



4000-01-U

DEPARTMENT OF EDUCATION

[Docket ID ED-2016-FSA-0044]

Privacy Act of 1974; System of Records

AGENCY: Federal Student Aid, Department of Education.

ACTION: Notice of an altered system of records.

SUMMARY: In accordance with the Privacy Act of 1974, as amended (Privacy Act), the Chief Operating Officer for Federal Student Aid (FSA) of the U.S. Department of Education (the Department) publishes this notice to revise the system of records entitled "Common Services for Borrowers (CSB)" (18-11-16).

The Department publishes this notice to supplement the description of the CSB system to include paper records obtained from guarantee agencies as part of the appeal of guarantee agencies' decisions to the Department and to revise the CSB system of records as a result of receiving multiple requests for documents from Federal, State, local, or tribal governmental entities seeking to verify Department contractors' compliance with consumer protection, debt collection, financial, and other applicable statutory, regulatory, or local requirements. To more easily accommodate these requests, FSA proposes to add a new routine use to allow the Department to make

disclosures to governmental entities at the Federal, State, or local levels regarding the practices of Department contractors who have been provided with access to the CSB system (e.g., Federal Loan servicers, including not-for-profit servicers, the Federal Perkins Loan servicer, and private collection agencies) with regards to all aspects of loans and grants made under title IV of the Higher Education Act of 1965, as amended (HEA), in order to permit these governmental entities to verify the contractor's compliance with debt collection, financial, and other applicable statutory, regulatory, or local requirements, thus allowing such contractors to continue with their contracted activities for loans and grants made under title IV of the HEA.

DATES: Submit your comments on this altered system of records notice on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

The Department has filed a report describing the altered system of records covered by this notice with the Chair of the Senate Committee on Homeland Security and Governmental Affairs, the Chair of the House Committee on Oversight and Government Reform, and the Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget (OMB) on August 22, 2016. This

altered system of records will become effective on the later date of: (1) the expiration of the 40-day period for OMB review on August 22, 2016; or (2) [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER], unless the altered system of records notice needs to be changed as a result of public comment or OMB review. The Department will publish any changes to the altered system of records notice that result from public comment or OMB review.

ADDRESSES: Submit your comments through the Federal eRulemaking Portal or via postal mail, commercial delivery, or hand delivery. We will not accept comments submitted by fax or by email or those submitted after the comment period. To ensure that we do not receive duplicate copies, please submit your comments only once. In addition, please include the Docket ID at the top of your comments.

- Federal eRulemaking Portal: Go to www.regulations.gov to submit your comments electronically. Information on using Regulations.gov, including instructions for accessing agency documents, submitting comments, and viewing the docket, is available on the site under the "help" tab.

- Postal Mail, Commercial Delivery, or Hand Delivery: If you mail or deliver your comments about this altered

system of records, address them to: William Leith,
Director, Program Management Services, Business Operations,
Federal Student Aid, U.S. Department of Education, 830
First Street, NE., Union Center Plaza (UCP), room 111I1,
Washington, DC 20202-5132.

Privacy Note: The Department's policy is to make all
comments received from members of the public available for
public viewing in their entirety on the Federal eRulemaking
Portal at www.regulations.gov. Therefore, commenters
should be careful to include in their comments only
information that they wish to make publicly available.

Assistance to Individuals with Disabilities in Reviewing
the Rulemaking Record: On request, we will supply an
appropriate accommodation or auxiliary aid to an individual
with a disability who needs assistance to review the
comments or other documents in the public rulemaking record
for this notice. If you want to schedule an appointment
for this type of accommodation or auxiliary aid, please
contact the person listed under FOR FURTHER INFORMATION
CONTACT.

FOR FURTHER INFORMATION CONTACT: William Leith, Director,
Program Management Services, Business Operations, Federal
Student Aid, U.S. Department of Education, UCP, 830 First

Street, NE., room 11111, Washington, DC, 20202-5132.

Telephone number: (202) 377-3676.

If you use a telecommunications device for the deaf (TDD) or a text telephone (TTY), you may call the Federal Relay Service (FRS), toll free, at 1-800-877-8339.

SUPPLEMENTARY INFORMATION:

Introduction

The CSB system of records covers records for all activities that the Department carries out with regard to making and servicing Federal title IV, HEA loans, and collecting or otherwise resolving obligations owed by an individual with respect to a Federal title IV, HEA loan or grant program. The CSB system contains records of an individual's Federal title IV, HEA loans or grants and of transactions performed by the Department to carry out the purposes of this notice.

Authority to collect data to make and service title IV, HEA loans, and to otherwise resolve obligations owed by an individual with respect to a Federal title IV, HEA grant program, is provided by titles IV-A, IV-B, IV-D, and IV-E of the HEA.

The Privacy Act (5 U.S.C. 552a(e)(4) and (11)) requires Federal agencies to publish in the Federal Register this notice of an altered system of records. The

Department's regulations implementing the Privacy Act are contained in part 5b of title 34 of the Code of Federal Regulations (CFR).

The Privacy Act applies to records about individuals that contain individually identifying information and that are retrieved by a unique identifier associated with each individual, such as a name or Social Security number. The information about each individual is called a "record," and the system, whether manual or computer-based, is called a "system of records."

Whenever the Department makes a significant change to an established system of records, the Privacy Act requires the Department to publish a notice of an altered system of records in the Federal Register and to prepare and send a report to the Chair of the Committee on Oversight and Government Reform of the House of Representatives, the Chair of the Committee on Homeland Security and Governmental Affairs of the Senate, and the Administrator of the Office of Information and Regulatory Affairs, OMB. These reports are intended to permit an evaluation of the probable effect of the proposal on the privacy rights of individuals.

A change to a system of records is considered to be a significant change that must be reported whenever an agency

expands the types or categories of information maintained, significantly expands the number, types, or categories of individuals about whom records are maintained, changes the purpose for which the information is used, changes the equipment configuration in a way that creates substantially greater access to the records, or adds a routine use disclosure to the system. The CSB system of records was first published in the Federal Register on January 23, 2006 (71 FR 3503), and subsequently updated on September 12, 2014 (79 FR 54685).

This notice will add a new category of records to the categories of records in the CSB system. This category will include records obtained by the Department as part of the appeal of guarantee agency decisions. These records are kept by the Department in paper form and are not included in any electronic systems. Including these records in the CSB system will ensure the accurate description of the records used by the Department to carry out student loan-related activities.

This notice will also add a new programmatic routine use (1)(r) to allow the Department to make disclosures to governmental entities at the Federal, State, local, or tribal levels regarding the practices of Department contractors who have been provided with access to the CSB

system (e.g., Federal Loan servicers, including not-for-profit servicers, the Federal Perkins Loan servicer, and private collection agencies) with regards to all aspects of loans and grants made under title IV of the HEA in order to permit these entities to verify the contractors' compliance with debt collection, financial, and other applicable statutory, regulatory, or local requirements, which will allow such contractors to continue their work on title IV programs. Before making a disclosure to these Federal, State, local, or tribal governmental entities, the Department will require them to maintain Privacy Act safeguards to protect the security and confidentiality of the disclosed records.

Accessible Format: Individuals with disabilities can obtain this document in an accessible format (e.g., braille, large print, audiotape, or compact disc) on request to the person listed under FOR FURTHER INFORMATION CONTACT.

Electronic Access to This Document: The official version of this document is the document published in the Federal Register. Free Internet access to the official edition of the Federal Register and the Code of Federal Regulations is available via the Federal Digital System at: www.gpo.gov/fdsys. At this site you can view this

document, as well as all other documents of this Department published in the Federal Register, in text or Adobe Portable Document Format (PDF). To use PDF you must have Adobe Acrobat Reader, which is available free at the site.

You may also access documents of the Department published in the Federal Register by using the article search feature at: www.federalregister.gov.

Specifically, through the advanced search feature at this site, you can limit your search to documents published by the Department.

Dated: August 30, 2016

James W. Runcie,
Chief Operating Officer
Federal Student Aid.

For the reasons discussed in the preamble, the Chief Operating Officer of Federal Student Aid (FSA), U.S. Department of Education (Department), publishes a notice of an altered system of records. The following amendment is made to the Notice of Altered and Deleted Systems of Records entitled "Common Services for Borrowers (CSB)" (18-11-16), as last published in the Federal Register on September 12, 2014 (79 FR 54685-54695):

SYSTEM NUMBER:

18-11-16

SYSTEM NAME:

Common Services for Borrowers (CSB).

SECURITY CLASSIFICATION:

None.

SYSTEM LOCATION:

Maximus Federal Services, Inc., 9651 Hornbaker Road, Manassas, VA 20109 [Department contractor -Debt Management Collection System (DMCS) Data Center].

U.S. Department of Education, Federal Student Aid, 830 First Street, NE., Union Center Plaza (UCP), Washington, DC 20202-5132.

See Appendix II to this notice for the name and location of additional Department locations as well as

those of Department contractors with access to this system of records.

Federal Loan Servicers:

- Great Lakes Educational Loan Services, Inc., 2401 International Lane, Madison, WI 53704-3121;
- Nelnet Servicing LLC, 1001 Fort Crook Road N., Suite 132, Bellevue, NE 68005, 6420 Southpoint Parkway, Jacksonville, FL 32216-8009 and 3015 South Parker Road, Aurora, CO 80014-2906;
- Pennsylvania Higher Education Assistance Agency (PHEAA), 1200 North 7th Street, Harrisburg, PA 17102-1419;

and

- Navient Corporation, 11100 USA Parkway, Fishers, IN 46037-9203.

The Department contracts with the aforementioned four Federal Loan Servicers group to effectively manage the servicing and processing of the large number of Federal Family Education Loan Program loans purchased by the Department and as a result of the transition to 100 percent Direct Loans.

The Department also contracts with Not-for-Profit (NFP) Servicers, which also serve as Federal Loan Servicers

to support loan servicing. See Appendix II to this notice for the name and location of each NFP Servicer with which the Department contracts.

In addition to the Federal Loan Servicers listed above, the Department contracts with Educational Computer Systems, Inc. (ECSI), 181 Montour Run Road, Coraopolis, PA 15108-9408, to service Federal Perkins Loans.

The Department also contracts with Private Collection Agencies (PCAs) to collect delinquent or defaulted loans. See Appendix II to this notice for the name and location of each PCA with which the Department contracts.

Other contractors that the Department contracts with to maintain this system of records are found in Appendix II to this notice along with the name of the system that they support.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

The CSB system contains records on those individuals who received a loan or who are otherwise obligated to repay a loan or grant made under title IV of the Higher Education Act of 1965, as amended (HEA), held and collected by the Department, which was made under: (1) the Federal Family Education Loan (FFEL) Program, including Stafford Loans, Federal Insured Student Loans (FISL), Supplemental Loans for Students (SLS), PLUS Loans (formerly Parental Loans for

Undergraduate Students), and Consolidation Loans; (2) the William D. Ford Federal Direct Loan (Direct Loan) Program, including Federal Direct Unsubsidized and Subsidized Stafford/Ford Loans, Federal Direct Consolidation Loans, and Federal Direct PLUS Loans; (3) the Federal Perkins Loan Program; (4) the Federal Pell Grant Program; (5) the Federal Supplemental Education Opportunity Grant (FSEOG) Program; (6) the Leveraging Educational Assistance Partnership (LEAP) Program; (7) the Special Leveraging Educational Assistance Partnership (SLEAP) Program; (8) Academic Competitiveness Grant (ACG) Program; (9) National Science and Mathematics Access to Retain Talent (SMART) Grant Program; (10) Teach Education Assistance for College and Higher Education (TEACH) Grant Program; (11) the Iraq and Afghanistan Service Grant Program; (12) the Civil Legal Assistance Attorney Student Loan Repayment Program (CLAARP); and (13) the Public Service Loan Forgiveness (PSLF) Program.

This system also contains records on individuals who apply for, but do not receive a Direct Loan, as well as individuals identified by the borrower or recipient of the Federal title IV, HEA loan or grant as references or as household members whose income and expenses are considered

in connection with the making or the enforcement of the grant or loan.

CATEGORIES OF RECORDS IN THE SYSTEM:

This system of records covers the records in all systems used by the Department to carry out activities with regard to making and servicing loans, including collecting or otherwise resolving obligations owed by an individual under title IV of the HEA. The following systems are covered by this system of records notice: DMCS, CLAARP system, PSLF system, systems operated by the Federal Loan Servicers to accomplish the purpose(s) of this system of records, systems operated by the Federal Perkins Loan Program Servicer to accomplish the purpose(s) of this system of records, systems operated by the PCAs to accomplish the purpose(s) of this system of records, and Total and Permanent Disability (TPD) system, as well as paper records obtained by the Department from guarantee agencies in the process of considering appeals by title IV loan borrowers of guarantee agency decisions.

This system of records contains the employment information, educational status, family income, Social Security number (SSN), address(es), email address(es), and telephone number(s) of the individuals obligated on the debt or whose income and expenses are included in a

financial statement submitted by the individual. This system also contains records including, but not limited to, the application for, agreement to repay, and disbursements on the loan, and loan guaranty, if any; the repayment history, including deferments and forbearances; claims by lenders on the loan guaranty; and cancellation or discharges on grounds of qualifying service, bankruptcy discharge, disability (including medical records submitted to support application for discharge by reason of disability), death, or other statutory or regulatory grounds for relief.

Additionally, for title IV, HEA grant overpayments, the system contains records about the amount disbursed, the school that disbursed the grant, and the basis for overpayment; for all debts, the system contains demographic, employment, and other data on the individuals obligated on the debt or provided as references by the obligor, and the collection actions taken by any holder, including write-off amounts and compromise amounts.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

Titles IV-A, IV-B, IV-D, and IV-E of the HEA.

PURPOSES:

The information maintained in this system of records is used for the following purposes:

- (1) To verify the identity of an individual;
- (2) To determine program eligibility and benefits;
- (3) To facilitate default reduction efforts by program participants;
- (4) To enforce the conditions or terms of a loan or grant;
- (5) To make, service, collect, assign, adjust, transfer, refer, or discharge a loan or collect a grant obligation;
- (6) To counsel a debtor in repayment efforts;
- (7) To investigate possible fraud or abuse or verify compliance with program regulations;
- (8) To locate a delinquent or defaulted borrower or an individual obligated to repay a loan or grant;
- (9) To prepare a debt for litigation, provide support services for litigation on a debt, litigate a debt, or audit the results of litigation on a debt;
- (10) To prepare for, conduct, or enforce a limitation, suspension, termination, or debarment action;
- (11) To ensure that program requirements are met by educational and financial institutions, Federal Loan Servicers, the Federal Perkins Loan Servicer, PCAs, and guaranty agencies;

(12) To verify whether a debt qualifies for discharge, cancellation, or forgiveness;

(13) To conduct credit checks or respond to inquiries or disputes arising from information on the debt already furnished to a credit-reporting agency;

(14) To investigate complaints, update information, or correct errors contained in Department records;

(15) To refund credit balances to the individual or loan holder;

(16) To allow educational institutions, financial institutions, Federal Loan Servicers, the Federal Perkins Loan Servicer, PCAs, and guaranty agencies to report information to the Department on all aspects of loans and grants made under title IV of the HEA in uniform formats to permit the Department directly to compare data submitted to the Department by individual educational institutions, financial institutions, third-party servicers, guaranty agencies, Federal Loan Servicers, the Federal Perkins Loan Servicer, or PCAs; and

(17) To report to the Internal Revenue Service (IRS) information required by law to be reported, including, but not limited to, reports required by 26 U.S.C. 6050P and 6050S.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

The Department may disclose information contained in a record in this system of records under the routine uses listed in this system of records without the consent of the individual if the disclosure is compatible with the purposes for which the information in the record was collected. These disclosures may be made on a case-by-case basis, or, if the Department has complied with the computer matching requirements of the Privacy Act of 1974, as amended (Privacy Act), under a computer matching agreement. Return information that the Department obtains from the IRS (i.e., taxpayer mailing address) per a computer matching program (discussed in Appendix I to this notice) under the authority of 26 U.S.C. 6103(m)(2) or (m)(4) may be disclosed only as authorized by 26 U.S.C. 6103.

(1) Program Disclosures. The Department may disclose records for the following program purposes:

(a) To verify the identity of the individual whom records indicate has applied for or received the loan or grant, disclosures may be made to guaranty agencies, educational and financial institutions, and their authorized representatives; to Federal, State, or local agencies, and their authorized representatives; to private

parties, such as relatives, business and personal associates, and present and former employers; to creditors; to consumer reporting agencies; to adjudicative bodies; and to the individual whom the records identify as the party obligated to repay the debt;

(b) To determine program eligibility and benefits, disclosures may be made to guaranty agencies, educational and financial institutions, and their authorized representatives; to Federal, State, or local agencies, and their authorized representatives; to private parties, such as relatives, business and personal associates, and present and former employers; to creditors; to consumer reporting agencies; and to adjudicative bodies;

(c) To facilitate default reduction efforts by program participants, disclosures may be made to guaranty agencies, educational and financial institutions, and their authorized representatives; to Federal, State, or local agencies, and their authorized representatives; to consumer reporting agencies; and to adjudicative bodies;

(d) To enforce the conditions or terms of the loan or grant, disclosures may be made to guaranty agencies, educational and financial institutions, and their authorized representatives; to Federal, State, or local agencies, and their authorized representatives; to private

parties, such as relatives, business and personal associates, and present and former employers; to creditors; to consumer reporting agencies; and to adjudicative bodies;

(e) To permit making, servicing, collecting, assigning, adjusting, transferring, referring, or discharging a loan or collecting a grant obligation, disclosures may be made to guaranty agencies, educational institutions, or financial institutions that made, held, serviced, or have been assigned the debt, and their authorized representatives; to a party identified by the debtor as willing to advance funds to repay the debt; to Federal, State, or local agencies, and their authorized representatives; to private parties, such as relatives, business and personal associates, and present and former employers; to creditors; to consumer reporting agencies; and to adjudicative bodies;

(f) To counsel a debtor in repayment efforts, disclosures may be made to guaranty agencies, educational and financial institutions, and their authorized representatives; and to Federal, State, or local agencies, and their authorized representatives;

(g) To investigate possible fraud or abuse or verify compliance with program regulations, disclosures may be made to guaranty agencies, educational and financial

institutions, and their authorized representatives; to Federal, State, or local agencies, and their authorized representatives; to private parties, such as relatives, present and former employers, and business and personal associates; to creditors; to consumer reporting agencies; and to adjudicative bodies;

(h) To locate a delinquent or defaulted borrower, or an individual obligated to repay a loan or grant, disclosures may be made to guaranty agencies, educational and financial institutions, and their authorized representatives; to Federal, State, or local agencies, and their authorized representatives; to private parties, such as relatives, business and personal associates, and present and former employers; to creditors; to consumer reporting agencies; and to adjudicative bodies;

(i) To prepare a debt for litigation, to provide support services for litigation on a debt, to litigate a debt, or to audit the results of litigation on a debt, disclosures may be made to guaranty agencies and their authorized representatives; to Federal, State, or local agencies, and their authorized representatives; and to adjudicative bodies;

(j) To prepare for, conduct, or enforce a limitation, suspension, and termination or a debarment action,

disclosures may be made to guaranty agencies, educational or financial institutions, and their authorized representatives; to Federal, State, or local agencies, and their authorized representatives; and to adjudicative bodies;

(k) To ensure that HEA program requirements are met by educational and financial institutions, guaranty agencies, Federal Loan Servicers, the Federal Perkins Loan Servicer, and PCAs, disclosures may be made to guaranty agencies, educational or financial institutions, and their authorized representatives, and to auditors engaged to conduct an audit of a guaranty agency or an educational or financial institution; to Federal, State, or local agencies, their authorized representatives, or accrediting agencies; and to adjudicative bodies;

(l) To verify whether a debt qualifies for discharge, forgiveness, or cancellation, disclosures may be made to guaranty agencies, educational and financial institutions, and their authorized representatives; to Federal, State, or local agencies, and their authorized representatives; to private parties, such as relatives, present and former employers, and business and personal associates; to creditors; to consumer reporting agencies; and to adjudicative bodies;

(m) To conduct credit checks or to respond to inquiries or disputes arising from information on the debt already furnished to a credit reporting agency, disclosures may be made to credit reporting agencies; to guaranty agencies, educational and financial institutions, and their authorized representatives; to Federal, State, or local agencies, and their authorized representatives; to private parties, such as relatives, present and former employers, and business and personal associates; to creditors; and to adjudicative bodies;

(n) To investigate complaints or to update information or correct errors contained in Department records, disclosures may be made to guaranty agencies, educational and financial institutions, and their authorized representatives; to Federal, State, or local agencies, and their authorized representatives; to private parties, such as relatives, present and former employers, and business and personal associates; to creditors; to credit reporting agencies; and to adjudicative bodies;

(o) To refund credit balances that are processed through the Department's systems, as well as the U.S. Department of the Treasury's (Treasury's) payment applications, to the individual or loan holder, disclosures may be made to guaranty agencies, educational and financial

institutions, and their authorized representatives; to Federal, State, or local agencies, and their authorized representatives; to private parties, such as relatives, present and former employers, and business and personal associates; and to creditors;

(p) To allow the reporting of information to the Department on all aspects of loans and grants made under title IV of the HEA in uniform formats and to permit the Department directly to compare data submitted to the Department by individual educational institutions, financial institutions, third-party servicers, guaranty agencies, Federal Loan Servicers, the Federal Perkins Loan Servicer, or PCAs, disclosures may be made to educational institutions, financial institutions, guaranty agencies, Federal Loan Servicers, the Federal Perkins Loan Servicer, and PCAs; and

(q) To report information required by law to be reported, including, but not limited to, reports required by 26 U.S.C. 6050P and 6050S, disclosures may be made to the IRS.

(r) To allow the Department to make disclosures to governmental entities at the Federal, State, local, or tribal levels regarding the practices of Department contractors who have been provided with access to the CSB

system (e.g., Federal Loan servicers, including not-for-profit servicers, the Federal Perkins Loan servicer, and private collection agencies) with regards to all aspects of loans and grants made under title IV of the HEA, in order to permit these governmental entities to verify the contractor's compliance with debt collection, financial, and other applicable statutory, regulatory, or local requirements. Before making a disclosure to these Federal, State, local, or tribal governmental entities, the Department will require them to maintain Privacy Act safeguards to protect the security and confidentiality of the disclosed records.

(2) Feasibility Study Disclosure. The Department may disclose information from this system of records to other Federal agencies, and to guaranty agencies and to their authorized representatives, to determine whether computer matching programs should be conducted by the Department for purposes such as to locate a delinquent or defaulted debtor or to verify compliance with program regulations.

(3) Disclosure for Use by Other Law Enforcement Agencies. The Department may disclose information to any Federal, State, local, tribal, or foreign agency or other public authority responsible for enforcing, investigating, or prosecuting violations of administrative, civil, or

criminal law or regulation if that information is relevant to any enforcement, regulatory, investigative, or prosecutorial responsibility within the receiving entity's jurisdiction.

(4) Enforcement Disclosure. In the event that information in this system of records indicates, either alone or in connection with other information, a violation or potential violation of any applicable statutory, regulatory, or legally binding requirement, the Department may disclose the relevant records to an entity charged with the responsibility for investigating or enforcing those violations or potential violations.

(5) Litigation and Alternative Dispute Resolution (ADR) Disclosure.

(a) Introduction. In the event that one of the parties listed below is involved in judicial or administrative litigation or ADR, or has an interest in such litigation or ADR, the Department may disclose certain records to the parties described in paragraphs (b), (c), and (d) of this routine use under the conditions specified in those paragraphs:

(i) The Department or any of its components;

(ii) Any Department employee in his or her official capacity;

(iii) Any Department employee in his or her individual capacity where the Department of Justice (DOJ) has been requested to or agrees to provide or arrange for representation for the employee;

(iv) Any Department employee in his or her individual capacity where the Department has agreed to represent the employee; and

(v) The United States, where the Department determines that the litigation is likely to affect the Department or any of its components.

(b) Disclosure to the DOJ. If the Department determines that disclosure of certain records to the DOJ is relevant and necessary to the judicial or administrative litigation or ADR, the Department may disclose those records as a routine use to the DOJ.

(c) Adjudicative Disclosure. If the Department determines that disclosure of certain records to an adjudicative body before which the Department is authorized to appear or to an individual or an entity designated by the Department or otherwise empowered to resolve or mediate disputes is relevant and necessary to the judicial or administrative litigation or ADR, the Department may disclose those records as a routine use to the adjudicative body, individual, or entity.

(d) Parties, Counsel, Representatives, and Witnesses.

If the Department determines that disclosure of certain records to a party, counsel, representative, or witness is relevant and necessary to the judicial or administrative litigation or ADR, the Department may disclose those records as a routine use to the party, counsel, representative, or witness.

(6) Employment, Benefit, and Contracting Disclosure.

(a) For Decisions by the Department. The Department may disclose a record to a Federal, State, or local agency maintaining civil, criminal, or other relevant enforcement or other pertinent records, or to another public authority or professional organization, if necessary to obtain information relevant to a Department decision concerning the hiring or retention of an employee or other personnel action, the issuance of a security clearance, the letting of a contract, or the issuance of a license, grant, or other benefit.

(b) For Decisions by Other Public Agencies and Professional Organizations. The Department may disclose a record to a Federal, State, local, or other public authority or professional organization, in connection with the hiring or retention of an employee or other personnel action, the issuance of a security clearance, the reporting

of an investigation of an employee, the letting of a contract, or the issuance of a license, grant, or other benefit, to the extent that the record is relevant and necessary to the receiving entity's decision on the matter.

(7) Employee Grievance, Complaint, or Conduct Disclosure. If a record is relevant and necessary to an employee grievance, complaint, or disciplinary action, the Department may disclose the record in this system of records in the course of investigation, fact-finding, or adjudication to any witness, designated fact-finder, mediator, or other person designated to resolve issues or decide the matter.

(8) Labor Organization Disclosure. The Department may disclose a record from this system of records to an arbitrator to resolve disputes under a negotiated grievance procedure or to officials of a labor organization recognized under 5 U.S.C. chapter 71 when relevant and necessary to their duties of exclusive representation.

(9) Freedom of Information Act (FOIA) and Privacy Act Advice Disclosure. The Department may disclose records to the DOJ or to the Office of Management and Budget (OMB) if the Department determines that disclosure is desirable or necessary in determining whether particular records are required to be disclosed under the FOIA or the Privacy Act.

(10) Disclosure to the DOJ. The Department may disclose records to the DOJ, or the authorized representative of DOJ, to the extent necessary for obtaining DOJ advice on any matter relevant to an audit, inspection, or other inquiry related to the programs covered by this system.

(11) Contracting Disclosure. If the Department contracts with an entity for the purposes of performing any function that requires disclosure of records in this system to employees of the contractor, the Department may disclose the records to those employees. Before entering into such a contract, the Department shall require the contractor to maintain Privacy Act safeguards as required under 5 U.S.C. 552a(m) of the Privacy Act with respect to the records in the system.

(12) Research Disclosure. The Department may disclose records to a researcher if the Department determines that the individual or organization to which the disclosure would be made is qualified to carry out specific research related to functions or purposes of this system of records. The Department may disclose records from this system of records to that researcher solely for the purpose of carrying out that research related to the functions or purposes of this system of records. The researcher shall

be required to maintain Privacy Act safeguards with respect to the disclosed records.

(13) Congressional Member Disclosure. The Department may disclose the records of an individual to a Member of Congress in response to an inquiry from the Member made at the written request of that individual whose records are being disclosed. The Member's right to the information is no greater than the right of the individual who requested the inquiry.

(14) Disclosure to OMB for Credit Reform Act (CRA) Support. The Department may disclose records to OMB as necessary to fulfill CRA requirements. These requirements currently include transfer of data on lender interest benefits and special allowance payments, defaulted loan balances, and supplemental pre-claims assistance payments information.

(15) Disclosure in the Course of Responding to a Breach of Data. The Department may disclose records to appropriate agencies, entities, and persons when (a) the Department suspects or has confirmed that the security or confidentiality of information in a system covered by this system of records notice has been compromised; (b) the Department has determined that as a result of the suspected or confirmed compromise there is a risk of harm to economic

or property interests, identity theft or fraud, or harm to the security or integrity of this system or other system or programs (whether maintained by the Department or another agency or entity) that rely upon the compromised information; and (c) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with the Department's efforts to respond to the suspected or confirmed compromise and prevent, minimize, or remedy such harm.

(16) Disclosure to Third Parties through Computer Matching Programs. Unless otherwise prohibited by other laws, any information from this system of records, including personal information obtained from other agencies through computer matching programs, may be disclosed to any third party through a computer matching program, which is conducted under a Computer Matching Agreement between the Department and the third party, and requires that the matching be conducted in compliance with the requirements of the Privacy Act. Purposes of these disclosures may be: (a) to establish or verify program eligibility and benefits, (b) to establish or verify compliance with program regulations or statutory requirements, such as to investigate possible fraud or abuse; and (c) to recoup payments or delinquent debts under any Federal benefit

programs, such as to locate or take legal action against a delinquent or defaulted debtor. Appendix I to this notice includes a listing of the computer matching programs that the Department currently engages in or has recently engaged in with respect to this system of records.

(17) Disclosure of Information to Treasury. The Department may disclose records of this system to (a) a Federal or State agency, its employees, agents (including contractors of its agents), or contractors, or (b) a fiscal or financial agent designated by the Treasury, including employees, agents, or contractors of such agent, for the purpose of identifying, preventing, or recouping improper payments to an applicant for, or recipient of, Federal funds, including funds disbursed by a State in a State-administered, Federally funded program; and disclosure may be made to conduct computerized comparisons for this purpose.

DISCLOSURE TO CONSUMER REPORTING AGENCIES:

Disclosure pursuant to 5 U.S.C. 552a(b)(12): The Department may disclose to a consumer reporting agency information regarding a valid overdue claim of the Department; such information is limited to: (1) the name, address, taxpayer identification number, and other information necessary to establish the identity of the

individual responsible for the claim; (2) the amount, status, and history of the claim; and (3) the program under which the claim arose. The Department may disclose the information specified in this paragraph under 5 U.S.C. 552a(b)(12) and the procedures contained in 31 U.S.C. 3711(e). A consumer reporting agency to which these disclosures may be made is defined in 15 U.S.C. 1681a(f) and 31 U.S.C. 3701(a)(3).

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

The records are maintained in hardcopy, microfilm, magnetic storage, and optical storage media, such as tape, disk, etc.

RETRIEVABILITY:

Records in this system pertaining to a title IV, HEA loan borrower or grant recipient are retrieved by a single data element or a combination of the following data elements to include the SSN, name, address, randomly generated number, debt number, phone number, debt type reference, debt type extension debt number, commercial name, commercial contact name, legacy ID, driver's license number, American Bankers Association (ABA) routing number, bankruptcy docket number, debt placement date, debt user

defined page (UDP), email address, last worked date, payment additional extension reference ID, payment extension reference ID, tag short name, total balance, credit bureau legacy ID, debt type group short name, debt type short name, department name, institution account number, judgment docket number, license-issuing State, next scheduled payment amount, next scheduled payment date, office name, original debt type name, PCA group short name, and PCA short name.

SAFEGUARDS:

All physical access to the Department's site, and to the sites of the Federal Loan Servicers, PCAs, the Federal Perkins Loan Servicer, and other contractors listed in Appendix II to this notice, where this system of records is maintained, is controlled and monitored by security personnel who check each individual entering the building for his or her employee or visitor badge.

In accordance with the Department's Administrative Communications System Directive OM: 5-101 entitled "Contractor Employee Personnel Security Screenings," all contract and Department personnel who have facility access and system access are required to undergo a security clearance investigation. Individuals requiring access to Privacy Act data are required to hold, at a minimum, a

moderate-risk security clearance level. These individuals are required to undergo periodic screening at five-year intervals.

In addition to conducting security clearances, contract and Department employees are required to complete security awareness training on an annual basis. Annual security awareness training is required to ensure that contract and Department users are appropriately trained in safeguarding Privacy Act data in accordance with OMB Circular No. A-130, Appendix III.

The computer system employed by the Department offers a high degree of resistance to tampering and circumvention. This security system limits data access to Department and contract staff on a "need-to-know" basis, and controls individual users' ability to access and alter records within the system. All users of this system of records are given a unique user identification and password. The Department's FSA Information Security and Privacy Policy requires the enforcement of a complex password policy. In addition to the enforcement of a complex password policy, users are required to change their password at least every 60 to 90 days in accordance with the Department's Information Technology standards.

At the system locations of the Federal Loan Servicers, PCAs, the Federal Perkins Loan Servicer, and other contractors, as listed in Appendix II entitled "Additional System Locations," additional physical security measures are in place and access is monitored 24 hours per day, 7 days a week.

RETENTION AND DISPOSAL:

In accordance with the Department's record retention and disposition schedule, records for Pell Grant Program awards are retained for fifteen years after final payment or audit, whichever is sooner, and thereafter destroyed. Insured loans are retained for three years after repayment or cancellation of the loan and thereafter destroyed. The Department will work with the National Archives and Records Administration to develop a disposition schedule for the other records in this system of records. The records will be maintained until such a schedule has been established.

SYSTEM MANAGER AND ADDRESS:

Sue O'Flaherty, Director, Program Management Services, Business Operations, Federal Student Aid, U.S. Department of Education, 830 First Street, NE., room 64E1, UCP, Washington, DC 20202-5132.

NOTIFICATION PROCEDURE:

If you wish to determine whether a record exists regarding you in this system of records, provide the system manager with your name, date of birth, and SSN. Requests must meet the requirements of the regulations in 34 CFR 5b.5 and 5b.7, including proof of identity.

RECORD ACCESS PROCEDURES:

If you wish to gain access to a record in this system, provide the system manager with your name, date of birth, and SSN. Requests by an individual for access to a record must meet the requirements of the regulations in 34 CFR 5b.5, including proof of identity.

CONTESTING RECORD PROCEDURE:

If you wish to contest the content of a record in this system of records, contact the system manager with your name, date of birth, and SSN; identify the specific items to be changed; and provide a written justification for the change. Requests to amend a record must meet the requirements of the regulations in 34 CFR 5b.7.

RECORD SOURCE CATEGORIES:

The system includes information that the Department obtains from applicants and those individuals and their families who received, or who are otherwise obligated to repay, a loan or grant held and collected by the Department. The Department also obtains information from

Federal Loan Servicers, PCAs, the Federal Perkins Loan Servicer, references, guaranty agencies, educational and financial institutions and their authorized representatives, and Federal, State, and local agencies and their authorized representatives; private parties, such as relatives and business and personal associates; present and former employers; creditors; consumer reporting agencies; and adjudicative bodies.

EXEMPTIONS CLAIMED FOR THE SYSTEM:

None.

APPENDIX I to 18-11-16

COMPUTER MATCHING PROGRAMS IN WHICH THE DEPARTMENT CURRENTLY ENGAGES OR HAS RECENTLY ENGAGED WITH RESPECT TO THIS SYSTEM:

(1) The Department is performing, or has recently engaged in, computer matching programs involving a computerized comparison between this system of records and systems of records maintained by the following Federal agencies:

(a) The U.S. Department of the Treasury, IRS [matching notice last published on May 31, 2012 (77 FR 32085-32086)], as authorized under section 6103(m) (2) and (m) (4) of the Internal Revenue Code (26 U.S.C. 6103(m) (2) and (m) (4)), to obtain taxpayer mailing addresses for use in locating individuals to collect or compromise Federal claims, in

accordance with 31 U.S.C. §§ 3711, 3717, and 3718, and in locating individuals who received overpayments of grants made under subpart 1 of part A of title IV of the HEA or who defaulted on loans made under part B, D, or E of title IV of the HEA;

(b) The Department of Housing and Urban Development's Credit Alert Interactive Voice Response System (CAIVRS) [matching notice last published on July 5, 2011 (76 FR 39119-39120)] to allow program agencies to prescreen applicants for loans made or loans guaranteed by the Federal government to determine if the applicant is delinquent or has defaulted on a debt owed to, or insured by, the Federal government; and

(c) The Department of Health and Human Services' National Directory of New Hires Data Base (NDNH) [matching notice last published on May 9, 2006 (71 FR 26934-26935)], as authorized under Section 453(j)(6) of the Social Security Act (42 U.S.C. 653(j)(6)), to obtain employment-related and address information on individuals who have defaulted on a loan made under title IV of the HEA or have an obligation to refund a grant overpayment awarded under title IV of the HEA.

These computer matching programs are conducted in compliance with the requirements of the Privacy Act,

including publishing in the Federal Register a notice describing the new or altered matching program and the entry into a Computer Matching Agreement between the Department and the Federal agencies listed above, which are approved by the Data Integrity Boards of the Department and the Federal agency with which the Department conducts the computer matching program.

APPENDIX II to 18-11-16

Additional System Locations

The Department and its Contractors:

U.S. Department of Education, 50 Beale Street, San Francisco, CA 94105.

U.S. Department of Education, 500 West Madison Street, Chicago, IL 60661.

U.S. Department of Education, 61 Forsyth Street, Atlanta, GA 30303.

Nelnet Servicing LLC, 1001 Fort Crook Road N., Suite 132, Bellevue, NE 68005 (Department contractor - TPD).

PHEAA [FedLoan Servicing (FedLoan) & American Education Services (AES)], 1200 North 7th Street, Harrisburg, PA 17102-1419 (FedLoan: Department contractor - TEACH Grant; AES: Department contractor - FFEL Program).

Maximus Federal Services, Inc.:

Maximus Federal Services, Inc., 5202 Presidents Court,

Frederick, MD 21703 (Department contractor - DMCS Program Management and Help Desk).

Maximus Federal Services, Inc., 1891 Metro Center Drive, Reston, VA 20190 (Department contractor - Help Desk Application).

Maximus Federal Services, Inc., 11400 Westmoor Circle, Westminster, CO 80021 (Department contractor - DMCS Disaster Recovery Site).

Maximus Federal Services, Inc., 501 Bleecker Street, Utica, NY 13501 (Department contractor - DMCS Business and Financial Operations Management).

Maximus Federal Services, Inc., 6201 I-30, Greenville, TX 75403 (Department contractor - DMCS Financial Processing).

MPM Communications, 3480 Catterton Place, Suite 102, Waldorf, MD 20602 (sub-contractor - Fulfillment Services for DMCS mailings).

Call Centers:

General Dynamics Information Technology, 2400 Oakdale Boulevard, Coralville, IA 52241 (Department contractor - DMCS).

General Dynamics Information Technology, 1 Imeson Park Boulevard, Jacksonville, FL 32218 (Department contractor - DMCS).

Not-For-Profit (NFP) Servicers:

- Missouri Higher Education Loan Authority (MOHELA):
633 Spirit Drive, Chesterfield, MO 63005; 400 East Walnut Street, Columbia, MO 65201; 1001 N. 6th Street, Harrisburg, PA 17102; 300 Long Meadow Road, Sterling Forest, NY 10979.
- Education Servicers of America, Inc.
(ESA)/Edfinancial: 298 N. Seven Oaks Drive, Knoxville, TN 37922; 120 N. Seven Oaks Drive, Knoxville, TN 37922; 5600 United Drive, Smyrna, GA 30082; 1001 Fort Crook Road N., Suite 132, Bellevue, NE 68005-4247; 700 East 54th Street North, Suite 200, Sioux Falls, SD 57104; 13271 North Promenade Boulevard, Stafford, TX 77477-3957; 2307 Directors Row, Indianapolis, IN 46241.
- Utah Higher Education Assistance Authority
(UHEAA)/Cornerstone Education Loan Services: 60 S. 400 W., Board Of Regents' Building, Gateway Two, Salt Lake City, UT 84101-1284; 350 S. 900 W., Richfield, UT 84701; 6279 East Little Cottonwood Road, Sandy, UT 84092; 1001 N. 6th Street, Harrisburg, PA 17102.

- Oklahoma Student Loan Authority (OSLA): 525 Central Park Drive, Suite 600, Oklahoma City, OK 73154; 7499 East Paradise Lane Suite 108, Scottsdale, AZ 85260; 11300 Partnership Drive #C, Oklahoma City, OK 73013; 1001 Fort Crook Road N., Suite 132, Bellevue, NE 68005; 700 East 54th Street North, Suite 200, Sioux Falls, SD 57104; 13100 North Promenade Boulevard, Stafford, TX 77477; 1601 Leavenworth Street, Omaha, NE 68102.
- Vermont Student Assistance Corporation (VSAC): 10 East Allen Street, Winooski, VT 05404; 1001 Fort Crook Road N., Suite 132, Bellevue, NE 68005-4247; 700 East 54th Street North, Suite 200, Sioux Falls, SD 57104.
- ISL Service Corporation/Aspire Resources Inc.: 6775 Vista Drive, West Des Moines, IA 50266; 6955 Vista Drive, West Des Moines, IA 50266; 3096 104th Street, Urbandale, IA 50322; 1870 East Euclid Avenue, Des Moines, IA 50313; 1435 Northridge Cr., NE, Altoona, IA 50009; 1001 N. 6th Street, Harrisburg, PA 17102; 300 Long Meadow Road, Sterling Forest, NY 10979.
- New Hampshire Higher Education Loan Corporation (NHHELCO) / Granite State Management & Resources

(GSM&R): 3 and 4 Barrell Court, Concord, NH 03301;
401 N. Broad Street, Suite 600, Philadelphia, PA
19108; 21 Terry Avenue, Burlington, MA 01803; 1001
Fort Crook Road N., Suite 132, Bellevue, NE 68005-
4247; 700 East 54th Street North, Suite 200, Sioux
Falls, SD 57104; 13100 North Promenade Boulevard,
Stafford, TX 77477; 1601 Leavenworth Street, Omaha,
NE., 68102.

- South Carolina Student Loan Corporation: 16
Berryhill Road, Ste. 121, Columbia, SC 29210; 401
North Broad Street, Philadelphia, PA 19108; 2400
Reynolda Road, Winston-Salem, NC 27106.
- Tru Student, Inc.: 2500 Broadway, Helena, MT 59601;
680 E. Swedesford Road, Wayne, PA 19087; 1424
National Avenue, Helena, MT 59601; 1700 National
Avenue, Helena, MT 59601; 1001 N. 6th Street,
Harrisburg, PA 17102; 300 Long Meadow Road, Sterling
Forest, NY 10979.
- Kentucky Higher Education Student Loan Corporation
(KHESLC): 10180 Linn Station Road, Louisville, KY
40223; 2400 Reynolda Road, Winston-Salem NC 27106;
6825 Pine Street, Omaha, NE 68106; 1001 Fort Crook
Road N., Suite 132, Bellevue, NE 68005-4247.

- College Foundation, Inc.: 2917 Highwoods Boulevard, Raleigh, NC 27604; 3120 Poplarwood Court, Raleigh, NC 27604; 924 Ellis Road, Durham, NC 27703; 2400 Reynolda Road, Winston-Salem, NC 27106.
- Council for South Texas Economic Progress (COSTEP): 2540 W. Trenton Road, Edinburg, TX 78539; 1044 Liberty Park Drive, Austin, TX 78746; 2400 Reynolda Road, Winston-Salem, NC 27106.
- Georgia Student Finance Authority: 2082 East Exchange Place, Tucker, Georgia 30084; 401 North Broad Street, Philadelphia, PA 19130; 5600 United Drive, Smyrna, GA 30082; 2400 Reynolda Road, Winston-Salem, NC 27106.
- New Mexico Educational Assistance Foundation: 7400 Tiburon NE, Albuquerque, NM 87109; 123 Central Ave NW, Albuquerque, NM 87102; 1200 North Seventh Street, Harrisburg, PA 17102-1444; 300 Long Meadow Lane, Sterling Forest, NY 10979.
- Connecticut (Campus Partners): 2400 Reynolda Road, Winston-Salem, NC 27106; 8906 Two Notch Road, Columbia, SC 29223; 10180 Linn Station Road, Suite C200, Louisville, KY 40223; 2917 Highwoods Boulevard, Raleigh, NC 27629; 1001 Fort Crook Road

North, Suite 132, Bellevue, NE 68005; 11425 South
84th Street, Papillion, NE 68046; 20441 Century
Boulevard, Germantown, MD 20874; 400 Perimeter Park
Drive, Morrisville, NC 27560; 1600 Malone Street,
Millville, NJ 08332; 123 Wyoming Avenue, Scranton,
PA 18503.

Private Collection Agencies (PCAs):

- Collecto, Inc. DbA EOS CCA: 700 Longwater Drive,
Norwell, MA 02061.
- GC Services: 4326 N. Broadway Northgate Plaza,
Knoxville, TN 37917.
- Allied Interstate: 335 Madison Avenue, 27th floor,
New York, NY 10017.
- The CBE Group, Inc.: 1309 Technology Parkway, Cedar
Falls IA 50613.
- Diversified Collection Service (DCS): 333 North
Canyons Parkway, Suite 100, Livermore, California
94551.
- Financial Asset Management Systems, Inc. (FAMS):
1967 Lakeside Parkway, Suite 402, Tucker, GA 30084.
- NCO Financial Systems, Inc.: 507 Prudential Road,
Horsham, PA 19044.

- Pioneer Credit Recovery, Inc.: 26 Edward Street, Arcade, NY 14009.
- Account Control Technology, Inc.: 6918 Owensmouth Avenue, Canoga Park, CA 91303.
- Van Ru Credit Corporation: 1350 E. Touhy Avenue, Suite 300E, Des Plaines, IL 60018.
- Progressive Financial Services: 1510 Chester Pike Suite 250, Eddystone, PA 19022.
- West Asset Management Enterprises, Inc.: 2221 New Market Parkway, Suite 120, Marietta, GA 30067.
- Premiere Credit of North America: 2002 Wellesley Boulevard, Suite 100, Indianapolis, IN 46219.
- ConServe: 200 CrossKeys Office Park, Fairport, NY 14450.
- Financial Management Systems (FMS): 1000 E. Woodfield Road, Suite 102, Schaumburg, IL 60173-4728.
- Collection Technology, Inc.: 1200 Corporate Center Drive, Suite 325, Monterey Park, CA 91754.
- Enterprise Recovery Systems, Inc. (ERS): 2400 S. Wolf Road, Suite 200, Westchester, IL 60154.
- Windham Professionals, Inc.: 380 Main Street, Salem, NH 03079.

- Delta Management Associates, Inc.: 100 Everett Avenue Suite 6, Chelsea, MA 02150.
- Immediate Credit Recovery, Inc.: 169 Myers Corners Road Suite 110, Wappingers Falls, NY 12590.
- National Recoveries: 14735 Hwy. 65, Ham Lake, MN 55403.
- Coast Professional, Inc.: 214 Expo Circle, West Monroe, LA 71292.

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