



# FCA Board Meeting December 2025

Tab 3

## Semi-Annual Report on Office of Examination Operations

December 11, 2025

**Jessica Campbell, Senior Examiner**

**Nicole Peek, Senior Examiner**

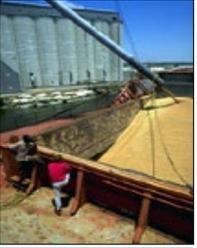
**Office of Examination**





# OE Operations Agenda Topics

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## ▶ Fiscal Year 2025 Operating Plan Objectives

- Risk Supervision and Examination Activities
- Public Mission
- Operational Efficiency and Effectiveness
- Human Capital

## ▶ Office of Examination Budget Results



# Risk Supervision & Examination

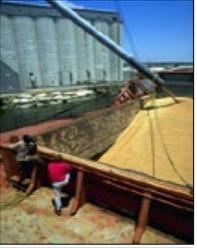
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- ▶ Conducted **onsite** examination and/or oversight activities as planned at 4 funding banks, 50 associations (90%), and 6 other entities
- ▶ Issued 48 reports of examination, 32 interim activity letters, and 66 FIRS Letters
- ▶ Maintained a higher level of supervisory oversight at 1 System institution
- ▶ Issued examination guidance





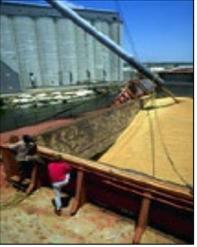
# Risk Supervision & Examination (continued)



- ▶ FY 2025 National Oversight Plan Focus Areas
  - Sustainability of capitalization practices
  - Innovation through automation and artificial intelligence
  - Mission-focused lending
  - Sound governance
  - Credit and collateral risk exposure
  - Cyber risk management
  
- ▶ Completed all 7 systemic risk strategies and 1 institution risk strategy



# Public Mission

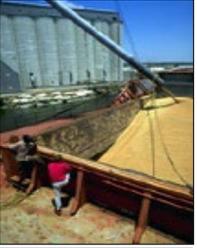


- ▶ Young, Beginning, and Small Farmers (YBS) Final Rule
  - YBS final rule became effective February 1, 2024
  - Examiners evaluated compliance during select statutory compliance date examinations
  - Worked with ORP on internal and external YBS FAQs
- ▶ YBS Ratings and Data
  - Examiners reviewed non-lending reports and other materials provided by institutions and assigned a qualitative rating as of June 30
  - We continued to work internally and with the System to improve usability and consistency of YBS lending and non-lending data



# Operational Efficiency and Effectiveness

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- ▶ Examination Tool Innovations
  - Continued to enhance the EDGe application and reports
- ▶ OE Operational Process Innovations
  - Continued to modernize OE management reporting and planning processes by transitioning reports to PowerBI
- ▶ FCS Loan Database Improvements
  - Continued to work with the System to add new data fields and assess and improve data reliability
- ▶ Further Automated FCA's GIS Processes



# Human Capital



- ▶ We did not meet hiring and retention targets for FY 25
  - The Deferred Resignation Program (DRP) and the hiring freeze impacted our plans
  - Attrition rate was 12% at fiscal yearend which was an increase from the prior year due to the DRP
  - We onboarded 9 associate examiners instead of the 14 initially hired. We were also not able to complete all planned mid-career hiring
- ▶ We completed our strategies related to training, development, and knowledge transfer



# Human Capital (continued)

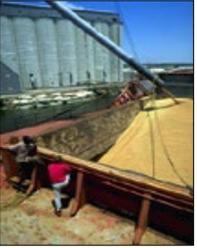
- ▶ Ended FY 2025 below plan on total staff
- ▶ Remained below optimal target for total staff, commissioned examiners, and technical specialists as of September 30, 2025

## Total OE Staff

Total OE Staff	Planned	Actual	Variance
Beginning FY 2025	189	186	(3)
Attrition   Retirements	(18)	(23)	(5)
Hirings	18	15	(3)
<b>Ending FY 2025</b>	<b>189</b>	<b>178</b>	<b>(11)</b>

## Commissioned Examiners

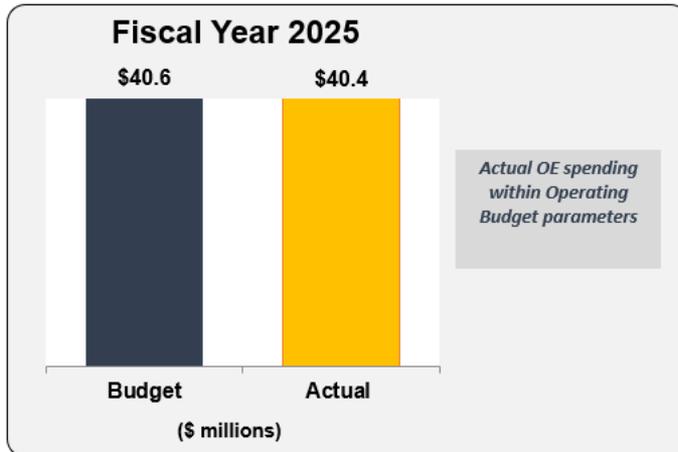
Commissioned Examiners	Planned	Actual	Variance
Beginning FY 2025	85	86	1
Attrition   Retirements	(8)	(10)	(2)
Promotion to EMT	(1)	(2)	(1)
Hirings	3	1	(2)
Newly Commissioned	10	11	1
<b>Ending FY 2025</b>	<b>89</b>	<b>86</b>	<b>(3)</b>





# OE Budget Results

- ▶ Fiscal Year as of September 30, 2025
  - Actual expenses were in line with our adjusted budget while operating under continuing resolution
  - Full Time Equivalents (FTEs) were below budgeted



FTEs	
◆ Budgeted Full Year FTEs	187.2
◆ Actual Full Year FTEs	183.6
Variance	-3.6





# Summary

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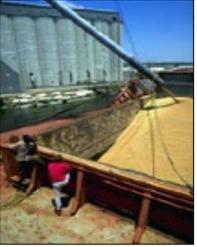
- ▶ Effectively conducted all planned examination and oversight activities
- ▶ Completed FY 2025 Operating Plan and NOP strategies
- ▶ Focused on ensuring OE has sufficient highly skilled staff to accomplish our mission
- ▶ Actively managed our budget under the year-long continuing resolution





# Discussion

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**THANK YOU**