



[Docket No. FR-7077-N-13]

Privacy Act of 1974; System of Records

AGENCY: Office of Multifamily Housing, Office of Housing, HUD.

ACTION: Notice of a modified system of records.

SUMMARY: Pursuant to the provisions of the Privacy Act of 1974, as amended, the Department of the Housing and Urban Development (HUD), Office of Multifamily Housing, is modifying system of records for the Tenant Rental Assistance Certification System (TRACS). The modification will clarify the authority for maintenance of the system; routine uses of records in the system; practices for retrieval, policies and practices for retention and disposal of records, system location, system manager(s), and administrative updates to comply with the OMB Circular A-108 SORN template format.

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: <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 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 <https://www.regulations.gov> including any personal information provided.

Docket: For access to the docket to read background documents or comments received, go to <https://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: This “Notice of a Modified System of Records” aligns the cited statutory authority with the broad purpose of the system, which has been and continues to be the collection of information for managing the Office of Multifamily Housing (MFH) Programs’ rental assistance programs. With this change, the cited authority now includes express citations for: the Tenant Rental Assistance Certification System (TRACS) is being enhanced to comply with Presidential Executive Order 13985, released on January 20, 2021, “Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government,” that requires system modifications to collect ethnic and race data to evaluate whether HUD’s policies produce racially inequitable results when implemented and to ensure underserved communities are properly supported; HUD to share data match capability to enable the ability to establish eligibility for the Lifeline, EBB and other FTB programs for families which also participate in a HUD rental assistance program. HUD must develop an application protocol interface (API) with the Universal Service Administrative Company (USAC), designated by the

Federal Communications Commission (FCC) as the federal administrator of the Universal Service Fund (USF or Fund) Lifeline Program (Lifeline), the Emergency Broadband Benefit (EBB) program and other Federal Telecommunications Benefit (FTB) programs. The USAC Routine Use #8 will enable FCC to use Lifeline eligibility criteria as specified by the Lifeline program establishing a matching program between HUD's TRACS and USAC's National Verifier. 47 CFR 54.409; and lastly the Housing Opportunity Through Modernization Act of 2016 (HOTMA) was enacted on July 29, 2016. The HOTMA Final Rule will revise HUD regulations to put sections of HOTMA into effect. These sections make sweeping changes to the United States Housing Act of 1937, particularly those affecting TRACS income calculation and reviews for assisted families, occupancy standards, and the financial records required for eligibility determinations. This includes: (a) Changes about income reviews for public housing and HUD's Section 8 programs. (b) Modifications to the continued occupancy standards of public housing residents whose income has grown above the threshold for initial eligibility, including setting maximum limits on the assets that families living in public housing and Section 8 assisted housing may have. (c) HUD must direct public housing agencies to require that all applicants for and recipients of assistance, through HUD's public housing or Section 8 programs, lets public housing agencies obtain financial records needed for eligibility determinations.

SYSTEM NAME AND NUMBER: Tenant Rental Assistance Certification System (TRACS) – HUD/HOU-11.

SECURITY CLASSIFICATION: Unclassified.

SYSTEM LOCATION: The Department of Housing and Urban Development Headquarters, 451 Seventh Street SW, Washington, DC 20410-0001; and at HUD Field and Regional Office. TRACS is maintained at: the National Center for Critical Information Processing and Storage, 9325 Cypress Loop Road, Stennis, MS 39629.

SYSTEM MANAGER(S): Lanier M. Hylton, Senior Program Manager, Office of Deputy Assistant Secretary for Multifamily Housing Programs, 451 7th Street SW, Room 6124 Washington, DC 20410, (202) 708-2495.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM: The United States Housing Act of 1937, Public Law 93-383, 88 Stat. 653, as amended, 42 U.S.C. 1437 et seq.; The Housing and Community Development Act of 1987, Public Law 100-242, 101 Stat. 1864, Section 165, 42 U.S.C § 3543, Public Law 97-35, 95 Stat. 408; The Stewart B. McKinney Homeless Assistance Amendments Act of 1988, Public Law 100-628, 102 Stat. 3259, Section 904 as amended, 42 U.S.C. 3544.

PURPOSE(S) OF THE SYSTEM: TRACS performs edit checks and accepts tenant and voucher request data needed to verify data quality, and interfaces with other HUD systems to validate tenant income, verify contract funding, obligate, and commit contract funds, provide information to other HUD divisions, and submit voucher requests for payment to minimize improper payments, and detect subsidy fraud, waste, and abuse in multifamily housing rental housing assistance programs.

TRACS automates and integrates critical modules for TRACS activities related to the Contract Business System, the Tenant Business System, and the Voucher/Payment Business System:

- Integrated Multifamily Access Exchange (iMAX) provides efficient access to authorized industry partners (i.e., Contract Administrators (CAs) and Owner/Agents (OAs)) to transmit tenant data and voucher data files to HUD and other authorized partners.
- Integrated Contracts (iCon) supports rental assistance contracts repository. Contracts are added (e.g., for the Rental Assistance Demonstration (RAD) and Paperwork Reduction Act (PRA) 811 demo programs) and maintained by internal MFH staff.
- Automated Renewal and Amendment Management Subsystem (ARAMS) Supports funding functions for contract renewals and amendments. Headquarters staff enter and

update funding transactions which are then interfaced to Line of Credit Control System (LOCCS).

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM: Individuals receiving project-based rental housing assistance; property owner, management agent, and contract administrator who administers or receives subsidies.

CATEGORIES OF RECORDS IN THE SYSTEM: Full Name, SSN, Date of Birth, Employment Status/History/Information, Address, Marital Status, Military Status or other information, Race/Ethnicity, Phone Number(s), Salary, Sex, Taxpayer ID, User ID, Name of head of household member, Name of all household members, Name of Owners/management agent, Tenant/ owners/management agent, Identification number: Alien Registration Number and Taxpayer Identification Number (TIN), Spouse name, and financial transactions pertaining to the contracts.

RECORD SOURCE CATEGORIES: Records in the system are obtained from owners/management agents/Housing Authorities and/or Contract administrators on behalf of the assisted tenants. The TRACS system and contained subsystems may collect data and information from the following other systems: Geocode Service Center (GSC), Line of Credit Control System (LOCCS), HUD Central Accounting and Program System (HUDCAPS), Integrated Real Estate Management System (iREMS), and Web Access Security System (WASS).

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

(1) 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, to otherwise support the Department's mission, or for other research and statistical purposes not otherwise prohibited by law or regulation. 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.

- (2) To Housing Authorities, (HAs) to verify the accuracy and completeness of tenant data used in determining eligibility and continued eligibility and the amount of housing assistance received.
- (3) To Private Owners of assisted housing to verify the accuracy and completeness of applicant and tenant data used in determining eligibility and continued eligibility and the amount of assistance received.
- (4) To HAs, owners, management agents and contract administrators to identify and resolve discrepancies in tenant data.
- (5) To the Internal Revenue Service to report income using IRS Form 1099 and to disclose records to the Internal Revenue Service when HUD determines that the use of those records is relevant and necessary to report payments or discharge of indebtedness
- (6) To Social Security Administration and Immigration and Naturalization Service to verify alien status and continued eligibility in HUD's rental assistance programs via Enterprise Income Verification (EIV).
- (7) To the congressional office from the record of an individual in response to an inquiry from that congressional office made at the request of the individual to whom the record pertains.
- (8) To the Universal Service Administrative Company (USAC), which is designated by the Federal Communications Commission (FCC) as the federal administrator of the Universal Service Fund (USF or Fund) Lifeline Program (Lifeline), the Emergency Broadband Benefit (EBB) program and other Federal Telecommunications Benefit (FTB) programs that utilizes Lifeline eligibility criteria as specified by the Lifeline program, 47 C.F.R. § 54.409. The

purpose of this routine use is to establish eligibility for the Lifeline, EBB and other FTB programs for families which also participate in a HUD rental assistance program.

- (9) To any federal, state, or local agency (e.g., state agencies administering the state's unemployment compensation laws, Temporary Assistance to Needy Families, or Supplemental Nutrition Assistance Program agencies, U.S. Department of Health and Human Services, and U.S. Social Security Administration): To verify the accuracy and completeness of the data provided, to verify eligibility or continued eligibility in HUD's rental assistance programs, to identify and recover improper payments under the Payment Integrity Information Act of 2019, PL 116-117., and to aid in the identification of tenant errors, fraud, and abuse in assisted housing programs.
- (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 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 contractors, experts, and consultants with whom HUD has a contract, service agreement, or another assignment when HUD provides system access to HUD contractors to develop, maintain and troubleshoot application issues to support the Department's programs

needed to meet its mission. Upgrades and migrations to this TRACS system are needed to meet the changes in technology and improve system performance. This is a corollary purpose that is appropriate and necessary for the efficient conduct of government and in the best interest of both the individual and the public.

(13) 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 the purpose of: (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; (4) for the purpose of establishing or verifying the eligibility of, or continuing compliance with statutory and regulatory requirements by, applicants for, recipients or beneficiaries of, participants in, or providers of services with respect to, cash or in-kind assistance or payments under Federal benefits programs or recouping payments or delinquent debts under such Federal benefits programs. Records under this routine use may be disclosed only to the extent that the information shared is necessary and relevant to verify pre-award and prepayment requirements prior to the release of Federal funds or to 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.

(14) To Appropriate Federal, State, and Local Governments, or Persons when HUD discloses relevant information to protect the health or safety of individuals or data subjects. This is a corollary purpose that is appropriate and necessary for the efficient conduct of government and in the best interest of both the individual and the public. HUD OGC and Privacy Branch

provide determination/authorization for any Health and Breach incidents disclosure prior to a HUD disclosure.

- (15) 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.
- (16) 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
- (17) 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 and when such records, either alone or in conjunction with other information, indicate a violation or potential violation of law.
- (18) 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.

POLICIES AND PRACTICES FOR STORAGE OF RECORDS: Electronic and paper.

POLICIES AND PRACTICES FOR RETRIEVAL OF RECORDS: Name, SSN, Home Address.

POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS:

TRACS retention and disposal requirements are assessed at the module level:

- (a) ARAMS module (Contract Database) retention instruction is Temporary: Delete data twenty-five years after the contract expiration date. Tenant Module retention (Extract of TRACS Tenant Data (HUD 50059 data)) instruction is Permanent: Voucher Module (Voucher Database) retention instruction is Temporary: Archive data to tape five (5) years after the last voucher date or any voucher from a contract that has been terminated five (5) years or longer. Delete data from the tape twenty-five (25) years after the last voucher date or any voucher from a contract that has been terminated twenty-five (25) years or longer. N1-207-06-2-Item 14 B a2(c).
- (b) iMAX Module retention is Temporary: Destroy upon verification of successful creation of the final document or file or when no longer needed for business use, whichever is later. DAA-GRS-2017-0003-0002, which provides the legal authority to delete this information as required by law.
- (c) TRACS User Guides and Manuals retention instruction is Temporary: Destroy or delete when superseded or obsolete. N1-207-06-2, item 14.D(e)
- (d) iCon module (Contract Database) retention is Temporary: Delete data twenty-five years after the contract expiration date. Backup and Recovery of digital media will be destroyed or otherwise rendered irrecoverable per NIST SP 800-88 Revision 1 "Guidelines for Media Sanitization" N1-207-06-2-Item 14 B a2(b)

- (e) Tenant Database (HUD 50059 data) TEMPORARY. Archive data to tape three (3) years after the certification effective date. NARA Job No. N1- 207-06-2, item 14.B (a)
- (f) Tenant Archives Database. Sub-set of data derived from Tenant Database. TEMPORARY. Delete data twenty-five (25) years after the tenant move-out date or twenty-five (25) years after the termination date. NARA Job No. 1-207-06-2, item 14.B(a)(1)
- (g) System Documentation Data Administration Records GRS 3.1 Item 50 & 51
 - a. Item 50-Documentation necessary for preservation of permanent electronic records. Permanent. Transfer to the National Archives with the permanent electronic records to which the documentation relates. DAA-GRS-2013-0005-0002
 - b. Item 51-All documentation for temporary electronic records and documentation not necessary for the preservation of permanent records Temporarily. Destroy 5 years after the project/activity/transaction is completed or superseded, or the associated system is terminated, or the associated data is migrated to a successor system, but longer retention is authorized if required for business use. DAA-GRS-2013-0005-0034.
- (h) System Development records. GRS 3.1 Item 10 & 11
 - a. Item 10-Infrastructure project records. Temporary. Destroy 5 years after the project is terminated, but longer retention is authorized if required for business use.
 - b. Item 11-System development records. Temporary. Destroy 5 years after the system is superseded by a new iteration, or is terminated, defunded, or no longer needed for agency/IT administrative purposes, but longer retention is authorized if required for business use. DAA-GRS2013-0005-00075.
- (i) Systems and data security records GRS 3.2 Item 10
 - a. Item 10-Systems and data security records. Temporary. Destroy 1 year after the system is superseded by a new iteration or when no longer needed for agency/IT administrative purposes to ensure a continuity of security controls throughout the life of the system. DAA-GRS2013-0006-0001

(j) System Access Records GRS 3.2 Item 30 & 31

- a. Item 30-Systems not requiring special accountability for access. Temporary. Destroy when business use ceases. DAA-GRS2013-0006-0003
- b. Item 31-Systems requiring special accountability for access. Temporary. Destroy 6 years after the password is altered or the user account is terminated, but longer retention is authorized if required for business use. DAA-GRS-2013-0006-00047.

(k) Input and Output Files GRS 5.2 Item 20

- a. Item 20-Intermediary records. Temporary. Destroy upon verification of successful creation of the final document or file or when no longer needed for business use, whichever is later. DAA-GRS-2017-0003-0002

ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS: Access to TRACS is by password and user ID and is limited to authorized users. Role-based access levels or assignment roles are restricted to those with a need to know. When first gaining access to TRACS annually, all users must agree to the system's Rules of Behavior, which specify the handling of personal information and any physical records. Authorized users can download reports—the SSN is masked in both the system and reports during the download process. Access to facilities containing and storing physical copies of this data is controlled by security protocols designed to limit access to authorized individuals.

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. FR-5921-N-13, 81 FR 56684, August 22, 2016.

LaDonne White,

Chief Privacy Officer, Office of Administration.

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