

Questions for Mr. Brian Michael Tomney, of Virginia, to be Inspector General of the Federal Housing Finance Agency, from Chairman Sherrod Brown:

1. Where have you excelled in past and current positions in attracting, hiring, and promoting people of color in positions in your organization/s? Where might there be room for improvement?

Attracting, hiring, and promoting people of color, as well as individuals from other diverse backgrounds, has been a core value of mine throughout my professional career. In particular, I am proud to have deployed a diverse team of attorneys and staff to historically less inclusive places such as Afghanistan. Leading by example in these distant locations not only supported the importance of diversity here at home, but it also gave hope and resilience to some historically brutalized minority communities living overseas. More recently, I have attracted, hired, and promoted individuals of color in my current role leading internal fraud investigations. A team of investigators who more accurately represent the diversity of the company helps to ensure our investigations are thoughtful and fair, and drives consistent outcomes across the organization.

To be sure, there is always room for improvement. As an initial matter, acknowledging and remaining mindful of implicit bias in our everyday life and work is critical. If confirmed, I look forward to consulting with other Inspectors General to consider their best practices in this space and leverage their collective wisdom to help me (and my team) avoid blind spots.

2. What is your plan for creating an inclusive working environment for employees within your office?

An inclusive working environment starts with creating a safe place to express ideas and welcoming people of all backgrounds. Accomplishing this imperative starts at the top of any organization. If confirmed, it will start with me. I will lead by example and commit to a candid, respectful, and transparent office environment that welcomes a diversity of people and thoughts. Moreover, I will ensure that my senior leadership team follows my lead. An inclusive, respectful office environment ultimately leads to innovation, makes us work smarter, and helps to ensure that we respect each other as individuals. If confirmed, I look forward to consulting with other Inspectors General to consider their best practices in this space and leverage their collective wisdom to help me (and my team) avoid blind spots.

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Questions for Mr. Brian Michael Tomney, of Virginia, to be Inspector General of the Federal Housing Finance Agency, from Ranking Member Patrick J. Toomey:

Congressional Oversight

1. What is your philosophy on how the Federal Housing Finance Agency’s Office of Inspector General (“OIG”) should respond to Congressional information requests (both documentary information and oral testimony)?

Consistent with the Inspector General Act of 1978, FHFA OIG should respond to Congressional information requests (both documentary information and oral testimony) fully, transparently, and timely. If confirmed, I am committed to and look forward to developing a positive, candid, and timely responsive relationship with Congress.

2. If confirmed, do you intend to respond to information requests differently depending on who is making the Congressional information request (whether it is the chair of the Congressional committee, the ranking member, or another member of Congress)? Please answer “yes” or “no.” If your answer is “yes,” please explain.

No.

3. Will you commit that, if confirmed, you will timely respond to and fully comply with all information requests from me? Please answer “yes” or “no.” If your answer is “no,” please explain.

Yes.

4. Will you commit that, if confirmed, you will make yourself and any other OIG employee expeditiously available to provide oral testimony (including but not limited to briefings, hearings, and transcribed interviews) to the Committee on any matter within its jurisdiction, upon the request of either the Chairman or Ranking Member? Please answer “yes” or “no.” If your answer is “no,” please explain why.

Yes.

Mission

5. How would you describe the OIG’s mission?

The mission of FHFA OIG is to promote economy, efficiency, and effectiveness and protect FHFA and the entities it regulates against fraud, waste, and abuse, contributing to the liquidity and stability of the nation’s housing finance system. FHFA OIG accomplishes this mission by providing independent, relevant, timely, and transparent oversight of the Agency in order to promote accountability, integrity, economy, and efficiency; advising the Director of the Agency and Congress;

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informing the public; and engaging in robust enforcement efforts to protect the interests of the American taxpayers.

6. How would you describe the OIG's responsibilities as they relate to fraud, waste, and abuse at FHFA's regulated entities?

FHFA OIG is vested with statutory law enforcement authority to conduct criminal and civil investigations of individuals, whether inside or outside of government, who waste, steal, or abuse government monies in connection with programs and operations of FHFA and the entities it regulates. If confirmed, I will ensure the Office of Investigations continues to conduct its work in a fair and thorough manner, and in accordance with all applicable professional standards.

Similarly, OIG must conduct meaningful audits, evaluations, and other assessments of FHFA and the regulated entities and regularly inform the Agency and Congress of identified wasteful or abusive practices.

Risk Assessments

7. The OIG uses a risk-based oversight strategy. Will you commit to promptly review and, as appropriate, adjust the existing risk assessments that guide the OIG's oversight?

If confirmed, I look forward to reviewing the breadth of OIG operations to include how it leverages its risk-based oversight strategy to guide its activities. As necessary, I will adjust existing risk assessments that guide OIG's oversight. Moreover, I remain committed to regular and on-going assessments of these processes.

8. What data and other information will you consider in reviewing and adjusting the OIG's existing risk assessments?

While reviewing OIG's risk-based oversight strategy, if confirmed, I look forward to benchmarking the processes used by other OIGs, factoring in relevant internal documents, and seeking out key stakeholder input (e.g., subject matter experts, Agency leadership, and Congress).

9. Is there a role for outside or third-party information to be used in reviewing and adjusting the OIG's existing risk assessments?

Yes. A thoughtful review of FHFA OIG's risk-based strategy need not be artificially constrained. Outside or third-party information that is credibly sourced may be considered. That said, it will be important to consider the proper weight to give such information when factoring in other internal, non-public material. A more holistic set of data points, properly weighted to individual facts and circumstances, will better position me to make independent and objective decisions on the subject.

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Operational Risk

10. Based on your experience in financial services, what are some of the key operational risks that might be borne by FHFA's regulated entities?

I have not concluded the regulated entities possess any particular operational risks because I lack specific insider knowledge of the regulated entities. More generally, however, my experience suggests that similar sized companies face the risk of a major cyber or data security event as a key operational risk. A significant cyber event may be caused by hostile foreign actors seeking to degrade or debilitate a key economic driver of stability in the United States, external organized fraudsters, or some other combination of malevolent actors. Additional key operational risks found in larger companies may include a heavy reliance on third parties, ill-tuned models, ineffective controls, and an array of risks posed by human capital who are either poorly equipped to handle rapid technological advances or who overly rely on technology to manage risk. Lastly, whether considered a subset of operational risk or not, resiliency (risk) must also be considered.

11. Fannie Mae and Freddie Mac (each a "GSE") each rely on a common securitization platform to perform bond administration and other securitization functions. Will you commit to conduct an audit or other investigation of each GSE's management of the third-party risk and other operational risks posed by the relationship of a common securitization platform?

If confirmed, I will ensure the risks associated with the common securitization platform (CSP) will be considered as standalone CSP reporting or factored into broader topical-based reporting (e.g., reporting and analysis of operational and third-party risks).

Ongoing Conservatorships

12. Will you commit to conduct an audit or other investigation of whether the ongoing conservatorships might pose risk to the ability of FHFA to effectively perform its regulatory functions and ensure the safety and soundness of each GSE?

Ensuring the safety and soundness of each GSE is vital to the stability and liquidity of the mortgage market. As part of OIG's robust oversight of FHFA's regulatory and conservator responsibilities, if confirmed, OIG will use a risk-based oversight strategy to conduct its work (utilizing the approach detailed in questions 7, 8, and 9). If confirmed, I look forward to reporting on the effectiveness of FHFA's regulatory functions as informed by its other responsibilities, including potential risks posed by current conservatorship activities. Whenever the conservatorship ends, FHFA must be exceptionally well-positioned to act as strongly as other independent federal financial regulators.

13. In particular, will you commit to conduct an audit or other investigation of whether FHFA personnel with overlapping conservatorship and safety and soundness responsibilities might

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face conflicts of interest or other similar impediments that undermine their ability to perform their safety and soundness responsibilities?

If confirmed, I will seek to better understand whether and to what extent there is overlap with conservator and regulator FHFA personnel. To the extent FHFA OIG becomes aware of a credible conflict of interest allegation, OIG will take appropriate action to investigate the matter. To be sure, I commit to ensuring that key matters undermining or otherwise presenting an impediment from FHFA achieving its goal of becoming a world-class regulator will be a part of OIG's work.

14. Will you commit to conduct an audit or other investigation of whether FHFA inappropriately consults with, or otherwise relies upon, the GSEs in connection with its rulemaking activities?

If confirmed, part of my work will be to determine whether FHFA inappropriately consults with anyone, including the GSEs, in connection with its rulemaking activities. Although consultation in and of itself may not be inappropriate, particularly in its role as the Enterprise's conservator, a proper balance must be maintained. To the extent FHFA OIG becomes aware of an allegation of inappropriate communications during the rulemaking process, OIG will take the necessary steps to fully assess the matter.

OIG Staffing

15. Will you commit to assess the size and scope of the staffing and budget of the OIG, including benchmarks against the budgets and staffing of other Offices of Inspector General?

If confirmed, I commit to assessing the size and scope of the staffing and budget of FHFA OIG. As part of this assessment, I will benchmark the OIG against other offices while remaining mindful of the unique nature of FHFA's dual role as regulator and long-term conservator. I also commit to regular assessments of staffing and budget to adjust for any changes in the landscape of FHFA operational requirements. Being a good steward of allocated monies while being rightsized is fundamental to being well managed.

Answering Questions for the Record

16. Please describe with particularity the process by which you answered these questions for the record, including identifying who assisted you in answering these questions along with a brief description of their assistance.

The sum and substance of these answers are mine and mine alone. They are based on my professional experience, a review of limited public reporting, and a commitment to fulfilling the mission of FHFA OIG. FHFA OIG's Director of External Affairs and Risk Analysis assisted me with formatting, helping maintain a consistent tone, and ensuring grammatical accuracy to these questions.