



# 2025

FEDERAL FINANCING BANK  
ANNUAL REPORT

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January 09, 2026

Dear Reader,

I am pleased to present the Federal Financing Bank's (FFB) 2025 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 2025, the FFB's loan portfolio (net loans receivable) stood at \$220.74 billion at September 30, 2025. The FFB completed 86 new lending commitments totaling \$349.30 billion and made 410 loan disbursements for \$37.72 billion in fiscal year 2025.

The FFB's net position was \$7.19 billion at September 30, 2025, and the current year net income was \$532.85 million.

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 2025, the FFB received an unmodified opinion for the thirty-second consecutive year from its independent auditors. The auditors identified no material weaknesses in the FFB's internal control over financial reporting.

A full report of the auditors' findings and analysis can be found online on the Office of the Inspector General's website: <https://oig.treasury.gov/reports/audit-and-evaluation>.

The FFB devotes significant resources to its core information technology system, the Loan Management Control System (LMCS), to include critical cybersecurity upgrades, loan pricing enhancements, and new system development in support of the FFB's strategic goals and customers.

In 2026, we will seek new ways 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 (CSR&DF).

## **Mission of the Federal Financing Bank**

The mission of the FFB is to reduce the administrative and borrowing 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 federally guaranteed borrowers as required by the relevant Federal agency program rules and regulations. The FFB can provide a lending rate consistent with Treasury's costs of funds for any loan amount and any repayment terms. The FFB applies terms such as prepayment provisions and service charges consistently for all borrowers.

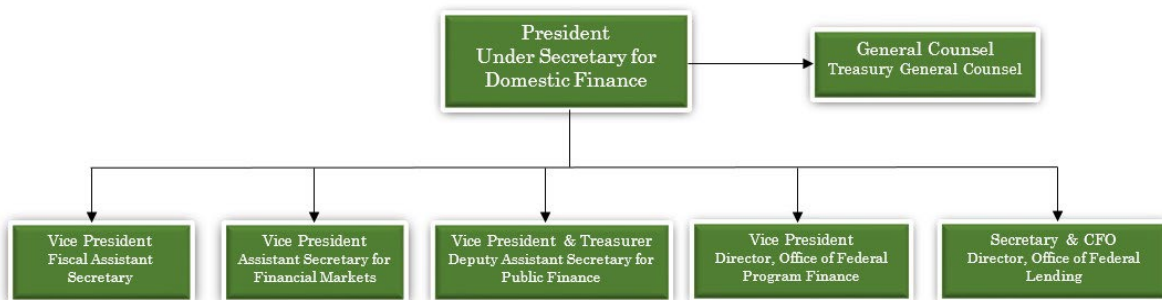
The lending policy and operating capability of the FFB are flexible such that Federal agencies do not need to borrow and accumulate pools of funds for future use. However, the policy does not preclude the maintenance of liquidity reserves for agencies with such a need. The lending policy precludes agencies from borrowing from the FFB to invest in private credit instruments, unless provided for in agency lending programs, 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 FFB's 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 FFB's officers are the incumbents of the following Treasury positions (corresponding FFB offices 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 Deputy Assistant Secretary for Public Finance (Vice President and Treasurer); the Director of the Office 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 conjunction with any other FFB officer, to exercise the powers of the Presidency.

### FFB Officers



## Management Structure

The FFB's management structure consists of four lines of functional accountability: Accounting, Information Technology, Lending, and Operations. Each of these four lines forms a department, led by a director; all directors report to *the Chief Financial Officer*. Below is a description of each director's responsibilities:

- The *Director of Accounting* is responsible for loan transactions, 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 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 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 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 2025 financial statements.

As of September 30, 2025, net loans receivable was \$220.74 billion, interest on loans was \$8.84 billion, and interest on borrowings was \$8.30 billion. Revenue from servicing loans totaled \$0.50 million, and administrative expenses totaled \$12.73 million for the fiscal year 2025

Net income was \$532.85 million for the fiscal year 2025. The Bank's net position stood at \$7.19 billion at September 30, 2025.

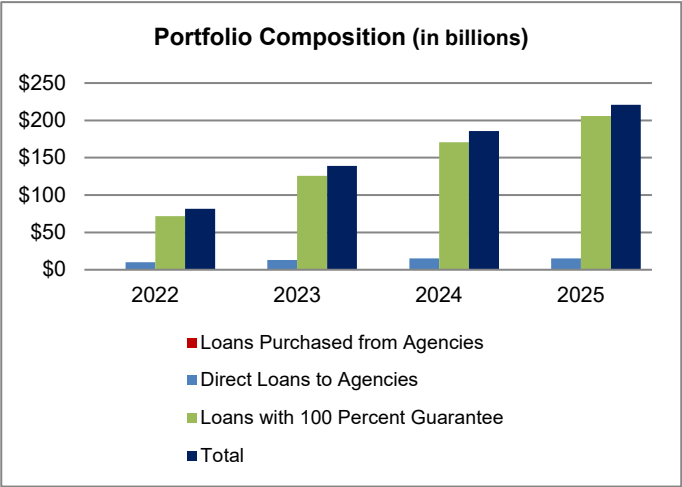
## Loan Portfolio

The FFB makes funds available to Federal agencies and to federally guaranteed borrowers as required by the relevant Federal agency program rules and regulations. With the exception of the United States Postal Service (USPS), all loans in the FFB's portfolio are full faith and credit obligations of the United States. During fiscal year 2025, the net loan portfolio was \$220.74 billion.

On October 4, 2024, the Bank executed a Program Financing Agreement with the Defense Security Cooperation Agency (DSCA). At September 30, 2025, DSCA has outstanding commitments of \$8 billion but no loan disbursements to date.

On December 9, 2024, the Bank executed a Certificate Purchase Agreement with U.S. Agency for International Development (USAID), and Ukraine, represented by the Minister of Finance of Ukraine, to facilitate the purchase of a \$20 billion Certificate of Indebtedness.

The Bank saw executed new commitments offered for purchase within the two Department of Energy (DOE) programs in fiscal year 2025. At September 30, 2025, the DOE loan portfolio totaled \$28.99 billion in 2025.



The Rural Utilities Service (RUS) loan program continues to be an important FFB guarantor with its outstanding balance at \$54.87 billion in 2025. The Historically Black College and Universities (HBCU) loan portfolio was \$830.31 million in 2025.

The Housing and Urban Development (HUD)-542 Risk Share Program portfolio was \$3.14 billion at September 30, 2025. With sixteen Housing Finance Agencies (HFAs) participating in the program in 2025, an additional five HFAs are finalizing documents to begin participation in 2026.

The loan portfolio of the Community Development Financial Institution (CDFI) Fund, Department of Treasury, was \$1.48 billion at September 30, 2025. No new loans were disbursed for Maritime Administration, Department of Transportation (MARAD) or Federal Deposit Insurance Corporation (FDIC), acting in its capacity as Receiver, although interest was capitalized on certain FDIC loans disbursed in prior years.

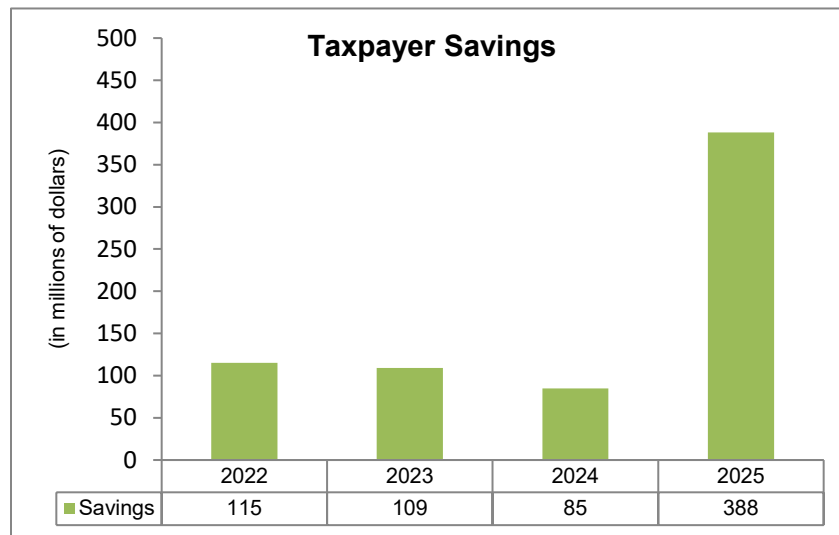
The USPS Note Purchase Agreement (NPA) with the Bank was renewed in 2023. The USPS has utilized its full borrowing authority of \$15.0 billion as of September 30, 2025.

The FFB’s borrowings from Treasury was \$217.77 billion as of the end of fiscal year 2025.



## 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 \$388.2 million in taxpayer savings in fiscal year 2025. These savings largely are attributable to the following loan activity:

- Ukraine disbursement for the USAID loan guarantee program - \$20.0 billion disbursed.
- Title XVII loan program – \$3.40 billion disbursed from loan agreements committed in fiscal year 2025 and in previous years.
- RUS loan guarantee program – 26 new guaranteed notes totaling \$3.75 billion in new commitments and \$2.73 billion disbursed for new and existing commitments.

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

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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:

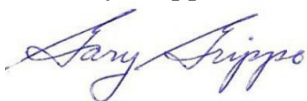
- obligations and costs comply with applicable law,
- all assets are safeguarded against waste, loss, unauthorized use, and misappropriation,
- revenues and expenditures applicable to agency operations are recorded and accounted for properly; and
- reliable complete financial and statistical reports 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 Enterprise Risk Management and Internal Control*. Based on the results of this evaluation, the FFB can provide reasonable assurance that its internal control over financial reporting, as of September 30, 2025, 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, to report on the FFB Financial Statements. As part of that work, the independent auditor found no material weaknesses in internal control over financial reporting for fiscal year 2025. A full report of the auditors' findings and analysis can be found online on the Office of the Inspector's General website: <https://oig.treasury.gov/reports/audit-and-evaluation>.

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



Vice President and Treasurer

## Summary of Financial Statement Audit and Management Assurances

During the fiscal year 2025 audit, the FFB's auditor, KPMG, LLP, noted no matters involving the internal control over financial reporting that they considered a material weakness.

The auditors' full report can be found online on Treasury's Office of the Inspector's General website: <https://oig.treasury.gov/reports/audit-and-evaluation>.

## Summary of Financial Statement Audit

Audit Opinion	Unmodified					
Restatement	No					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance	
	0	0	0	0	0	
<b>Total Material Weaknesses</b>	0	0	0	0	0	
<b>Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)</b>						
Statement of Assurance	Unmodified Assurance					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
	0	0	0	0	0	0
<b>Total Material Weaknesses</b>	0	0	0	0	0	0
<b>Effectiveness of Internal Control over Operations (FMFIA § 2)</b>						
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 1. System Requirements 2. Accounting Standards 3. USSGL at Transaction Level	Yes			N/A		

## *Budget Reconciliation*

The Statement of Budgetary Resources (SBR) for fiscal year 2024 has been reconciled to fiscal year 2024 actual amounts on the Program and Financing (P&F) Schedule presented in the *Budget of the United States Government, Fiscal Year 2026 - Appendix*. The table on page 16 shows this comparison.

The FFB will reconcile the Statement of Budgetary Resources and the P&F Schedule for fiscal year 2025 after OMB publishes the actual 2025 amounts in the *Budget of the United States Government, Fiscal Year 2027 – Appendix*.

**FEDERAL FINANCING BANK**  
**Fiscal Year 2024 Budget Reconciliation**  
**– Unaudited (millions of dollars)**

	<u>SBR</u> <u>Amount</u>	<u>P&amp;F</u> <u>Amount</u>	<u>Difference</u>
<b>Obligations by program activity:</b>			
Total new obligations	4,071	4,071	0
<b>Budgetary Resources:</b>			
Unobligated balance:			
Unobligated balance bought forward Oct 1	3,349	3,349	0
Borrowing authority	0	0	0
Adjustment for change in net principal (+ or -)	1,086	1,086	0
Unobligated balances applied to repay debt	<u>(978)</u>	<u>(978)</u>	
Unobligated balance (total)	3,457	3,457	0
Spending authority from offsetting collections, mandatory:			
Collected	4,226	4,226	0
Total budgetary resources available	7,683	7,683	0
Total new obligations	<u>4,071</u>	<u>4,071</u>	0
Unexpired unobligated balance, end of year	3,612	3,612	0
<b>Change in obligated balance:</b>			
Unpaid obligations:			
Obligations incurred, unexpired accounts	4,071	4,071	0
Outlays (gross)	(4,071)	(4,071)	0
<b>Budgetary authority and outlays, net:</b>			
Mandatory:			
Budget authority gross	4,226	4,226	0
Outlays, gross:			
Outlays from new mandatory authority	4,071	4,071	0
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
Federal sources	(4,226)	(4,226)	0
Outlays, net (total)	(155)	(155)	0



## *Annual Performance Report*

## Strategic Goals

Following OMB and Treasury guidance, the FFB published its 2022-2025 Strategic Plan to support the FFB's mission of saving taxpayer money by lowering the cost of credit for Federal borrowers.

The FFB's plan has four strategic goals:

- Execute day-to-day operations with improved customer service, efficiency, and transparency.
- Reduce public borrowing and administrative costs of Federal credit programs by expanding guaranteed lending, agency lending, and shared services.
- Improve organizational effectiveness by strengthening partnerships with stakeholders.
- Attract, develop, and retain a competent, highly motivated workforce.

The Strategic Plan outlines the long-term objectives of the FFB and informs the annual performance goals listed in this report.

### *Strategic-Operational Relationship*

The following chart shows the relationship between the FFB's strategic goals and its annual performance goals.

General Goals from Strategic Plan	2025 Annual Performance Goals
Execute day-to-day operations with improved customer service, efficiency, and transparency.	Ensure the daily operations of the FFB are run effectively and responsibly.
Reduce public borrowing and administrative costs of Federal credit programs by expanding guaranteed lending, agency lending, and shared services.	Ensure financial services offered by the FFB are managed prudently, while expanding the FFB's customer base.
Improve organizational effectiveness by strengthening partnerships with stakeholders.	Ensure the value of the FFB is communicated to the public and stakeholders.
Attract, develop, and retain a competent and highly motivated workforce.	Ensure the professional staff of the FFB are well trained, technically proficient, and motivated.

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 customers.

As mandated by the Government Performance and Results Modernization Act of 2010 (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 2025***

#### **Goal 1: Ensure the daily operations of the FFB are run effectively and responsibly**

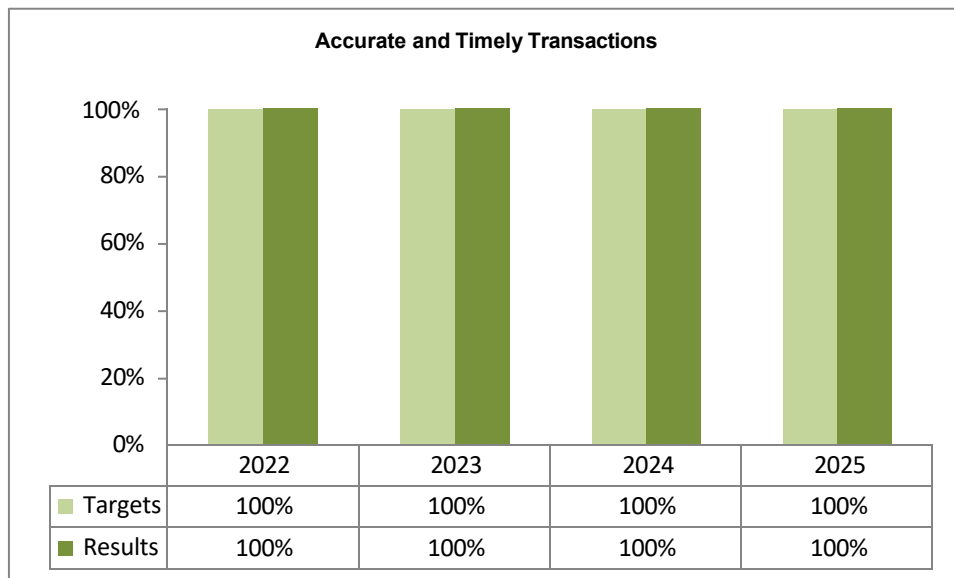
Each year, the FFB processes tens of thousands of payments, collections, pricing transactions, new lending notes, reconciliations, reports, and other financial transactions. Day-to-day operations are the organization's most important priority. Strategic Goal 1 addresses the FFB's operational performance 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.**

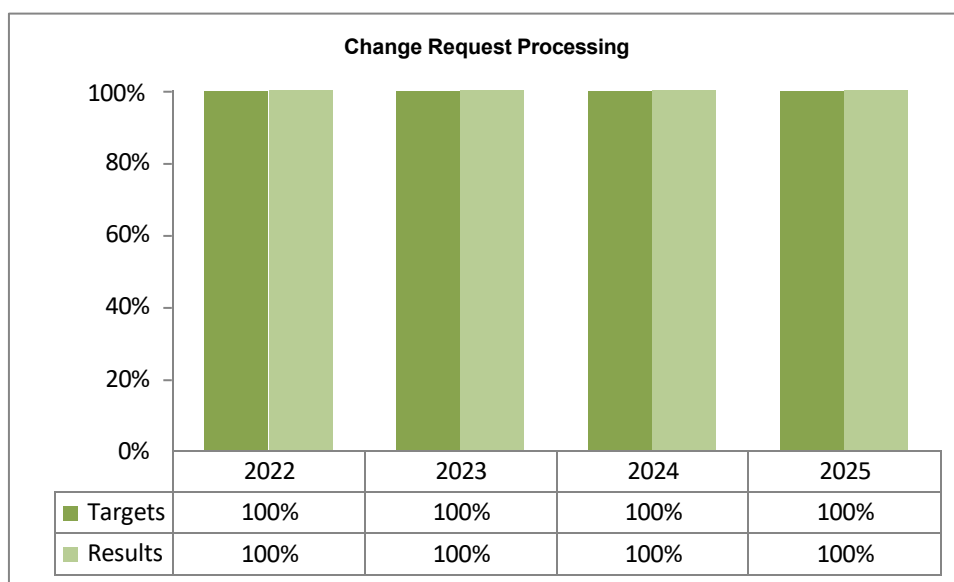
In fiscal year 2025, the FFB achieved its annual performance goal of zero material weaknesses in its internal control systems. The FFB received an unmodified audit opinion for the thirty-second consecutive year. In 2025, the FFB completed an in-depth testing of internal accounting and administrative 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 September 30, 2025, was operating effectively and no material weaknesses were found in the design or operation of the internal controls over financial reporting.

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

In fiscal year 2025, the FFB achieved its performance goal of completing 100 percent of loan transactions on time. The FFB successfully processed 86 new commitments, 410 new loan requests, 58 loan prepayments, 48,987 loan repayments, and 1,439 pricings.



**Performance Measure 1C: Percentage of change requests processed in conformance with enhanced Change Management processes.**

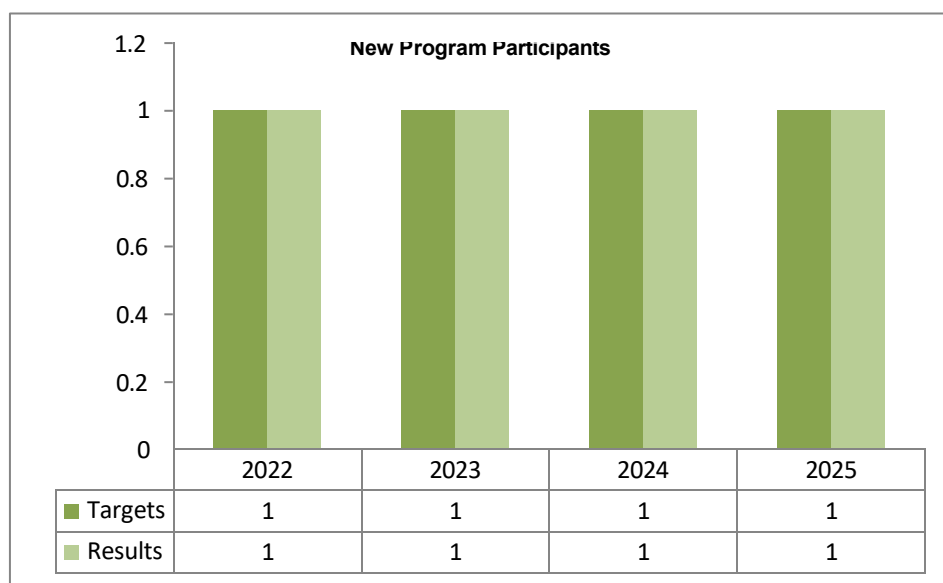


In fiscal year 2025, the FFB processed 100 percent of its 916 new change requests in conformance with its procedures. The FFB met this goal for fiscal year 2025.

**Goal 2: Ensure the financial services offered by the FFB are managed prudently, while expanding the FFB’s customer base**

The FFB provides customized solutions to Federal borrowing needs. The 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 products to customers in a timely manner.

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

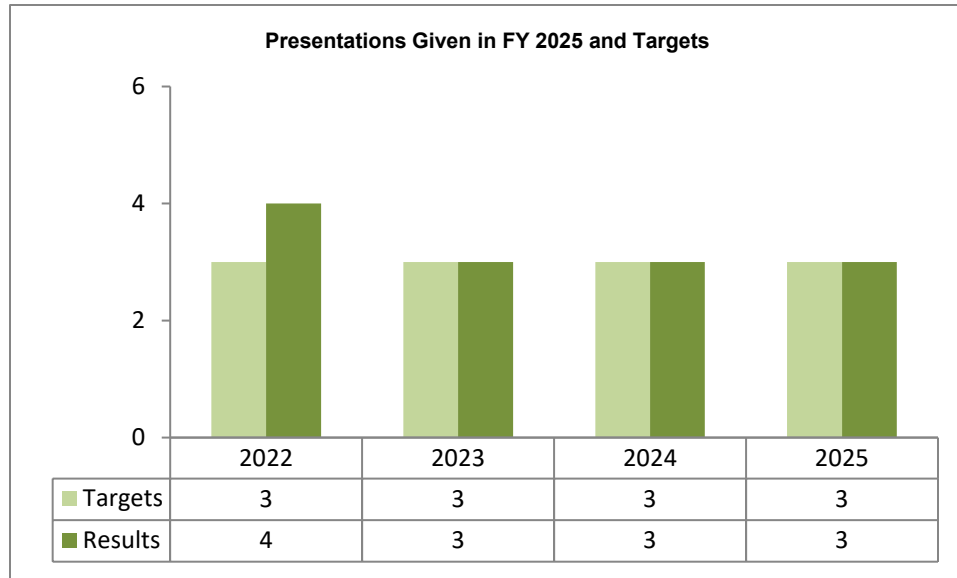


The FFB met this goal for fiscal year 2025.

**Goal 3: Ensure the value of FFB is communicated to the public and to stakeholders**

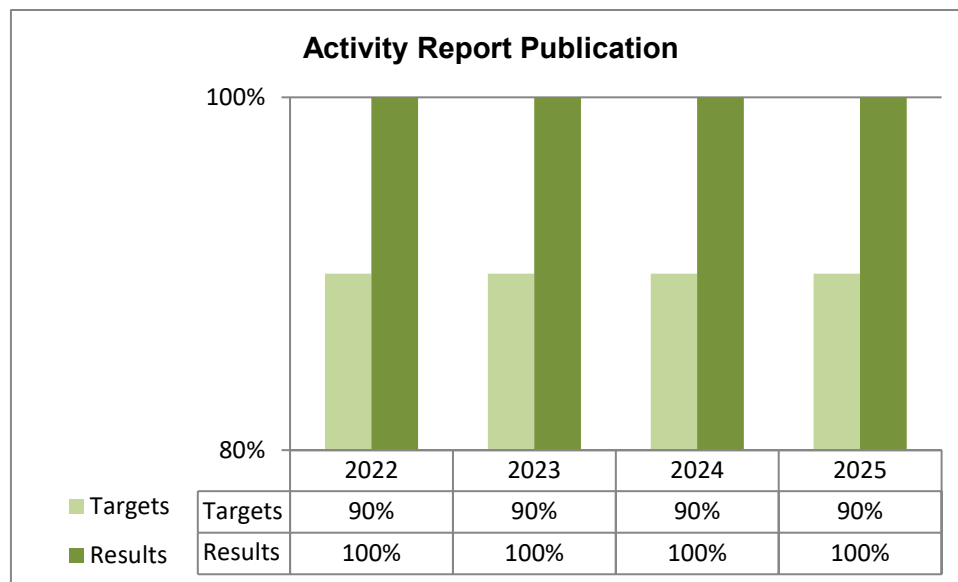
The FFB will develop and market new FFB financing products and services to support Federal agency programs and policy goals.

**Performance Measure 3A: Increase outreach to publicize FFB financing options by establishing an annual target for presentations to potential customer Federal agencies.**



During fiscal year 2025, the FFB consulted with three Federal organizations about supporting loan programs not already financed through the FFB. The FFB met this goal for fiscal year 2025.

**Performance Measure 3B: Percentage of monthly activity reports published on the FFB website within the subsequent month.**

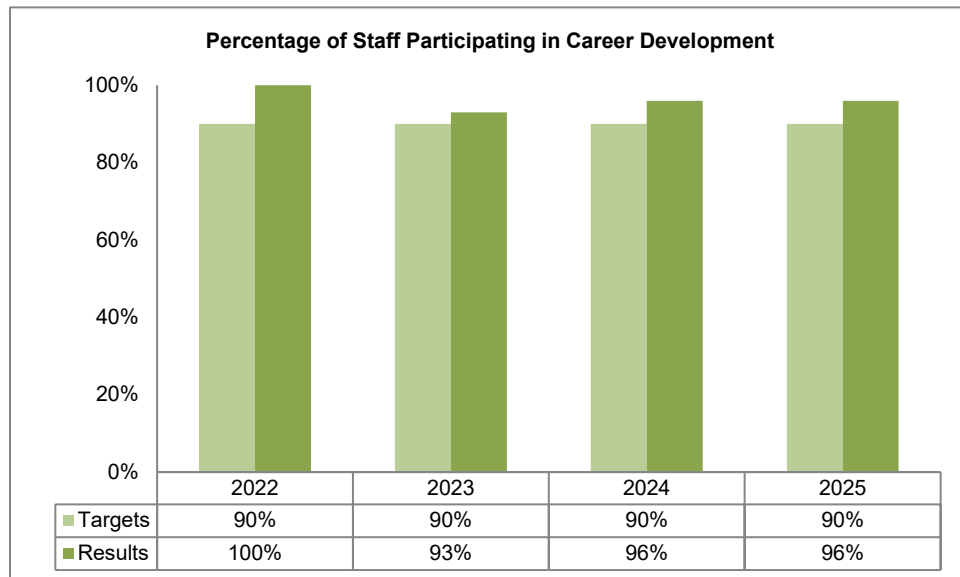


The FFB’s monthly activity report helps inform the public and other stakeholders about the FFB’s lending activity. These reports provide information about the FFB’s total outstanding obligations and program-specific lending activity. The FFB met this goal for fiscal year 2025.

**Goal 4: Ensure the professional staff of the FFB are well trained, technically proficient, and motivated**

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 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 2025, FFB achieved its performance goal by having 96 percent of its staff participate in 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, Center for Leadership Development 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. The FFB's goal was to host at least two group training programs and have those sessions attended by at least three employees. The FFB met this goal for fiscal year 2025.



*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:** 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 1C:** Change requests processed in conformance with documented change management policies and procedures.

Definition: the percent of change requests that are processed in accordance with the FFB's documented 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 2:** Persuade new Federal credit programs to finance their loans through the FFB.

Definition: the number of new Federal credit programs that demonstrate their intention to finance through the FFB. Success is one or more new participants.

Verification and Validation: the number of Federal credit programs that engage in technical working discussions with the FFB and request a financing agreement (PFA).

Accuracy: The measurement will be exact.

**Performance Measure 3A:** Outreach to publicize the FFB's 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 3B:** Monthly activity reports published on the FFB website within 30 days of the subsequent month.

Definition: the number of monthly activity reports posted on the FFB website within 30 days of the subsequent month. Success will be 90 percent of reports posted within the stated timeframe.

Verification and Validation: the number of monthly activity reports announcing activity reports posted within 30 days of the subsequent month.

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.