



[Docket No. FR-7077-N-29]

Privacy Act of 1974; System of Records

AGENCY: 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 Housing and Urban Development (HUD), Office of Housing, Single Family Insurance Operations Division, is modify a system of records titled “Single Family Insurance System.” The Single-Family Insurance System (SFIS). The SFIS maintains all Federal Housing Administration (FHA)-insured Single-Family mortgage loan case records and is the primary repository of FHA's single family insured loan portfolio. 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. The SORN modifications are outlined in the SORN “**SUPPLEMENTARY INFORMATION**” section.

DATES: Comments will be accepted on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. The SORN becomes effective immediately, while the routine uses become effective after the comment period immediately upon publication except for the routine uses, which 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; Mr. 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, Office of Housing, Single Family Operations Division, maintains the Single-Family Insurance System (SFIS) system. Specific changes to the SORN are explained below:

SYSTEM NAME AND NUMBER: Modified the systems title and code from "Single Family Insurance System (SFIS) A43—Insurance-in-force (IIF) database, HSNF.SF/HWAFS.01 to Single Family Insurance System HUD/HOU-04.

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(S): Identified new system manager.

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 Regulations Statutes and regulations are listed below.

PURPOSE(S) OF THE SYSTEM: Updated to make clarifying changes to the systems purpose. This update does not impact the business requirements scoped for this system.

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.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING

CATEGORIES OF USERS AND PURPOSES OF SUCH USES: HUD will make new disclosures from this system of records to authorized agencies and participants as described below. This will enable HUD to resolve disputes, implement remedial actions, test new technology, work with researchers, and respond to investigations for enforcement actions.

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

New Routine Use:

Routine Use (1) was added to assist in the resolution of disputes between HUD and persons making FOIA requests; Routine Use (2) was added to assist with congressional inquiries made at the request of the individual; Routine Use (3) was added to allow for researchers to use access HUD data as needed; Routine Use (4) was added to allow for support

from contractors and others when necessary to accomplish an agency function; Routine Use (5) was added to allow for testing new technology to enhance program information technology and services; Routine Uses (6) and (7) were updated to comply with the requirements of OMB M-17-12; Routine Uses (8) and (9) were updated to assist in the enforcement of civil or criminal laws; and Routine Use (10) was updated to allow HUD to litigate as needed and receive effective representation by its representatives (such as the Department of Justice).

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

Policy and Practice for Retrieval of Records: Reformatted the retrieval statement for borrowers' records retrieved. The FHA Case Number was removed since this record is not being used as a personal identifier.

SYSTEM NAME AND NUMBER: Single Family Insurance System HUD/HOU-04.

SECURITY CLASSIFICATION: Unclassified.

SYSTEM LOCATION: National Center for Critical Information Processing and Storage located in Mississippi and Virginia; HUD Headquarters building, 451 Seventh Street SW, Washington DC 20410-0001; and the Pyramid Systems, Inc. (PSI) 2677 Prosperity Ave, Ste 250, Fairfax, VA 22031

SYSTEM MANAGER(S): Pauline Devore, System Manager, Single Family Insurance Operations Division, HWAFS, Department of Housing and Urban Development, 451 Seventh Street, SW, Ninth floor, Washington DC 20410-0001.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM: Sec. 203, National Housing Act, Public Law 73-479; The National Housing Act (12 U.S.C. 1701 et seq.) and the Department of Housing and Urban Development Act (42 U.S.C. 3531 et seq.); 24 CFR parts 202, 203, and 206. The Housing and Community Development Act of 1987, 42 U.S.C. § 3543(a). FHA Single Family Housing Handbook 4000.1.

PURPOSES OF THE SYSTEM: The purpose of Single-Family Insurance System (SFIS) is to provide oversight for the servicing of the Single Family insured mortgage loans and allows internal HUD users' on-line access to accurate and detailed case information to make inquiries, and to report on insured case activities (e.g., new insured case records, reinstated or terminated case records, case record changes, servicer transfers or merger, and mortgage insurance premium (MIP) calculations initiated, renewed, or adjusted including any MIP status resets). SFISnet is a web-based application which allows the viewing of FHA case information in a user-friendly environment.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM: Mortgagors who assumed, obtained, or had a mortgage insured under HUD Federal Housing Administration (FHA) single family mortgage insurance programs; FHA-approved Mortgagees (Lenders) who are the servicer or holder of the loan; and HUD users and authorized contractors with system access and responsibility for servicing functions.

CATEGORIES OF RECORDS IN THE SYSTEM: Full Name, Social Security Number (SSN), Address (work, home, and business), phone number (home, work, and business), Date of Birth, Age, Race / Ethnicity, Sex, E-mail (work, home, and business), Taxpayer Identification Number, Employee Identification Number, User Ids, and Lender Ids.

RECORD SOURCE CATEGORIES: FHA-approved Mortgagees (Lenders), appraisers on behalf of the mortgagors, staff underwriters, and HUD employees indirectly or exchanged by HUD operational systems listed below:

Housing Office of Finance and Budget:

- Distributive Shares and Refunds Subsystem (DSRS),
- Single Family Insurance System Claims Subsystem (CLAIMS),
- Electronic Data Interchange System (EDIS)

Housing Office of Single Family Housing:

- Computerized Homes Underwriting Management System (CHUMS)

- Lender Electronic Assessment Portal (LEAP)

Office of the Chief Information Officer

- Digital Identity Access Management System (DIAMS).

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, 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.

- (5) 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.
- (6) 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.
- (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 (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.
- (8) 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 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. Records may only be disclosed upon a showing by the requester that the information is pertinent to the investigation.
 - (2) To third parties during the course of a law enforcement investigation, to the extent necessary to obtain information pertinent to the investigation, provided the disclosure of such

information is appropriate to the proper performance of the official duties of the officer making the disclosure.

(9) 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; (2) any HUD employee in his or her official capacity; (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.

(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; (2) any HUD employee in his or her official capacity; (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: Name, Social Security Number, Property Address, and User ID.

POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS:
Disposition is Temporary – Paper records are either burned or shredded, and electronic and media records are erased following NIST Special Publication 800-88 guidelines.

ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS:

Administrative Controls: Data backups Secured Off-Site; Encryption of Backups; Methods to Ensure Only Authorized Personnel Access to PII; Periodic Security Audits; and Regular Monitoring of User's Security Practices.

Technical Controls: Firewall; Role-Based Access Controls; Virtual Private Network; Encryption of Data in Transit; Least Privilege Access; User Identification and Password; Personal Identity Verification Card; Intrusion Detection System.

Physical Safeguards: Combination locks; Key Cards; Security Guards; Identification Badges; and paper files will be stored securely in a locked cabinet that can only be accessed by authorized individuals working on the data. The locked cabinet will be stored in a locked office in a limited-access building. Additionally, permissions will be defined for each authorized user based on the user's role.

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 accessing, contesting, and appealing agency determinations by the individual concerned are published in 24 CFR part 16.8.

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 Part 16.

EXEMPTIONS PROMULGATED FOR THE SYSTEM: None.

HISTORY: Docket No. 81 FR 59235 (August 29, 2016), and 64 FR 40032 (July 23, 1999).

LaDonne White,

Chief Privacy Officer, Office of Administration.

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