



Federal Housing Finance Agency

Constitution Center
400 7th Street, S.W.
Washington, D.C. 20219
Telephone: (202) 649-3800
Facsimile: (202) 649-1071
www.fhfa.gov

May 13, 2026

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, NW
Washington, DC 20006

Re: Comment on PCAOB Strategic Priorities for the 2026-2030 Strategic Plan (PCAOB No. 2026-001)

Dear Office of the Secretary:

U.S. Federal Housing (FHFA) appreciates the opportunity to comment on the PCAOB's strategic priorities for 2026-2030.

FHFA is the prudential regulator of Fannie Mae, Freddie Mac, and the Federal Home Loan Banks and relies on high-quality external audits as an important input to its safety and soundness supervision. In that capacity, FHFA supports the PCAOB's mission to protect investors and promote informative, accurate, and independent audit reports. From a supervisory perspective, audit quality is most impactful when it strengthens assurance in areas of elevated financial reporting risk.

FHFA believes audit quality most directly supports supervisory objectives when it reinforces discipline in three core areas: fraud risk, valuation judgments (including estimates such as the allowance for credit losses), and the risk of management override of controls. Weaknesses in these areas can undermine the reliability of financial reporting and, in turn, supervisory confidence in regulated institutions.

FHFA supports a strategic approach that is targeted, risk-based, and focused on measurable outcomes. The PCAOB's priorities should emphasize improving audit execution in areas that most directly affect financial reporting integrity, while avoiding unnecessary complexity or expansion that does not yield clear improvements in audit quality.

First, inspections should remain the PCAOB's primary supervisory tool and continue to focus on areas of greatest consequence. FHFA believes the PCAOB should prioritize inspection coverage

of audits involving significant estimates, internal control over financial reporting, and the auditor's response to fraud risk. Enhancing the ability to distinguish between isolated engagement deficiencies and broader firm-level quality control issues would improve the usefulness of inspection results and better support accountability and remediation.

Second, enforcement should remain disciplined and focused on audit-relevant misconduct, including independence violations, repeated audit quality failures, and breakdowns that undermine the integrity of the audit process. A credible enforcement program is essential to maintain accountability; however, FHFA believes enforcement should complement, not replace, effective inspections and clear standards. Maintaining this balance supports both accountability and a stable regulatory environment.

Finally, standard-setting should be selective and grounded in demonstrated need. FHFA believes the PCAOB should prioritize areas where there is persistent evidence of audit challenges, including auditing complex estimates, management review controls, and fraud-related procedures. At the same time, the Board should avoid overly broad or prescriptive initiatives that increase complexity without a clear corresponding benefit. FHFA also encourages the PCAOB to consider the implementation costs and operational complexity of new standards relative to their expected impact on audit quality.

In summary, FHFA encourages a strategic plan that emphasizes disciplined execution, focuses on areas of highest risk, and promotes accountability without unnecessary expansion of regulatory requirements. Such an approach will best support the PCAOB's mission and contribute to sustained confidence in the financial reporting of federally regulated institutions.

Thank you for the opportunity to provide the Agency's views on the Board's strategic priorities. FHFA hopes the Board and staff will find these comments and recommendations helpful. If the Board and staff have any questions or comments regarding this letter, please feel free to contact me at 202-649-3450.

Sincerely,



Nicholas J. Satriano
Chief Accountant and Principal Associate Director - Office of the Chief Accountant
Division of Enterprise Regulation
U.S. Federal Housing (FHFA)