[Docket No. FR-7046-N-06]

Privacy Act of 1974; System of Records

AGENCY: Office of the Chief Financial Officer (OCFO), HUD.

ACTION: Notice of a Modified System of Records.

SUMMARY: Line of Credit Controls System (LOCCS), an Office of the Chief Financial

Officer (OCFO) system, is a disbursement and cash management system that services the

funding needs of HUD's grant, loan, and subsidy clients. Under the Privacy Act of 1974, the

Department of Housing and Urban Development, the Office of the Chief Financial Officer

proposes to update the system of records titled, Line of Credit Controls System. This system of

records allows the Department of Housing and Urban Development OCFO's LOCCS to collect

and maintain records on grantees. Because of a review of this system, information has been

updated within the System Location section of the SORN and the authorities to collect

information for LOCCS has been updated.

DATES: This notice action shall be applicable immediately, which will become effective **[Insert**

30 DAYS after date of publication in the Federal Register].

Comments will be accepted on or before: **[Insert date 30 days after publication in the Federal**

Register].

ADDRESSES: You may submit comments, identified by docket number by one of these methods:

Federal e-Rulemaking Portal: http://www.regulations.gov. Follow the instructions provided

on that site to submit comments electronically.

Fax: 202-619-8365;

Email: www.privacy@hud.gov;

Mail: Attention: Privacy Office; LaDonne L. White; The Executive Secretariat; 451

Seventh Street, SW, Room 10139; Washington, DC 20410-1001.

Instructions: All submissions received must include the agency name and docket number for this rulemaking. All comments received will be posted without change to http://www.regulations.gov. including any personal information provided.

Docket: For access to the docket to read background documents or comments received go to http://www.regulations.gov.

FOR FURTHER INFORMATION CONTACT: LaDonne White, Chief Privacy Officer, 451 Seventh Street, SW, Room 10139, Washington, DC 20410, telephone number 202-708-3559 (this is not a toll-free number).

SUPPLEMENTARY INFORMATION:

The following are to be updated:

- The system location is being changed. LOCCS records are no longer in South Charleston, WV. It is at HUD Headquarters; Microsoft Azure Cloud US East Data Center. Microsoft is responsible for securing their data center per FedRAMP requirements.

- Routine uses previously included by reference are not explicitly listed in the SORN. This change adds no new routine uses, but merely reorganizes them. The routine uses included by reference to HUD's Appendix I are now explicitly listed.

- Remove instances of Program Accounting System (PAS) because it has been decommissioned. A new module has been added to LOCCS. LOCCS incorporated the entire Program Accounting System (PAS) functionality in this new Award Funding module. PAS users now access LOCCS to perform their daily tasks in the LOCCS Award Funding Module. However, no new Personally Identifiable Information (PII) is being collected, stored, maintained, or disclosed because of the PAS module being incorporated. Social Security Numbers have been removed from the system.

- Authority for Maintenance of the System: Replace "Sec. 113 of the Budget and Accounting Act of 1951 (31 U.S.C.66a)" with "31 USC 3511"

- Updated Categories of Individuals Covered by System

- Updated Policies and Practices for Retention and Disposal of Records

- Slight changes to the Record Access Procedures, Contesting Records Procedures, and Notification Procedures sections have been made. Minor non-substantive changes have been made to these sections to more accurately describe HUD's practices for accessing, contesting, and notifying.

SYSTEM NAME AND NUMBER: Line of Credit Control System (LOCCS, A67).

SECURITY CLASSIFICATION: Sensitive but Unclassified.

SYSTEM LOCATION: HUD Headquarters, 451 7th Street, SW, Washington, DC 20410 and Microsoft Azure Cloud US East Data Center.

SYSTEM MANAGER(S): Sairah Ijaz, Assistant Chief Financial Officer for Systems, Office of the Chief Financial Officer, Department of Housing and Urban Development, 451 Seventh Street SW, Room 3100, Washington, DC 20410.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

• 31 USC 3511

• The Chief Financial Officers Act of 1990 (31 U.S.C. 901, et seq.)

• Executive Order 9397, as amended by Executive Order 13478

• Housing and Community Development Act of 1987, 42 U.S.C. 3543

PURPOSES OF THE SYSTEM:

The system is to process and make grant, loan, and subsidy disbursements. LOCCS ensures that payments are made promptly thus achieving efficient cash management practices. It creates accounting transactions with the appropriate accounting classification elements to correctly record disbursements and collections to the grant/project level subsidiary.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

The Privacy Act allows HUD to disclose records from its systems of records to appropriate agencies, entities, and persons as a routine use, when the disclosure is compatible with the

purpose for which the records were collected. The routine use statements and their conditions for disclosure are categorized below. The records maintained in this system may also be maintained for other purposes in another system or systems. In such cases, the routine uses for that system or those systems will apply.

(1) General Service Administration Information Disclosure Routine Use:

To the National Archives and Records Administration (NARA) and the General Services Administration (GSA) for records having sufficient historical or other value to warrant its continued preservation by the United States Government, or for inspection under authority of Title 44, Chapter 29, of the United States Code.

(2) Congressional Inquiries Disclosure Routine Use:

To a congressional office from the record of an individual, in response to an inquiry from the congressional office made at the request of that individual.

(3) Health and Safety Prevention Disclosure Routine Use:

To appropriate Federal, State, and local governments, or persons, under showing compelling circumstances affecting the health or safety or vital interest of an individual or data subject, including assisting such agencies or organizations in preventing the exposure to or transmission of a communicable or quarantinable disease, or to combat other significant public health threats, if upon such disclosure appropriate notice was transmitted to the last known address of such individual to identify the health threat or risk.

(4) Prevention of Fraud, Waste, and Abuse Disclosure Routine Use:

To Federal agencies, non-Federal entities, their employees, and agents (including contractors, their agents or employees; employees or contractors of the agents or designated agents); or contractors, their employees or agents with whom HUD has a contract, service agreement, grant,

cooperative agreement, or computer matching agreement for: 1) detection, prevention, and recovery of improper payments; 2) detection and prevention of fraud, waste, and abuse in major Federal programs administered by a Federal agency or non-Federal entity; 3) detection of fraud, waste, and abuse by individuals in their operations and programs, but only if the information shared is necessary and relevant to verify pre-award and prepayment requirements before the release of Federal funds, prevent and recover improper payments for services rendered under programs of HUD or of those Federal agencies and non-Federal entities to which HUD provides information under this routine use.

(5) Research and Statistical Analysis Disclosure Routine Uses:

a) To contractors, grantees, experts, consultants, Federal agencies, and non-Federal entities, including, but not limited to, State and local governments and other research institutions or their parties, and entities and their agents with whom HUD has a contract, service agreement, grant, or cooperative agreement, when necessary to accomplish an agency function, related to a system of records, for statistical analysis and research supporting program operations, management, performance monitoring, evaluation, risk management, and policy development, or to otherwise support the Department's mission. Records under this routine use may not be used in whole or in part to make decisions that affect the rights, benefits, or privileges of specific individuals. The results of the matched information may not be disclosed in identifiable form.

b) To a recipient who has provided the agency with advance, adequate written assurance that the record provided from the system of records will be used solely for statistical research or reporting purposes. Records under this condition will be disclosed or transferred in a form that does not identify an individual.

(6) Information Sharing Environment Disclosure Routine Uses:

To contractors, grantees, experts, consultants and their agents, or others performing or working under a contract, service, grant, or cooperative agreement with HUD, when necessary to

accomplish an agency function related to a system of records. Disclosure requirements are limited to only those data elements considered relevant to accomplishing an agency function. Individuals provided information under these routine use conditions are subject to Privacy Act requirements and disclosure limitations imposed on the Department.

(7) Data Testing for Technology Implementation Disclosure Routine Use:

To contractors, experts and consultants with whom HUD has a contract, service agreement, or other assignment of the Department, when necessary to utilize data to test new technology and systems designed to enhance program operations and performance.

(8) Data Breach Remediation Purposes Routine Use:

a) To appropriate agencies, entities, and persons when (1) HUD suspects or has confirmed there has breached the system of records; (2) HUD has determined that because of the suspected or confirmed breach there is a risk of harm to individuals, HUD, the Federal Government, or national security; and (3) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist with HUD's efforts to respond to the suspected or confirmed breach to prevent, minimize, or remedy such harm.

b) To another Federal agency or Federal entity, when HUD determines that information from this system of records is reasonably necessary to assist the recipient agency or entity in (1) responding to a suspected or confirmed breach or (2) 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.

(9) Disclosures for Law Enforcement Investigations Routine Uses:

a) To appropriate Federal, State, local, tribal, or governmental agencies or multilateral governmental organizations responsible for investigating or prosecuting the violations of, or for enforcing or implementing, a statute, rule, regulation, order, or license, where HUD determines

that the information would help to enforce civil or criminal laws when such records, either alone or in conjunction with other information, indicate a violation or potential violation of law.

(10) Court or Law Enforcement Proceedings Disclosure Routine Uses:

a) To a court, magistrate, administrative tribunal, or arbitrator while presenting evidence, including disclosures to opposing counsel or witnesses in civil discovery, litigation, mediation, or settlement negotiations; or in connection with criminal law proceedings; or in response to a subpoena or to a prosecution request when such records to be released are specifically approved by a court provided order. Disclosures made pursuant to this routine use are limited to when HUD determines that use of such records is relevant and necessary to the litigation, provided, however, that in each case, HUD determines that the disclosure of the records is a use of the information contained in the records that is compatible with the purpose for which the records were collected.

(11) Department of Justice for Litigation Disclosure Routine Use:

To the Department of Justice (DOJ) when seeking legal advice for a HUD initiative or in response to DOJ's request for the information, after either HUD or DOJ determine that such information relates to DOJ's representatives of the United States or any other components in legal proceedings before a court or adjudicative body, provided that, in each case, the agency also determines before disclosure that disclosure of the records to DOJ is a use of the information in the records that is compatible with the purpose for which HUD collected the records. HUD on its own may disclose records in this system of records in legal proceedings before a court or administrative body after determining that disclosing the records to the court or administrative body is a use of the information in the records that is compatible with the purpose for which HUD collected the records.

(12) The U.S. Treasury Disclosure Routine Use: To the U.S. Treasury for transactions such as disbursements of funds and related adjustments;

(13) The Internal Revenue Service Routine Use: To the IRS for reporting payments for goods and services and for reporting of discharge indebtedness;

Disclosure to Consumer Reporting Agencies:

Disclosures under 5 U.S.C. 552a(b)(12). Disclosures may be made from the system to consumer reporting agencies as defined in the Fair Credit Reporting Act (15 U.S.C. 1681a(f) or the Federal Claims Collection Act of 1966, 31 U.S.C. 3701(a)(3)). The disclosure is limited to information to establish the identity of the individual, including name, social security number, and address; the amount, status, history of the claim, and the agency or program under which the claim arose solely to allow the consumer reporting agency to prepare a credit report.

POLICIES AND PRACTICES FOR STORAGE OF RECORDS:

Electronic files are stored on servers. Paper printouts or original input documents are stored in locked file cabinets at HUD or as imaged documents on magnetic media.

POLICIES AND PRACTICES FOR RETRIEVAL OF RECORDS

Records are retrieved by business partner name, tax ID number, schedule number, voucher number, and contract number.

POLICIES AND PRACTICIES FOR RENTENTION AND DISPOSAL OF RECORDS

General Records Schedule 1:1; Financial Management and Reporting Records. This schedule covers records created by Federal agencies in carrying out the work of financial management. Temporary. Destroy 6 years after final payment or cancellation, but longer retention is authorized if required for business use.

ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS:

All HUD employees have undergone background investigations. HUD buildings are guarded and monitored by security personnel, cameras, ID checks, and other physical security measures. Access is restricted to authorized personnel or contractors whose responsibilities require access. System users must take the mandatory security awareness training annually as mandated by the Federal Information Security Modernization Act (FISMA) (44 U.S.C. 3541, et seq.). Users must also sign a Rules of Behavior form certifying that they agree to comply with the requirements before they are granted access to the system. LOCCS resides on the Microsoft Azure Cloud, a FedRAMP certified Infrastructure-as-a-Service (IaaS). The system is limited to those with a business need to know. LOCCS Authorizing Officials authorize LOCCS access for users, and OCFO ensures the user is eligible for access (e.g. suitability, System Security Administrator approval), which allow for segregation of duties. Also, system user recertifications is conducted semi-annually for external users and quarterly for internal users.

RECORD ACCESS PROCEDURES:

Individuals seeking to determine whether this System of Records contains information on themselves should address written inquiries to the Department of Housing Urban and Development 451 7th Street, SW Washington, DC. For verification, individuals should provide full name, current address, and telephone number. In addition, the requester must provide either a notarized statement or an unsworn declaration made under 28 U.S.C. 1746, in the following format:

If executed outside the United States: "I declare (or certify, verify, or state) under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on (date). (Signature)."

If executed within the United States, its territories, possessions, or commonwealths: "I declare (or certify, verify, or state) under penalty of perjury that the foregoing is true and correct. Executed on (date). (Signature)."

CONTESTING RECORD PROCEDURES:

The HUD rule for accessing, contesting, and appealing agency determinations by the individual concerned are published in 24 CFR part 16 or may be obtained from the system manager.

NOTIFICATION PROCEDURES:

Individuals seeking to determine whether information about themselves is contained in this system should address written inquiries to the Department of Housing Urban Development Chief Financial Officer, 451 7th Street SW, Washington, DC 20410-0001. For verification, individuals should provide full name, office or organization where assigned, if applicable, and current address and telephone number. In addition, the requester must provide either a notarized statement or an unsworn declaration made under 28 U.S.C. 1746, in the following format:

If executed outside the United States: "I declare (or certify, verify, or state) under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on (date). (Signature)."

If executed within the United States, its territories, possessions, or commonwealths: "I declare (or certify, verify, or state) under penalty of perjury that the foregoing is true and correct. Executed on (date). (Signature)."

EXEMPTIONS PROMULGATED FOR THE SYSTEM: NONE.

HISTORY: [Docket No. FR-5763-N-03]

LaDonne L. White,

Departmental Privacy Officer.

[Billing Code: 4210-67]

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