



OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT  
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*Office of Examination*

**MEMORANDUM TO THE FILE**

MEMORANDUM FOR: 2003 Fannie Mae Examination File

CC: Administrative Assistant, Records (OERecords@ofheo.gov)

FROM: Marietta Perkins, Deputy Chief Examiner

SUBJECT: 2003 Examination Activity Exceptions

DATE: May 26, 2004

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**1. General**

This memorandum has been drafted to explain the lack of an Annual Report of Examination for Fannie Mae ("FNM") in 2003 by the Office of Examination and Oversight ("OEO")<sup>1</sup>. The exception discussed herein constitutes a deviation from established OEO policies and/or procedures. Explanations for these exceptions are being documented based upon information gained through conversations with G. Scott Calhoun, Chief Examiner, and Kyle Roberts, Deputy Chief Examiner.

**2. Annual Report of Examination**

No Annual Report of Examination was produced by OEO for 2003 for several reasons. These reasons included:

- Limited examination work was performed in many areas because some of the examination staff was assigned to the SEU.
- Once the SEU completed its work, most of the market risk team examination staff as well as other staff members were reassigned from OEO to the Office of Compliance.
- A Report of Condition was developed based on the banking regulators approach (CAMELS) to rating financial institutions. Sections of this report were drafted by a variety of divisions within OFHEO. OEO contributed to this report but it did not solely represent the work performed by OEO during 2003.

Discussions are occurring now to determine if OEO will produce a separate Report of Examination for 2004 and if so what the format will be.

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<sup>1</sup> The Office of Examination and Oversight was renamed the Office of Examination in 2004.