



Highlights of [GAO-10-528](#), a report to the Acting Director of the Federal Housing Finance Agency

## Why GAO Did This Study

The Federal Housing Finance Agency (FHFA) relies extensively on computerized systems to carry out its mission to provide effective supervision, regulation, and housing mission oversight of the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the federal home loan banks. Effective information security controls are essential to ensure that FHFA's financial information is protected from inadvertent or deliberate misuse, disclosure, or destruction.

As part of its audit of FHFA's fiscal year 2009 financial statements, GAO assessed the effectiveness of the agency's information security controls to ensure the confidentiality, integrity, and availability of the agency's financial information. To do this, GAO examined FHFA information security policies, procedures, and other documents; tested controls over key financial applications; and interviewed key agency officials.

## What GAO Recommends

GAO recommends that the Acting Director of the FHFA take steps to mitigate control deficiencies and fully implement a comprehensive information security program.

In commenting on a draft of this report, FHFA agreed with GAO's findings and stated that it plans to address the identified deficiencies.

[View GAO-10-528 or key components.](#)  
For more information, contact Gregory C. Wilshusen at (202) 512-6244 or [wilshuseng@gao.gov](mailto:wilshuseng@gao.gov), or Dr. Nabajyoti Barkakati at (202) 512-4499 or [barkakatin@gao.gov](mailto:barkakatin@gao.gov).

## INFORMATION SECURITY

### Opportunities Exist for the Federal Housing Finance Agency to Improve Controls

#### What GAO Found

Although FHFA has implemented important information security controls, it has not always implemented appropriate controls to sufficiently protect the confidentiality, integrity, and availability of financial information stored on and transmitted over its key financial systems, databases, and computer networks. The agency's financial system computing environment had deficiencies in several areas and the controls that were in place were not always effectively implemented to prevent, limit, and detect unauthorized access to the agency network and systems. Specifically, FHFA did not always maintain authorization records for network and system access, enforce the most restrictive access needed by users on shared network files and directories, and enforce the most restrictive set of rights needed by users to perform their assigned duties. Further, it did not effectively implement physical protection and environmental safety controls over its facilities and information technology resources. GAO identified numerous instances in which FHFA facilities were not adequately secured and was able to obtain unauthorized access from outside agency facilities into the agency's interior space containing sensitive information and information technology equipment. FHFA officials acknowledged these shortcomings and indicated that the agency has taken steps or is planning to take steps to mitigate these deficiencies.

A key reason for the control deficiencies in FHFA's financial system computing environment is that the agency has not yet fully implemented its agencywide information security program to ensure that controls are appropriately designed and operating effectively. Although FHFA made important progress in developing and documenting elements of its information security program, written policies, procedures, and technical standards do not reflect the current operating environment. Further, the agency has not yet developed, documented, and implemented sufficient policies and procedures to ensure that the activities performed by external third parties are monitored for compliance with FHFA's policies. Although these deficiencies were not considered significant deficiencies for financial reporting purposes, if left uncorrected they unnecessarily increase the risk that sensitive and financial information is subject to unauthorized disclosure, modification, or destruction.