



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-7077-N-21]

Privacy Act of 1974; System of Records

AGENCY: Office of Single-Family Housing, Office of Housing, HUD.

ACTION: Notice of a modified system of records.

SUMMARY: HUD Single Family Asset Management relies on the Single-Family Mortgage Asset Recovery Technology (SMART) System to provide various loan servicing functions including generating payoffs and processing payments for HUD FHA Insured Title II Secretary held loans. Pursuant to the Privacy Act of 1974, as amended, the Department of Housing and Urban Development (HUD), Office of Single-Family Housing, is modifying system of records, the Single-Family Mortgage Asset Recovery Technology (SMART) System. The modification will clarify the categories of system location, system manager, authority for maintenance, purpose of the system, record source categories, routine uses of records maintained in the system, storage, retention and disposal, safeguards.

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 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; 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 Asset Management relies on the Single-Family Asset Recovery Technology (SMART) System to provide various loan servicing functions including generating payoffs and processing for HUD FHA Insured Title II forward Secretary held loans. HUD is publishing this revised notice to update system location, manager, purpose, categories, routine uses, storage, retention and disposal, safeguards to mirror updated information in the sections being modified. The revision of system records will have no unnecessary impact on the individual's privacy and updates follow the records collected.

1. Location-Added the new location of backup records.
2. System Manager-Identified the new system manager operating this system of records.
3. Purpose-Expanded to include detailed loan servicing information.

4. Record Source Categories-Updated to cover all electronic and manual record sources for internal and external systems to HUD.
5. Routine Uses-Amended to cover routine uses that are new, modified or removed.
 - a. Added Routine Use (1) to address disclosures to the National Archives and Records Administration, Office of Government Information Services, to review administrative agency policies, procedures in compliance with FOIA and to facilitate the resolution of disputes between individuals making FOIA requests and administrative agencies.
 - b. Added Routine Use (2) for disclosures made to congressional office from the record of an individual, in response to an inquiry from the congressional office completed at the request of that individual.
 - c. Added Routine Use (3) to cover contractors who require access to the system in order to perform an agency function.
 - d. Added Routine Use (4) to address disclosures for Federal agencies, non-Federal entities, their employees, agents (including contractors, their agents, or employees) for detecting, preventing improper payments, fraud, waste, and abuse in Federal programs.
 - e. Added Routine Use (5) for disclosures made to contractors, grantees, experts, consultants, Federal agencies, and non-Federal entities conducting research and statistical analysis on HUD programs.
 - f. Added Routine Use (6) to cover disclosures related to using new technology including system designs to improve overall program performance.
 - g. Added Routine Use (7) and (8) for disclosures made to agencies, entities, and persons to assist HUD in responding to alleged or confirmed breaches of system records or other Federal agencies where HUD determines information from

system records is needed to assist the agency in responding to an alleged or confirmed breach.

- h. Added Routine Use (9) to address disclosures to Federal, State, local, tribal, or other governmental agencies or multilateral governmental organizations in authority of investigating or prosecuting the violations of, or for enforcing or implementing, a criminal or civil statute, rule, regulation, order, or license.
 - i. Added Routine Use (10) covering disclosures related to any area of the Department of Justice or other Federal agency overseeing litigation or related proceedings.
 - j. Previously published Routine Uses (a) and (b) have been renumbered to (11) and (12), but otherwise remain unchanged.
 - k. Added a note to allow for disclosures pursuant to 5 U.S.C. 552a(b)(12) to cover consumer reporting agency related disclosures on attempts of the agency to collect claims owed on behalf of the government.
- 6. Storage-Simplified the information regarding storage.
 - 7. Retention and Disposal-Added additional disposition details.
 - 8. Safeguards- Included more detail on updates to safeguard procedures.

SYSTEM NAME AND NUMBER: Single-Family Mortgage Asset Recovery Technology (SMART), HUD/HOU-58.

SECURITY CLASSIFICATION: Unclassified

SYSTEM LOCATION: Digital records are maintained at the Amazon Web Services (AWS) Simple Technology Solutions Inc, 1775 I Street NW, Suite 1150, Washington, DC 2006-2402. Active paper records are kept at ISN Corporation, 2000 N Classen Blvd, Suite 3200, Oklahoma City, OK 73106.

SYSTEM MANAGER(S): Office of Single-Family Housing, Julia Rogers, Director, National Servicing Center, 301 NW 6th Street, Suite 200, Oklahoma City, OK 73102, Telephone Number (405) 609-8414.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM: Sec. 204, National Housing Act, 12 U.S.C. 1710(a).

PURPOSE(S) OF THE SYSTEM: The Single Family Mortgage Asset Recovery Technology (SMART) System is a specialized servicing web-application that is used to service and track servicing activities for the Secretary Held portfolio including 235 insured, Asset Control Area Program (ACA), Emergency Home Loan Program (EHLA), Good Neighbor Next Door Program (GNND), Hope for Homeowners (H4H), Nehemiah Program, Partial Claim (PC), Purchase Money Mortgage (PMM). SMART provides automated business processes to perform comprehensive loan servicing for loan programs that are under the jurisdiction of the National Servicing Center.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM: Mortgagors.

CATEGORIES OF RECORDS IN THE SYSTEM: Full Name, Social Security Number, Date of Birth, Email work Address, Financial Information, Home Address, Phone Number, Spouse Name, Lender Loan Number, FHA Case Number.

RECORD SOURCE CATEGORIES: Records are initiated from HUD employees and their contractors. Information is also received from Single Family Insurance System (CLAIMS Subsystem), Asset Disposition and Management System, HUD FHA Resource Center Customer Relationship Management System (CRM).

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' offering of mediation services 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 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.

(4) 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; or 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, 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) 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.

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

(7) 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, 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 to prevent, minimize, or remedy such harm.

(8) 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) 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.

(10) 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.

(11) To the U.S. Treasury for disbursements and adjustments.

(12) To the IRS for reporting of discharge indebtedness.

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

POLICIES AND PRACTICES FOR RETRIEVAL OF RECORDS: Records are retrieved by mortgagor name, FHA Case Number, or property address.

POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS:

In accordance with HUD records disposition schedule 2225.6, Appendix 20, records are destroyed upon successful creation of the final document or file, or when no longer needed for business use, whichever is later. Backup and recovery digital media will be destroyed or otherwise rendered

irrecoverable per NIST SP 800-88 “Guidelines for Media Sanitization.” GRS 5.2, Item 20, DAA-GRS2017-0003-0002. Temporary. Destroy upon verification of successful creation of the final document or file, or when no longer needed for business use, whichever is later.

ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS:

Administrative Safeguards: When first gaining access to SMART and annually, all users must agree to the systems “Rules of Behavior” which specify handling of personal information and any physical records.

Technical Safeguards: Controls for the system include, but are not limited to, username identification, password protection, multi-factor authentication, firewalls, virtual private network, encryption, and is limited to authorized users.

Physical Safeguards: Controls to secure the data and protect paper records are maintained and locked in file cabinets. The original collateral documents (hard copy) are stored at the contractor’s office site for all open loans and the closed documents are stored at a secured offsite document storage facility. All hard copy files are stored within a secured room within the contractor's secured office suite when not in use. Background screening, limited authorizations, and access, with access limited to authorized personnel and technical restraints employed regarding accessing the records, access to automated systems by authorized users by username and passwords.

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-5386-N-05, 75 FR 34755, June 18, 2010.

LaDonne White,

Chief Privacy Officer, Office of Administration.

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