



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-6009-N-03]

Privacy Act of 1974, Office of Native American Programs – Loan Origination System

(ONAP-LOS) System of Records

AGENCY: Office of Public and Indian Housing, HUD.

ACTION: Notice of New Privacy Act System of Records.

SUMMARY: ONAP-LOS will automate and expedite the processes required to originate a loan guarantee under the Section 184 Indian Home Loan Guarantee Program. ONAP-LOS will enable lender institutions to register new Section 184 loans, request reservations of funds, and submit completed loan case binders to HUD electronically, replacing the hard copy files currently used by HUD's Office of Loan Guarantee (OLG) staff to endorse loans to receive the Section 184 Indian Home Loan Guarantee.

DATES: In accordance with 5 U.S.C. 552a(e)(4) and (11), the public is given a 30-day period in which to comment. Therefore, submit comments on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Interested persons are invited to submit comments regarding this notice to the Rules Docket Clerk, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 10276, Washington, DC 20410. Communications should refer to the above docket number and title. Faxed comments are not accepted. A copy of each communication submitted will be available for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address.

FOR FURTHER INFORMATION CONTACT: Marcus Smallwood, Acting Chief Privacy Officer, 451 Seventh Street, SW, Room 10139, Washington, DC 20410, telephone number 202-

708-9252 (this is not a toll-free number). Individuals who are hearing- and speech-impaired may access this number via TTY by calling the Federal Relay Service at 800-877-8339 (this is a toll-free number).

SUPPLEMENTARY INFORMATION: None

SYSTEM NAME AND NUMBER: Office of Native American Programs – Loan Origination System or ONAP-LOS. The system number is P304.

SECURITY CLASSIFICATION: Unclassified.

SYSTEM LOCATION: Records are maintained at the Department of Housing and Urban Development Headquarters, 451 Seventh Street, SW, Room 4156, Washington, DC 20410. HUD staff have access to ONAP-LOS through HUD's standard telecommunications network from a web browser. Lender institutions will have access via the internet.

SYSTEM MANAGER(S): Tom Wright, System Owner, Thomas.C.Wright@hud.gov;
Department of Housing and Urban Development Headquarters, 451 Seventh Street, SW,
Washington, DC 20410, 202- 402-4978

AUTHORITY FOR MAINTENANCE OF THE SYSTEM

42 U.S.C. 3543 - Preventing fraud and abuse in Department of Housing and Urban

Development Programs (enacted as part of the Housing and Community Development Act of 1987)-(a) Disclosure of social security account number. As a condition of initial or continuing eligibility for participation in any program of the Department of Housing and Urban Development involving loans, grants, interest or rental assistance of any kind, or mortgage or loan insurance, and to ensure that the level of benefits provided under such programs is proper, the Secretary of Housing and Urban Development may require that an applicant or participant

(including members of the household of an applicant or participant) disclose his or her social security account number or employer identification number to the Secretary.

Section 184 of the Housing and Community Development Act of 1992 (Pub. L. 102-550, approved October 28, 1992), as amended by the Native American Housing Assistance and Self-Determination Act of 1996 (Pub. L. 104-330, approved October 26, 1996) and 2013 Consolidated and Further Continuing Appropriations Act (Pub. L. 113-6, approved March 26, 2013), established the Section 184 program to provide access to sources of private mortgage financing to Indian families, Indian housing authorities, and Indian tribes. Congress established this program in 1992 to facilitate homeownership and increase access to capital in Native American Communities. The Section 184 program addresses obstacles to mortgage financing on trust land and in other Indian and Alaska Native areas by giving HUD the authority to guarantee loans to eligible persons and entities to construct, acquire, refinance, or rehabilitate one- to four-family dwellings in these areas. ONAP-LOS is being developed to provide automated capabilities for the ONAP Office of Loan Guarantee. FR Doc. 2016-26331 Filed 10-31-16.

PURPOSE(S) OF THE SYSTEM: ONAP-LOS will automate and expedite the processes required to originate a loan guarantee under the Section 184 Indian Home Loan Guarantee Program. ONAP-LOS will enable lender institutions to register new Section 184 loans, request reservations of funds, and submit completed loan case binders to HUD electronically to support the loan endorsement process. In addition, the ONAP-LOS system will include a lender registration and re-certification capability.

ONAP-LOS will allow for increased data collection on borrowers, properties, and transactions. Once fully implemented, ONAP-LOS will integrate loan performance data collection and analysis, loss mitigation efforts on delinquent loans, and default loan tracking. The system will

enable the expansion of the credit model to include more econometric-, borrower- and transaction-level analysis to better model the program and overall risk. It will provide for better case tracking, reporting and program management, and analysis.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

The ONAP-LOS system, in support of the Section 184 Indian Home Loan Guarantee Program, will capture and maintain data across the following major information categories:

- a. Section 184 Direct Guarantee Lenders describe the lending institutions that register the loans, log property appraisals, reserve funds for obligation, and request endorsements of loans
- b. Native American and Alaskan Native Borrowers and any Co-Borrowers who have applied for and/or obtained a loan guarantee certificate under HUD's Section 184 Indian Home Loan Guarantee Program
- c. Property and Appraisals associated with the Section 184 loans to be endorsed
- d. Section 184 Loans

These information categories, particularly "Primary Borrowers and Co-Borrowers" will include personally identifiable information (PII).

For ONAP-LOS, a unique case number is assigned to each Section 184 loan and is used to identify and retrieve the loan information including the borrower/co-borrower SSN (see section above, "AUTHORITY FOR MAINTENANCE OF THE SYSTEM"). To secure this information, ONAP-LOS data is transmitted electronically and is protected by the following electronic security systems: password, encryption, user ID, authorization and authentication processes, Transport Layer Security (TLS), firewall, Public Key Infrastructure, and additional controls for

internal users including Personal Identity Verification (PIV) Cards and Virtual Private Network (VPN).

CATEGORIES OF RECORDS IN THE SYSTEM:

The following are the categories of information that is collected and stored by ONAP-LOS. The information is used to verify factors necessary to ensure accurate and complete endorsement review and approval of Section 184 loans. A detailed data dictionary has been developed for ONAP-LOS and is available upon request.

Native American and Alaskan Native Borrowers and any Co-Borrowers who have applied for and/or obtained a loan guarantee certificate under HUD's Section 184 Indian Home Loan Guarantee Program

- Primary Borrower Identifier (system generated)
- Primary Borrower First Name
- Primary Borrower MI
- Primary Borrower Last Name
- Primary Borrower SSN
- Primary Borrower Date of Birth
- Primary Borrower Type
- Primary Borrower Tribal Affiliation
- Co-Borrower Identifier (system generated)
- Co-Borrower First Name
- Co-Borrower MI
- Co-Borrower Last Name
- Co-Borrower SSN
- Co-Borrower Tribal Affiliation
- Co-Borrower Date of Birth

Section 184 Direct Guarantee Lenders describe the lending institutions that request to register the loans with HUD, reserve the funds for obligation, and request loan guarantee certificates. The following information will be captured in the initial release of ONAP-LOS. Future releases will deliver lender registration and re-certification capabilities, which will expand the list of attributes collected.

- Lender Identifier (system generated)
- Lender Name
- Lender Contact Name
- Lender Email
- Lender Phone
- Lender Fax
- Name of Loan Officer(s)
- Name of Loan Underwriter(s)
- Institution Address
- Lender Tax ID Number
- Broker Name
- Broker Tax ID Number

Property that is associated with the Section 184 loan to be endorsed

- Address (Street, City, State, Zip)
- County
- Land Type Code
- Number of Units
- Bureau of Indian Affairs (BIA) Reservation #
- BIA Track #
- Contract Number (Tribal Status Report)
- Number of Living Units
- Lot #
- Block #

Section 184 Loan

- Case Number
- Case Assignment Date
- Loan Type
- Loan Purpose
- Base Mortgage Amount
- Upfront Fee Amount
- Loan Amount with Fee
- Loan Case Status
- Prior Case Number (if applicable)
- Prior Case Status (if applicable)
- Cohort Number
- Subsidy Rate
- Interest Rate

ONAP-LOS will include receipt of information from HUD's Pay.Gov Common Service (HPCS) Interface. For each loan endorsed by HUD, the ONAP-LOS system will use the HPCS interface to obtain the amount of the loan guarantee fee paid by the lender on behalf of the Native American borrower.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING

CATEGORIES OF USERS AND PURPOSES OF SUCH USES: The records collected and contained in the ONAP-LOS system will not be shared outside the HUD firewall during the routine use of the system. However, in addition to those disclosures generally permitted under 5 U.S.C. Section 552a(b) of the Privacy Act, all or a portion of the records or information contained in this system may be disclosed outside HUD as a routine use pursuant to 5 U.S.C. 552a(b)(3) for the following exceptions:

1. To appropriate agencies, entities, and persons to the extent such disclosures are compatible with the purpose for which the records in this system were collected, as set forth by Appendix I – HUD’s Routine Use Inventory Notice published in the Federal Register.
2. To appropriate agencies, entities, and persons when:
 - a. HUD suspects or has confirmed that the security or confidentiality of information in a system of records has been compromised;
 - b. HUD 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 systems or programs (whether maintained by HUD or another agency or entity) that rely upon the compromised information;
 - c. The disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with HUD’s efforts to respond to the suspected or confirmed compromise and prevent, minimize, or remedy such harm for purposes of facilitating responses and remediation efforts in the event of a data breach.
3. To the National Archives and Records Administration (NARA) or to the General Services Administration (GSA) for records having sufficient historical or other value to warrant

continued preservation by the United States Government, or for inspection under Title 44 U.S.C. 2904 and 2906.

4. To another Federal agency or Federal entity, HUD will follow the Department's standard procedures in determining and then disseminating information from ONAP-LOS that is reasonably necessary to assist the recipient agency or entity in: (a) Responding to a suspected or confirmed breach or, (b) Preventing, minimizing, or remedying the risk of harm to individuals, the recipient agency or entity (including its information systems, programs, and operations), the Federal Government, or national security, resulting from a suspected or confirmed breach.
5. To a congressional office from the record of an individual, in response to an inquiry from that congressional office made at the request of that individual.

POLICIES AND PRACTICES FOR STORAGE OF RECORDS: ONAP-LOS is adopting the Single-Family Home Mortgage Insurance Program records disposition schedule, which covers electronic management and references to Appendix 20 of the HUD Records Disposition Schedules Handbook (2225.6 Rev-1).

Currently, HUD prints and builds the loan case binder which comprises all documentation associated with the loan. Each loan case binder is shipped and stored to a record storage contractors provide named Iron Mountain for the life of the loan (30 years, plus an additional 6 years, as is required in Schedule 20). With ONAP-LOS in production, the records management capabilities will retain/archive the documentation per this required period.

Data stored electronically is protected by the following electronic security systems: password, encryption, user ID, authorization and authentication processes, firewall, and TLS.

POLICIES AND PRACTICES FOR RETRIEVAL OF RECORDS:

HUD retrieves system information by the individual's name, last four digits of his or her social security number, and, if known, the system generated case identification number. Lender information would be retrieved by the Lender's legal name and Taxpayer Identification Number (TIN) and then similar individual information.

POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS:

ONAP-LOS maintains records as needed under the NARA approved records schedule HUD Records Disposition Schedules Handbook (2225.6 Rev-1), Appendix 20. The loan case binder will be maintained in ONAP-LOS for the life of the loan (30 years, plus an additional 6 years, as is required in Schedule 20).

ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS:

ONAP-LOS has implemented a set of security controls to minimize the risk, including:

- Passwords and Social Security Numbers are masked on the user input forms
- Strong access controls that are implemented in accordance with the principles of separations of duties and least privilege. External users only have access to the information that they have entered. The exception is some privileged users at external organizations that have access to all information their organization has entered.
- The application logs the user out after 10 minutes of inactivity, hiding previously visible information
- Encrypting sensitive information in the ONAP-LOS database
- Data is stored internally, protected by a firewall and physical security controls provided by Azure

- HUD and Microsoft Azure implement physical security controls to protect stored electronic information.
- Data is only shared internally or with the Department of Treasury. The information shared with Treasury is limited to the financial transactions for reserving funds (commitments) and endorsements of approved mortgage insurance applications (obligations). HUD has a shared service agreement with Treasury that covers transactions to ARC. The information in the financial transactions is transmitted to Department of Treasury via the daily ARC Report. See Section 6.1 for the list of transmitted information.
- All database back-ups are saved per the OCIO secure operations procedures for enterprise systems.
- Any printouts by OLG staff is used for administrative purposes and then destroyed.

RECORD ACCESS PROCEDURES:

All information related to the Lender, Broker, Property, Appraisal, Appraiser, Borrower, Co-Borrower, Sponsor and the Loan is collected and entered by the external lending institution and provided to HUD via ONAP-LOS.

Individuals desiring to determine whether this system of records contains information about them may do so in accordance with HUD's Privacy Act website:

https://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/admh/1325.1

Privacy Act Requests are to be sent to:

Privacy Act Officer
Department of Housing and Urban Development

451 7th St. SW, Room 10139
Washington, DC 20410

Privacy Act notice procedures are referenced in the HUD Privacy Act Handbook.

CONTESTING RECORD PROCEDURES:

Individuals desiring to contest records may refer to the HUD FOIA Reference Guide and refer to the FOIA notice procedures on the website:

https://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/foia/requests

The request should be submitted to the Department's FOIA office address below.

U.S. Department of Housing and Urban Development
Freedom of Information Act Office
451 7th Street, SW, Room 10139
Washington, DC 20410-3000
Facsimile: (202) 619-8365

NOTIFICATION PROCEDURES: Individuals wishing to determine whether this system of records contains information about them may do so by contacting their lending institution or contacting HUD's Privacy Office or Freedom of Information Act Office at the addresses above.

EXEMPTIONS PROMULGATED FOR THE SYSTEM: None.

HISTORY: None.

Dated: July 25, 2017

Helen Goff Foster,
Chief Administrative Officer and Executive Secretary,
Senior Agency Official for Privacy.

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