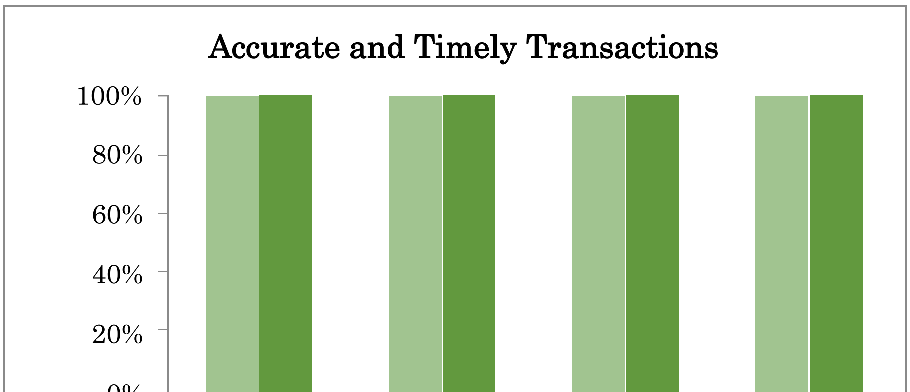
The government shutdown ended on January 25, 2019, at which point the FFB resumed its regular reconciliation and reporting activities. In fiscal year 2019, the FFB produced 75 percent of its activity reports within two weeks of the close of the subsequent month. The FFB did not meet its 90 percent goal.

Performance Measure 1C: Number of Meetings of the FFB Board of Directors in Fiscal Year 2019.

Pursuant to the Federal Financing Bank Act of 1973, a Board of Directors chaired by the Secretary of the Treasury and comprised of other senior Treasury officials governs the FFB. In 2014, the Chairman of the FFB Board of Directors issued a standing order for semiannual board meetings. In 2019, the FFB had one Board meeting. The FFB did not meet this goal in fiscal year 2019.

<u>Performance Measure 1D: Percentage of loan transactions processed accurately and on time.</u>

In fiscal year 2019, the FFB achieved its performance goal of completing 100 percent of loan transactions on time. The FFB successfully processed 212 new commitments, 851 new loan requests, 651 loan prepayments, 54,174 loan repayments, and 4,175 routine pricings.

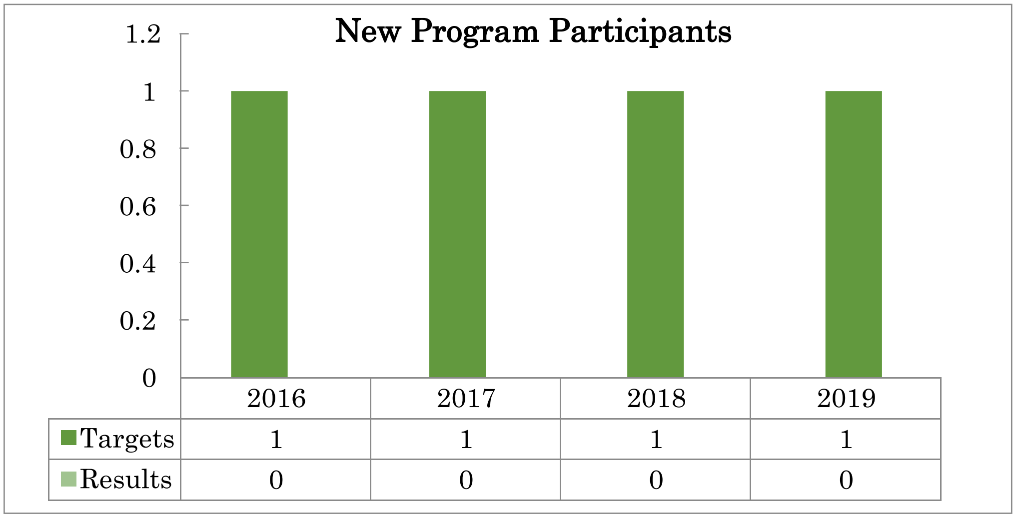


	2016	2017	2018	2019
Targets	100%	100%	100%	100%
Results	100%	100%	100%	100%

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

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

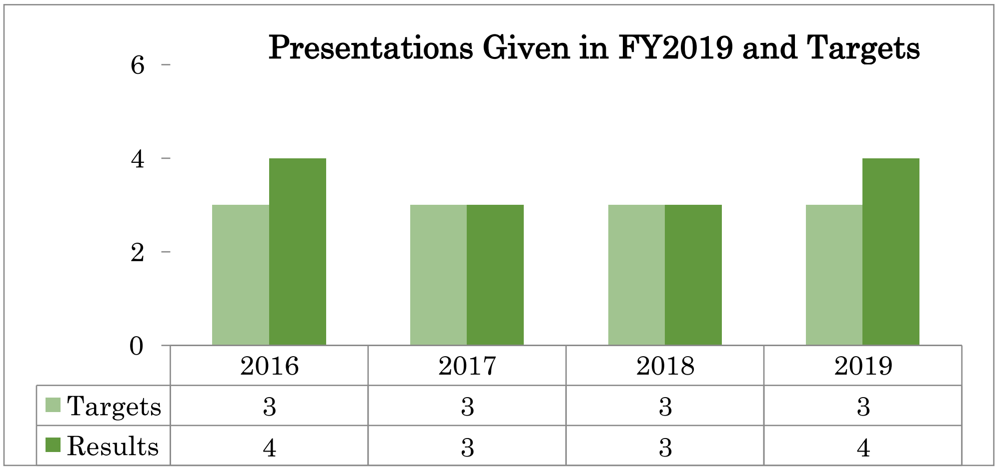
Performance Measure 2A*: *Persuade a new Federal credit program to finance its loans through the FFB.



	2016	2017	2018	2019
Targets	1	1	1	1
Results	0	0	0	0

The FFB did not meet this performance goal in fiscal year 2019. The FFB is in discussions with one additional Federal entity to finance a new program in fiscal year 2020.

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



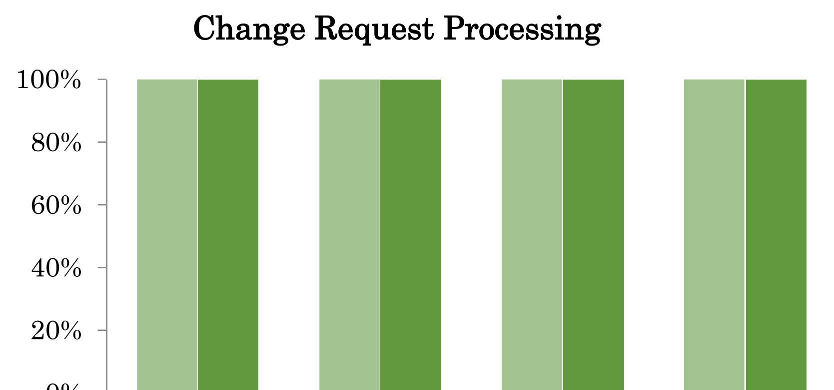
	2016	2017	2018	2019
Targets	3	3	3	3
Results	4	3	3	4

During fiscal year 2019, the FFB consulted with four Federal organizations about supporting loan programs not financed through the FFB. One of these consultations resulted in the FFB beginning year one of 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.



	2016	2017	2018	2019
Targets	100%	100%	100%	100%
Results	100%	100%	100%	100%

In fiscal year 2019, the FFB processed 100 percent of its 64 new change requests in conformance with its procedures. Of the 64 change requests completed in fiscal year 2019, 44 were production deployments, of which 13 related to RUS "cushion of credit" initiatives. The FFB met this goal for fiscal year 2019.

<u>Performance Measure 3B: Complete the procurement for an Amazon Web Services (AWS) contractor and build out of the development environment in the cloud for the FFBs core lending and accounting system, to convert the FFB's information technology platform from outdated proprietary servers to a cloud computing platform that meets FedRAMP High security requirements.</u>

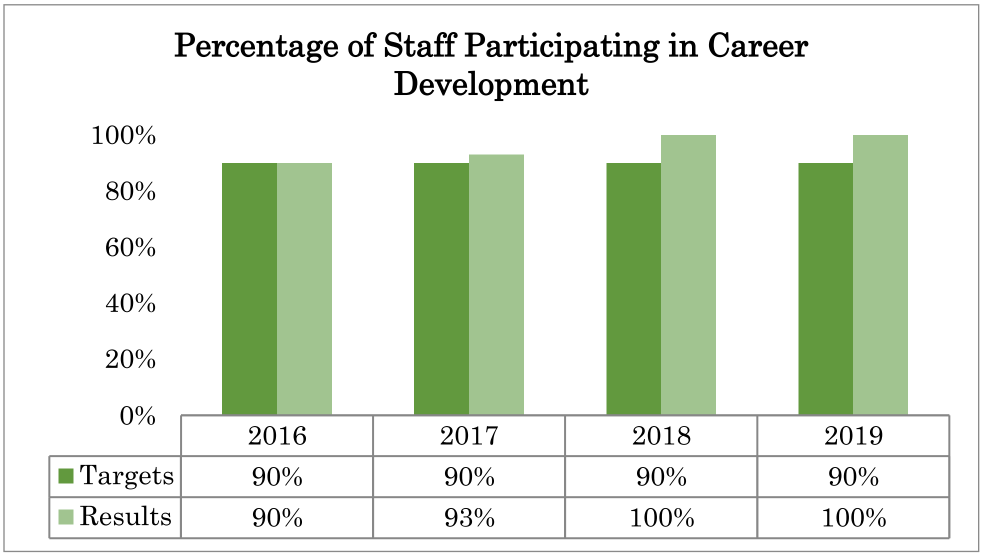
The FFB completed its initial phase of modernizing its Loan Management Control System (LMCS) in FY 2018 by re-coding the application software. In FY 2019, the FFB began its second phase of modernization to transition LMCS from its existing hosting platform on end-of-life servers to a cloud solution that meets FedRAMP High security requirements. This migration will improve LMCS's performance and disaster recovery, mitigate the technical risk associated with old servers, and significantly reduce the annual cost of maintaining the system.

By the close of FY 2019, the FFB selected a vendor to complete the LMCS cloud migration, hired contract personnel to support the FFB's staff in executing the project, procured software licenses that will allow users to operate LMCS in the cloud infrastructure, and established the baseline environments for development, test, and staging in the cloud The FFB met its goal.

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 2019, the FFB achieved its performance goal 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 2019, 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 at least 3 or more employees. The FFB met this goal for fiscal year 2019, with four group training sessions focused on communications, pricing analytics, and strengths coaching.

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

Verification and Validation: 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: the number of monthly activity reports 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: the number of press releases announcing activity reports that 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 2019.

Definition: the number of FFB Board of Directors meetings with a quorum of Board Members present. Success will be two meetings in 2019.

Verification and Validation: 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: 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: 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: 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: 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: 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: 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: 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: 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 proprietary servers to a cloud computing platform that meets FedRAMP High security requirements.

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

Verification and Validation: 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: the percent of employees participating in ongoing career development programs. Success is 90 percent or greater.

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

Verification and Validation: the number of employees attending a group training session.

Accuracy: The measurement will be exact.