



[Docket No. FR-7077-N-14]

Privacy Act of 1974; System of Records

AGENCY: Office of Housing, Single Family Acquired Assets Management Branch, HUD.

ACTION: Notice of a modified system of records.

SUMMARY: : Under the provision of the Privacy Act of 1974, as amended, the Department of Housing and Urban Development (HUD), Office of Single Family Acquired Assets Management Branch, is modifying system of records titled “ Single Family Acquired Assets Management System (SAMS)”. The Single Family Acquired Assets Management System (SAMS) handles Management and accounting functions for HUD’s inventory of insured owned single-family properties for sale, or maintained as, Real Estate Owned (REO) properties. This system of records is being revised to make clarifying changes within: System Location, System Manager, Record Authority for Maintenance of the System, Purpose of the System, Categories of Individuals Covered by the System, Categories of Records in the System, Records Source Categories, Routine Uses of Records Maintained in the System, Retrieval of Records, and Retention and Disposal of Records, and make general updates to the remaining sections to accurately reflect management of the system of records in accordance with the Office of Management and Budget (OMB) Circular A108, Federal Agency Responsibilities for Review, Reporting, and Publication under the Privacy Act.

DATES: Comments will be accepted on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. This proposed action will be effective immediately upon publication. Routine uses will become effective on the date following the end of the comment period unless comments are received which result in a contrary determination.

ADDRESSES: You may submit comments, identified by docket number **or** by one of the following methods:

Federal e-Rulemaking Portal: <https://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 White, Chief Privacy Officer; Office of the Executive Secretariat; 451 Seventh Street, SW, Room 10139; Washington, DC 20410-0001.

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; 451 Seventh Street, SW, Room 10139; Washington, DC 20410-0001; telephone number (202) 708-3054 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

SUPPLEMENTARY INFORMATION: HUD, Single Family Acquired Assets Management Branch, maintains the SAMS system. HUD is publishing this revised notice to reflect new and modified routine uses, and new source protocols implemented to support HUD's move to cloud services. Additionally, administrative updates are being added to the remaining SORN sections to reflect the system in its current state. The change to the system of records will have no undue impact on the privacy of individuals and updates are consistent with the records collected.

The following are updates since the previous SORN publication:

Security Classification: Added systems of record classification status.

System Location: Replaced former data center location in West Virginia with new locations in Virginia, Mississippi, and Washington, DC.

System Manager: Identified new system manager expected to operate under this system of records.

Authority for Maintenance of the System: Updated with existing authorities that permit the maintenance of the systems records by clarifying citations, correcting errors, and including relevant citations to the Code of Federal Register. Statutes and regulations are listed below.

Purpose of the system: Updated to make clarifying changes to the system's purpose.

Categories of Individuals Covered by the System: Reorganized this section to group and clarify individuals according to their program responsibilities.

Categories of Records in the System: Updated this section to clarify the records collected.

Records Source Categories: Updated with record sources for internal and external systems. With source updates to: (1) the HUD disbursements, collections and the Name and Address

Identification Numbers (NAIDs) transmittal's function were transferred from HUD's Single Family Acquired Assets Management Division - SAMS to the Assets Disposition Management Division - Asset Disposition and Management System (ADAMS). Financial transaction and documents are now submitted and created in ADAMS, and then sent to SAMS to capture and process core financial transactions, and (2) the SAMS Web cloud-based solution was implemented for uploading, transmitting, storing forms and PDF attachments for program automated reporting.

Routine Use of Records in System: HUD will make new and modified disclosures from this system of records to authorized agencies and participants as described below. The disclosures will enable HUD to resolve disputes, implement remedial actions, test new technology, work with researchers, and respond to investigation actions. To keep track of legal, reporting, hearing, and procedural processes related to these documents, HUD may maintain summaries or

details on these disclosures in this system. HUD's responsiveness to records maintained by this system of records makes these disclosures appropriate.

New Routine Uses:

Routine Use (1) was added to help resolve disputes between HUD and persons making FOIA requests; Routine Use (2) was added to help with congressional inquiries made at the request of that individual; Routine Use (3) was added to let researchers access HUD data as needed; Routine Use (4) was added to allow support from contractors, and others when necessary to accomplish a HUD mission function; Routine Use (6) was added to allow for disclosures made to Treasury Bureau of Fiscal Service (BFS) and others for collections and payments services; Routine Use (9), was added to allow testing new to enhance program technology and services; Routine Uses (10) and (11) were added to meet the requirements of OMB M-17-12; Routine Use (12) was added to help enforce civil or criminal laws; and Routine Uses (13) and (14) were added to let HUD litigate as needed and receive effective representation by its representatives (such as the Department of Justice). *Updated Routine Use:*

Routine Use (5) was modified to clarify the purpose for reporting 1099 miscellaneous form to Treasury IRS.

Records Retention and Disposition: Updated this section to describe current retention and disposal requirements in a simplified format. Added existing NARA approved general records schedules the agency generally uses to dispose of program related records.

Policy and Practice for Retrieval of Records: Updated to include minor changes and format.

Removed the FHA Case Number since it was not a personal identifier, and the property address, purchaser name since these records were not used as a retrieval practice.

SYSTEM NAME AND NUMBER: Single Family Acquired Asset Management System
HUD/HOU-01.

SECURITY CLASSIFICATION: Unclassified.

SYSTEM LOCATION: National Center for Critical Information Processing and Storage, 9325 Cypress Loop Road, Stennis, MS 39629; 250 Burlington Drive, Clarksville, VA 23927; and at the HUD Headquarters, 451 Seventh Street SW, Washington, DC 20410-0001.

SYSTEM MANAGER(S): Kirk Mensah, Director, Single Family Assets Management Division, 451 Seventh Street SW, Room 6242, Washington, DC 20410, telephone number (202) 402-3092.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM: The National Housing Act, P.L. 73-479, 48 Stat. 1246, 12 U.S.C. §1701 et seq, Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, P.L. 104-204, 110 Stat. 2894, 12 U.S.C. § 1715z-11a, The Housing and Community Development Act of 1987, P. L. 100-242, title I, § 165, 101 Stat. 1864, The Housing Community Development Act of 1987, 42 U.S.C. § 3543(a), The Debt Collection Act of 1982, Public Law 97-365, Title 24 Code of Federal Regulations, Part 291, Disposition of HUD-Acquired and Owned Single-Family Property.

PURPOSE(S) OF THE SYSTEM: SAMS is a management and accounting system for HUD Federal Housing Administration (FHA) insured owned single-family properties for sale, or maintained as, Real Estate Owned (REO) custodial home, that HUD acquires when a lender forecloses on a property and conveys the title to HUD. SAMS supports HUD staff at Headquarters, Homeownership Centers (HOCs), and HUD's Management and Marketing (M&M) contractors to track single-family properties from their acquisition by HUD through the steps necessary to resell the properties. SAMS captures and processes all financial transactions related to repairing, leasing, listing, and selling the properties, including payments for contractor services, taxes, and homeowner association and condominium fees.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM: Purchasers, successful bidders of Federal Housing Administration (FHA) Single-Family owned homes; Mortgagors, including Business and Homebuyers of Real Estate Owned properties (REO); Borrowers, who

have defaulted on a HUD loan; HUD Single Family Property Disposition Program Management and Marketing (M&M) contractors; and HUD employees and contractors involved with REO property functions.

CATEGORIES OF RECORDS IN THE SYSTEM: Full Name, Social Security Number (SSN), Address (Work and Personal), Date of Birth, Employer Identification Number, we Email Address (Work and Personal), Employee Identification Number; Financial Information (bank account numbers, lender ids), Legal Documents (foreclosure, deed-in-lieu agreements), Name and Address Identification Number (NAID), Phone Number (Work and Personal), Race / Ethnicity, Salary (income certification), Taxpayer ID including taxing authority profile, Telephone number, Fax number, and User Ids.

RECORD SOURCE CATEGORIES: On-line data entry by HUD staff via SAMS Web and exchanged from sources (i.e., purchasers, brokers, homeowner association, appraisers, contractors) by these systems: Office of Single-Family Housing; Computerized Homes Underwriting Management System (CHUMS), Lender Electronic Assessment Portal (LEAP). Housing Office of Finance and Budget; Single Family Insurance Subsystem (SFIS-CLAIMS), Home Equity Reverse Mortgage Information Technology (HERMIT), Electronic Data Interface (EDI); and Single-Family Asset Management; Asset Disposition and Management System (ADAMS).

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

(1) To the National Archives and Records Administration, Office of Government Information Services (OGIS), to the extent necessary to fulfill its responsibilities in 5 U.S.C. 552(h), to review administrative agency policies, procedures, and compliance with the Freedom of Information Act (FOIA), and to facilitate OGIS's offering of mediation service to resolve disputes between persons making FOIA requests and administrative agencies.

(2) 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) 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, cooperative agreement, or other agreement, for the purposes of statistical analysis and research in support of 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.

(4) To contractors, grantees, experts, consultants and their agents, or others performing or working under a contract, service, grant, cooperative agreement, or other 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.

(5) To Department of Treasury Internal Revenue Services (IRS) for the purpose of reporting 1099 miscellaneous form, for tax reporting purpose, to all that have purchased Real Estate Owned property from HUD in the prior year.

(6) To the Department of Treasury Bureau of Fiscal Service, their agents, entities and banking institutions (not related to taxes) that provide payment and collection services for HUD: (1) Administrative (Payment Services): Issuing payments and other remittance services for payments certified to authorized contractors, vendors, tax authorities, and others authorized on HUD's behalf. (2) Cross-Servicing (Collection Services): Pursuing financial transactions for payments owed to HUD from buyers, mortgagors, settlement agents, closing agents, lender servicers and other authorized collections due.

(7) To Management and Marketing contractors and their affiliates for processing, inspecting REO properties, and marketing the sale of HUD REO Homes.

(8) To Financial Control Contractors for processing data input for SAMS system that is written in proprietary code.

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

(10) To appropriate agencies, entities, and persons when: (1) HUD suspects or has confirmed that there has been a breach of the system of records; (2) HUD has determined that as a result of the suspected or confirmed breach there is a risk of harm to individuals, HUD (including its information systems, programs, and operations), the Federal Government, or national security; and (3) 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 breach or to prevent, minimize, or remedy such harm.

(11) 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.

(12) To appropriate Federal, state, local, tribal, or other 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 assist in the enforcement of civil or criminal laws, when such records,

either alone or in conjunction with other information, indicate a violation or potential violation of law.

(13) To a court, magistrate, administrative tribunal, or arbitrator in the course of presenting evidence, including disclosures to opposing counsel or witnesses in the course of civil discovery, litigation, mediation, or settlement negotiations; or in connection with criminal law proceedings when HUD determines that use of such records is relevant and necessary to the litigation and when any of the following is a party to the litigation or have an interest in such litigation: (1) HUD, or any component thereof; or (2) any HUD employee in his or her official capacity; or (3) any HUD employee in his or her individual capacity where HUD has agreed to represent the employee; or (4) the United States, or any agency thereof, where HUD determines that litigation is likely to affect HUD or any of its components.

(14) To any component of the Department of Justice or other Federal agency conducting litigation or in proceedings before any court, adjudicative, or administrative body when HUD determines that the use of such records is relevant and necessary to the litigation and when any of the following is a party to the litigation or have an interest in such litigation: (1) HUD, or any component thereof; or (2) any HUD employee in his or her official capacity; or (3) any HUD employee in his or her individual capacity where the Department of Justice or agency conducting the litigation has agreed to represent the employee; or (4) the United States, or any agency thereof, where HUD determines that litigation is likely to affect HUD or any of its components.

POLICIES AND PRACTICES FOR STORAGE OF RECORDS: Paper and electronic.

POLICIES AND PRACTICES FOR RETRIEVAL OF RECORDS: Records are retrieved by Social Security Number and Name.

POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS:

General records that are listed are maintained for periods of 1-6 years unless a longer retention period is deemed necessary for investigative purposes or business use.

ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS:

Administrative Controls: Backups Secured Off-Site; Methods to Ensure Only Authorized Personnel Access to PII; Periodic Security Audits; Regular Monitoring of Users' Security Practices; FIPS 199 determination. HUD access is safeguarded according to rules and policies, including all applicable automated processes according to security and privacy safeguard policies. HUD has imposed strict controls to minimize the risk of compromising the information being stored. Primary and recovery facilities control physical access to information system output devices to prevent unauthorized individuals from obtaining the output. Back-ups are secured off-site, periodic security audits are performed, and regular monitoring of user's security practices are enforced.

Technical Controls: Firewall; Role-Based Access Controls; Virtual Private Network (VPN); Least Privilege Access; User Identification and Password; and PIV Card. The system incorporates role-based access controls, least privilege access controls, and virtual private access controls. Access is limited to authorized personnel and requires a password and user ID before system access is granted. Records are maintained in a secured computer network behind HUD's firewall. The system sends and receives data through HUD Security File Transfer Protocol (SFTP), which encrypts the data. SSNs are encrypted during transmission to protect session information.

Physical Controls: Key cards; Security Guards; and Identification badges. Secure physical methods are used to ensure only authorized users have access to PII or HUD and its approved facilities. Access is controlled by key card, controlled access, security guards, and identification badges. Periodic security audits, regular monitoring of system users' behavior is conducted; Primary and recovery facilities control physical access to information system output devices to prevent unauthorized individuals from obtaining the output. Hard copies are stored in locked file cabinets in secured rooms with restricted access.

RECORD ACCESS PROCEDURES: Individuals requesting records of themselves should address written inquiries to the Department of Housing Urban and Development 451 7th Street, SW Washington, DC 20410-0001. For verification, individuals should provide their full name, current address, and telephone number. In addition, the requester must provide either a notarized statement or an unsworn declaration made under 24 CFR 16.4.

CONTESTING RECORD PROCEDURES: The HUD rule for contesting the content of any record pertaining to the individual by the individual concerned is published in 24 CFR 16.8 or may be obtained from the system manager.

NOTIFICATION PROCEDURES: Individuals requesting notification of records of themselves should address written inquiries to the Department of Housing Urban Development, 451 7th street SW, Washington, DC 20410-0001. For verification purposes, individuals should provide their 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 24 CFR 16.4.

EXEMPTIONS PROMULGATED FOR THE SYSTEM: None.

HISTORY: Docket No. 71 FR 35443 (June 20, 2006), 79 FR 10825 (February 26, 2014).

LaDonne White,

Chief Privacy Officer, Office of Administration.