Privacy Impact Assessment
Guaranteed Loan System (GLS)

Policy, E-Government and Fair Information Practices

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United States Department of Agriculture

Privacy Impact Assessment for the Guaranteed Loan System (GLS)

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Abstract

GLS records and manages obligations, servicing, and loss claims for guaranteed programs, as well as managing and monitoring lenders. It consists of seven internal modules that include Farm Service Agency Guaranteed (FSAG), Guaranteed Annual Fees (GAF), Guaranteed Loan (GuarLoan), Intermediary Relending Program (IRP), Multi-Family Housing Guaranteed (MFHG), Electronic Status Reporting (ESR) and Single-Family Housing (SFH Loss).

Overview

The USDA relies on its information technology systems, including GLS, to accomplish its mission of providing cost-effective and reliable services to the USDA, other Federal agencies, and the public at large. GLS records and manages obligations, servicing, and loss claims for guaranteed programs, as well as managing and monitoring lenders.

FSAG is an application that includes loan origination, loan closing, losses, secondary market transactions, lender portfolio management, servicing actions, re-amortizations, consolidations, transfers, agency loan repurchases, liquidation expenses, interest assistance payments, status reporting.

GAF is an application that provides an automated means to retrieve billing of annual fees against guaranteed loans and submits annual fee payment requests.

GuarLoan is an application that includes common or shared applications used by two or more loan programs within FSA, including loan origination, funds reservation, loan closing, annual fees, late fees, losses, secondary market transactions, lender portfolio management, servicing actions, re-amortizations, consolidations, transfers, agency loan repurchases, liquidation expenses, interest assistance payments, status reporting, and credit bureau reporting.

IRP is an application that provides loans to local organizations (intermediaries) for establishing revolving loan funds. These funds assist with financing business and economic development activity to create/retain jobs in disadvantaged/remote communities.

MFHG applications include loan origination, funds reservation, loan closing, losses, secondary market transactions, lender portfolio management, servicing actions, re-amortizations, consolidations, transfers, agency loan repurchases, liquidation expenses, interest credit payments, and status reporting.

ESR is an application that electronically captures current loan status and delinquency information. Monitors USDA portfolio and lender performance. Provides reports on servicers and default status on a monthly basis.

SFH Loss application automates the Guaranteed SFH Loss claims process by allowing lenders to electronically enter and transmit loss data and disburse loss payments to the lender via electronic funds transfer (EFT). It allows for accurate and timely processing of SFH Loss claims data, and the captured data is used for the Debt Collection Improvement Act (DCIA) processing.

Section 1.0 Characterization of the Information

The following questions are intended to define the scope of the information requested and/or collected as well as reasons for its collection as part of the program, system, rule, or technology being developed.

1.1 What information is collected, used, disseminated, or maintained in the system?

Customer Information: Client names, borrowers' social security numbers, co- borrowers, key members addresses, business financial data, and debt payment information.

Lender Information: Lender identification numbers, lender names, addresses, and business financial data.

1.2 What are the sources of the information in the system?

Business Programs/Community Facilities/MFHG/FSAG applications, closing documentation, phone personal interviews, and/or correspondence are received via GLS.

SFH applications, closing documentation, phone and personal interviews, and correspondence are received via USDA LINC Guaranteed Underwriting System (GUS).

1.3 Why is the information being collected, used, disseminated, or maintained?

Information is collected to monitor USDA-guaranteed private sector lender's loan portfolios and to provide financial information on the Guaranteed portfolio. The data is also used to determine eligibility and for consolidated reporting purposes such as demographicdata.

1.4 How is the information collected?

Loan officers and trusted lenders provide input for guaranteed loan application data. RD receives a monthly file of banking data from Treasury, Ginnie Mae, and Dun & Bradstreet.

1.5 How will the information be checked for accuracy?

The information is transferred to paper forms which are printed and signed by the customer. Once the data is on hardcopy, the application data stored in the system is not involved in the loan process.

There are many balancing processes that execute with every batch update cycle to validate the lender's loan portfolios. Balancing is done against general ledger, allotment summary, and check disbursement. The National Financial and Accounting Operations Center (NFAOC) within RD reviews these outputs daily.

1.6 What specific legal authorities, arrangements, and/or agreements defined the collection of information?

Information in GLS falls under the following:

- *Privacy Act of 1974, as Amended (5 USC 552a);*
- *Computer Security Act of 1987, Public Law 100-235, ss 3 (1) and (2), codified at 15 U.S.C. 272, 278 g–3, 278 g-4 and 278 h which establishes minimum security practices for Federal computer systems;*
- *OMB Circular A-130, Management of Federal Information Resources, Appendix III, Security of Federal Automated Information Resources, which establishes a minimum set of controls to be included in Federal automated information security programs; assigns Federal agency responsibilities for the security of automated information; and links agency automated information security programs and agency management control systems;*
- *Freedom of Information Act, as Amended (5 USC 552), which provides for the disclosure of information maintained by Federal agencies to the public, while allowing limited protections for privacy.*
- *Federal Information Security Modernization Act of 2014*
- *Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq) and Title V of the Housing Act of 1949 as amended (42 U.S.C. 1471 et seq).*
- *Farm Bill 2018 (P.L. 115-334)*
- *Fair Credit Reporting Act, 15 USC 1681 a(f)*
- *Consumer Credit Protection Act, 15 USC 1601*
- *Equal Credit Opportunity Act, 15 USC 1691*
- *The Fair Debt Collection Practices Act, Pub. L 111-203, title X, 124, Stat. 2092 (2010)*
- *7 CFR, section 3560, subsections 55 and 154*
- *RD Records Management Policy*
- *NARA Records Retention*

1.7 Privacy Impact Analysis: Given the amount and type of data collected, discuss the privacy risks identified and how they were mitigated.

The privacy risk is the potential unauthorized disclosure or illegal use of this PII and the potential adverse consequences this disclosure or use would have on the RD customer.

The GLS system owner defines access roles to ensure separation of duties, account management and authorized access to data and information in GLS. Only authorized RD staff can access the LoanServ application using eAuth Level 2. These measures mitigate the risks to privacy data in GLS. GLS is hosted on the DISC environment, which complies with all security and privacy protections required by USDA as a federal agency.

Section 2.0 Uses of the Information

The following questions are intended to delineate clearly the use of information and the accuracy of the data being used.

2.1   Describe all the uses of information.

Information is collected to monitor USDA-guaranteed private sector lender's loan portfolios and to provide financial information on the GLS portfolio. The data is also used to determine eligibility and for consolidated reporting purposes, such as demographic data.

2.2   What types of tools are used to analyze data and what type of data may be produced?

GLS does not use tools. Authorized RD staff manually review information to ensure that RD applicant/customer information and financial transactions are accurate and meet the RD business rules and USDA requirements.

2.3   If the system uses commercial or publicly available data please explain why and how it is used.

Not applicable, GLS does not use commercial or publicly available data.

2.4   <u>Privacy Impact Analysis</u>: Describe any types of controls that may be in place to ensure that information is handled in accordance with the above described uses.

The controls in place to detect unauthorized access to GLS include DISC audit logs/security logs and CEC audit logs.

Section 3.0 Retention

The following questions are intended to outline how long information will be retained after the initial collection.

3.1   How long is information retained?

GLS information is retained in accordance with NARA, RD Records Management policy and financial compliance regulations.

3.2 Has the retention period been approved by the component records officer and the National Archives and Records Administration (NARA)?

Yes, GLS follows data retention as provided by the RD Records Management, which is in accordance with NARA.

3.3 <u>Privacy Impact Analysis</u>: Please discuss the risks associated with the length of time data is retained and how those risks are mitigated.

GLS data retention has the potential risk of unauthorized access, unauthorized disclosure or illegal use of the customer PII data.

GLS data is protected by DISC, which follows USDA federal agency requirements for data protection. DISC is accredited by FedRAMP. GLS components are hosted within the DISC Mainframe and Midrange environments. GLS follows the RD Records Management data retention requirements to manage risk associated with data retention.

Section 4.0 Internal Sharing and Disclosure

The following questions are intended to define the scope of sharing within the United States Department of Agriculture.

4.1 With which internal organization(s) is the information shared, what information is shared and for what purpose?

GLS applications

• Commercial Loan Servicing System (CLSS) - process lender status reports and loan closings

• Program Funds Control System (PFCS) – Data is forwarded to MQ series messages to PFCS for specific transactions.

• Automated Mail Processing (AMP) - Prints statements and tax forms

• Business Intelligence (BI): Tabular Data Warehouse (TDW) - Receives data for reports

• Common Call Components: Business Rules Engine (BRE) / FICO Blaze – receives information for GLS total scorecard and loan approval recommendations

• eServices: Account Cross Reference (ACR) – request is made to perform TDW lookup

• New Loan Originations: Eligibility, Guaranteed Underwriting System (GUS), Lender Interactive Network Communication (LINC) - process lender status reports and loan closings

• Program Loan Accounting System (PLAS) - Accounting system of record and official reporting mechanism

FSAG

• Farm Services Agency (FSA) – application is shared by both FSAG and FSA

GuarLoan

• Security Management: Authorized Authentication Security Module (AASM) - RD users create a user profile with the AASM system via a hyperlink from GLS applications

IRP

• Business Intelligence (BI): Tabular Data Warehouse (TDW) - Receives data for reports

MFHG

• Program Loan Accounting System (PLAS) - Accounting system of record and official reporting mechanism

• Program Funds Control System (PFCS) – Data is forwarded to MQ series messages to PFCS for specific transactions.

• Business Intelligence (BI): Tabular DataWarehouse (TDW) - Receives data for reports

SFH Loss

• Common Call Component: ECF/Imaging – Loan closing data and workflow; goes through various stages of review, determination of completion, approval, obligation, and closing of the loan.

• eServices: Electronic Funds Transfer (EFT) – Pulls data from EFT tables to send payments

• Program Funds Control System (PFCS) – Data is forwarded to MQ series messages to PFCS for specific transactions.

• Program Loan Accounting System (PLAS) - Accounting system of record and official reporting mechanism.

4.2   How is the information transmitted or disclosed?

The information within the GLS applications is transmitted using HTTPS. The information that is shared internally is within the USDA network using DISC's technical protections in place to protect the data with security and privacy protections.

4.3   <u>Privacy Impact Analysis</u>: Considering the extent of internal information sharing, discuss the privacy risks associated with the sharing and how they were mitigated.

The privacy risk is the unauthorized access and potential compromise of PII data in GLS.

This privacy risk is mitigated by the DISC midrange and mainframe, which host GLS applications and provides security and privacy data protection and complies with USDA

requirements on protecting information. Also, only authorized RD staff access GLS using eAuth, so there are audit logs on this activity.

Section 5.0 External Sharing and Disclosure

The following questions are intended to define the content, scope, and authority for information sharing external to USDA which includes Federal, state and local government, and the private sector.

5.1 With which external organization(s) is the information shared, what information is shared, and for what purpose?

Ginnie Mae: Loan data information is shared such as sensitive financial and privacy data. Ginnie Mae purchases mortgage back securities.

Bulk Data Exchange System (BDES) / Dun & Bradstreet: FSA-GLS reports Guarantee loan information (Borrower or Co-Borrower name, Lender name, address, date of report, account number, taxpayer identification number, Federal Agency w/program code, lender name, status, amount of outstanding debt, type of debt, date initiated, and maturity date) to Dun & Bradstreet on a monthly basis.

Fiscal Service Treasury Web Application Infrastructure (TWAI) Department of Treasury - U. S. Department of Treasury – Connect: Direct without Secure+ uses a proprietary file transfer protocol

Experian Credit Bureau: Data files transferred from GLS to Experian for credit bureau reporting.

CAIVRS / HUD: Receives an underwriting recommendation on borrower applications. This information is passed back to GUS for analysis and comparison to tour internal decision engine.

5.2 Is the sharing of personally identifiable information outside the Department compatible with the original collection? If so, is it covered by an appropriate routine use in a SORN? If so, please describe. If not, please describe under what legal mechanism the program or system is allowed to share the personally identifiable information outside of USDA.

Yes, USDA/Rural Development 1, Current or Prospective Producers or Landowners, Applicants, Borrowers, Grantees, Tenants, and Other Participants in RD Programs covers the routine use of this information with the external trusted sources described in section 5.1.

5.3 How is the information shared outside the Department and what security measures safeguard its transmission?

GLS requires an Interconnection Service Agreement (ISA) or Memorandum of Understanding (MOU) for all external connections.

Ginnie Mae – data is sent quarterly via CD (mailed)

Bulk Data Exchange System (BDES) / Dun & Bradstreet – one-way transmission via Secure File Transfer Protocol (SFTP)

Experian Credit Bureau – data is transmitted monthly via SFTP connection to Treasury.

Fiscal Service Treasury Web Application Infrastructure (TWAI) Department of Treasury - U. S. Department of Treasury – Connect:Direct without Secure+ uses a proprietary file transfer protocol (TCP ports 1364 and 1372).

CAIVRS / HUD – Monthly, receives an underwriting recommendation on borrower applications. This information is passed back to GUS for analysis and comparison to tour internal decision engine.

5.4   <u>Privacy Impact Analysis</u>: Given the external sharing, explain the privacy risks identified and describe how they were mitigated.

Privacy risks include the potential compromise of PII and sensitive financial information. This is mitigated by the security protections, such as firewalls, DNSSec, encryption of data in transit, and DISC audit logs. Authorized RD staff access GLS using eAuth and RD has continuous monitoring from DISC in compliance with FISMA and as required by RD and USDA. GLS data is stored in a secure environment on the DISC platform.

Section 6.0 Notice

The following questions are directed at notice to the individual of the scope of information collected, the right to consent to uses of said information, and the right to decline to provide information.

6.1   Does this system require a SORN and if so, please provide SORN name and URL.

Yes, it follows Rural Development 1, Current or Prospective Producers or Landowners, Applicants, Borrowers, Grantees, Tenants and Other Participants in RD Programs, https://www.govinfo.gov/content/pkg/FR-2016-04-28/pdf/2016-09938.pdf.

6.2   Was notice provided to the individual prior to collection of information?

Yes, notice was provided to the individual prior to the collection of information through the use of Form RD 410-9, Statement Required by the Privacy Act, which is provided before a RD applicant applies for a GLS loan or grant.

6.3   Do individuals have the opportunity and/or right to decline to provide information?

Individuals have the opportunity and/or right to decline to provide information, but if they decline, then they will not be able to apply for the GLS loan or grant. With the RD Form 410-9, Statement Required by the Privacy Act, individuals agree to provide the information, so RD applicants are aware of the collection of personal information.

6.4   Do individuals have the right to consent to particular uses of the information? If so, how does the individual exercise the right?

No, in order to apply for a GLS loan or grant, the RD applicant consents to the collection of personal information as required for GLS loan or grant processing. The RD applicant provides their consent as part of the GLS loan or grant application with RD Form 410-9, Statement Required by the Privacy Act.

6.5   <u>Privacy Impact Analysis</u>: Describe how notice is provided to individuals, and how the risks associated with individuals being unaware of the collection are mitigated.

RD applicants consent to providing information for the completion of GLS loan and grant requirements. RD applicants are notified with the privacy form, RD Form 410-9, when they apply for loans or grants and consent to the use of their data before applying for the GLS loan or grant.

Risks associated with individuals being unaware of the collection are mitigated because RD individual applicants must consent to the use of their data and this notification is included in the privacy form that is completed as part of the process for applying for GLS loans and grants with RD.

Section 7.0 Access, Redress and Correction

The following questions are directed at an individual's ability to ensure the accuracy of the information collected about them.

7.1   What are the procedures that allow individuals to gain access to their information?

Individuals can go through RD system users and trusted lenders that have access to their information.

Applicants can contact RD authorized users that have access to borrower information. That staff member will keep the applicant informed as to the status of their GLS grant or loan application.

7.2 What are the procedures for correcting inaccurate or erroneous information?

If an applicant notices inaccurate information with their GLS loan or grant application, then they will contact the RD area specialist for correction of any erroneous information. The RD area specialist will facilitate the correction of any inaccurate information for the RD applicant.

7.3 How are individuals notified of the procedures for correcting their information?

Notification is part of the application process for GLS loan and grant applications, so the borrower/applicant can contact the RD area specialist to correct any inaccurate information. Also, RD area specialists involved in processing the loan or grant application do manual review and will contact the applicant for any information corrections with their GLS loan or grant application.

7.4 If no formal redress is provided, what alternatives are available to the individual?

Individuals have access, redress, and amendment rights under the Privacy Act and the Fair Credit Reporting Act.

7.5 <u>Privacy Impact Analysis</u>: Please discuss the privacy risks associated with the redress available to individuals and how those risks are mitigated.

Privacy risks associated with redress available to individuals are compromise of PII data involved in the redress activity.

This is mitigated by RD staff acting as responsible data stewards of the RD applicant's information and from the network security protections in place for GLS on the DISC mainframe/midrange. Any redress information with GLS is protected in accordance with RD policy, which follows USDA security and privacy protections as provided by OMB and USDA policy.

Section 8.0 Technical Access and Security

The following questions are intended to describe technical safeguards and security measures.

8.1 What procedures are in place to determine which users may access the system and are they documented?

Desk Procedures document the User Access Management (UAM) Team process for establishing, activating, and modifying individual users for GLS. The group and account types are defined by the System Owner for GLS applications. The System Point of Contact (POC)

assigns group membership and determines individual RD user access. The UAM Team creates, modifies and deletes user requests approved by the System Point of Contact.

RD employees and RD contractors access GLS after being provisioned by a User Access Management (UAM) ticket, created by the System POC and completed by the UAM Team (UAMT). Access is granted via eAuth.

Steps to provision RD employees and RD contractors follow desk procedures as set by the system owner for GLS.

8.2   Will Department contractors have access to the system?

Yes, RD contractors are required to undergo the same access and authentication procedures that RD federal employees follow, as discussed in section 8.1.

8.3   Describe what privacy training is provided to users either generally or specifically relevant to the program or system?

Yes, all RD employees and contractors are required to complete annual information security and awareness training, which includes privacy training for GLS.

8.4   Has Certification & Accreditation been completed for the system or systems supporting the program?

Yes, GLS has an ATO, which is in CSAM.

8.5   What auditing measures and technical safeguards are in place to prevent misuse of data?

GLS complies with the Federal Information Security Modernization Act of 2014 (FISMA) by documenting the Authorization and Accreditation, annual control self-assessments, and continuous monitoring in accordance with National Institute of Standards and Technology (NIST) Special Publication 800-53, Rev. 4. GLS is hosted on the DISC mainframe and midrange environments at USDA, which are FedRAMP certified and follow USDA security and privacy requirements.

Access to GLS is granted via eAuth once the UAM completes the proper provisioning. Section 5 of this PIA describes security protections in place for GLS data.

8.6   <u>Privacy Impact Analysis</u>: Given the sensitivity and scope of the information collected, as well as any information sharing conducted

on the system, what privacy risks were identified and how do the security controls mitigate them?

Since GLS is used by authorized RD staff using eAuth and there are group access management controls, the privacy risks are minimal. Potential compromise of privacy data is mitigated by DISC audit event monitoring and USDA network security protections in place to protect RD data for GLS on the DISC mainframe.

Section 9.0 Technology

The following questions are directed at critically analyzing the selection process for any technologies utilized by the system, including system hardware and other technology.

9.1   What type of project is the program or system?

This project is part of the Comprehensive Loan Program (CLP) Investment, which facilitates the processing by USDA personnel of applications, obligations, loans, grants, and collections on behalf of RD Commercial Program customers.

For all technologies chosen by RD, an Analysis of Alternatives (AoA) is completed to determine which technologies will be selected and ultimately purchased or built.

9.2   Does the project employ technology which may raise privacy concerns? If so please discuss their implementation.

No, the project utilizes Agency approved technologies for GLS, and these technology choices do not raise privacy concerns.

Section 10.0 Third Party Websites/Applications

The following questions are directed at critically analyzing the privacy impact of using third party websites and/or applications.

10.1   Has the System Owner (SO) and/or Information Systems Security Program Manager (ISSPM) reviewed Office of Management and Budget (OMB) memorandums M-10-22 "Guidance for Online Use of Web Measurement and Customization Technology" and M-10-23 "Guidance for Agency Use of Third-Party Websites and Applications"?

Yes, the system owner and the ISSPM have reviewed the OMB memorandums.

10.2   What is the specific purpose of the agency's use of 3rd party websites and/or applications?

Not applicable, GLS does not use 3rd party websites or applications.

10.3   What personally identifiable information (PII) will become available through the agency's use of 3rd party websites and/or applications.

Not applicable, GLS does not use 3rd party websites or applications.

10.4   How will the PII that becomes available through the agency's use of 3rd party websites and/or applications be used?

Not applicable, GLS does not use 3rd party websites or applications.

10.5   How will the PII that becomes available through the agency's use of 3rd party websites and/or applications be maintained and secured?

Not applicable, GLS does not use 3rd party websites or applications.

10.6   Is the PII that becomes available through the agency's use of 3rd party websites and/or applications purged periodically?

Not applicable, GLS does not use 3rd party websites or applications.

10.7   Who will have access to PII that becomes available through the agency's use of 3rd party websites and/or applications?

Not applicable, GLS does not use 3rd party websites or applications.

10.8 With whom will the PII that becomes available through the agency's use of 3rd party websites and/or applications be shared - either internally or externally?

Not applicable, GLS does not use 3rd party websites or applications.

10.9 Will the activities involving the PII that becomes available through the agency's use of 3rd party websites and/or applications require either the creation or modification of a system of records notice (SORN)?

Not applicable, GLS does not use 3rd party websites or applications.

10.10 Does the system use web measurement and customization technology?

Not applicable, GLS does not use 3rd party websites or applications.

10.11 Does the system allow users to either decline to opt-in or decide to opt-out of all uses of web measurement and customization technology?

Not applicable, GLS does not use 3rd party websites or applications.

10.12 <u>Privacy Impact Analysis</u>: Given the amount and type of PII that becomes available through the agency's use of 3rd party websites and/or applications, discuss the privacy risks identified and how they were mitigated.

Not applicable, GLS does not use 3rd party websites or applications.

Responsible Officials

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Approval Signature

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