



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-7106-N-10]

Privacy Act of 1974; System of Records

AGENCY: Office of Single Family Program, 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) is issuing a public notice of its intent to modify the Office of Single-Family Program Development Privacy Act system of records “Credit Alert Verification Reporting System (CAIVRS).” This System of Records Notice (SORN) is being modified to update the system location, categories of record, authority for maintenance of the system, and record source categories. The updates are explained in the “Supplementary Information” section of this notice.

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: privacy@hud.gov.

Mail: Attention: Privacy Office; Shalanda Capehart, Acting 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: Shalanda Caphart; 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 is modifying the system of records notice (SORN) for the Credit Alert Verification Reporting System (CAIVRS).

- i. The “System Location” section has been updated to include Microsoft Azure Federal Cloud.
- ii. The “Categories of Record” section has been revised to accurately reflect CAIVRS data components. The following data elements in the previously published SORN are not contained in CAIVRS and have been removed: Full Name, Date of Birth, Email Address, Work Address, Home Address, Mother’s Maiden Name, and FHA Case Number. Social Security Number, Taxpayer ID Number, and Employer Identification Number comprise all current data elements within CAIVRS and remain as categories of records.
- iii. The “Authority for Maintenance” section has been updated for accuracy. The following authorities have been removed: the Budget and Accounting Acts of 1921 and 1950, as amended; the Debt Collection Act of 1982, as amended; the Deficit Reduction Act of 1984, as amended, and the Debt Collection Improvement Act of 1996, as amended.
- iv. The “Record Source Categories” have been revised to accurately reflect the data interfaces with CAIVRS, and to list the agencies from which record sources originate.

SYSTEM NAME AND NUMBER: Credit Alert Verification Reporting System (CAIVRS) – HUD/HOU-04.

SECURITY CLASSIFICATION: Unclassified.

SYSTEM LOCATION: CAIVRS is located and operated at NASA's John C. Stennis Space Flight Center, located at 1100 Balch Boulevard, Stennis Space Center, MS 39529-0001, and Microsoft Azure Federal Cloud US East Data Center in One Microsoft Way, Redmond, Washington, 98052-6399.

SYSTEM MANAGER(S): C. Brian Faux, Director, Office of Single-Family Program Development, United States Department of Housing and Urban Development, 451 7th ST, SW, Washington, DC 20410-1000; Phone (202) 674-9348; Email: brian.faux@hud.gov.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM: Section 203, National Housing Act, P.L. 73-479 (12 U.S.C. § 1709); Section 255, National Housing Act, P.L. 73-479 (12 U.S.C. § 1701z-20); Section 165, Housing and Community Development Act of 1987, P.L. 100-242 (42 U.S.C. § 3543); Section 31001, Debt Collection Act of 1996 as amended, P.L. 104-134 (31 U.S.C. § 7701); Section 31001, Debt Collection Act of 1996 as amended, P.L. 104-134 (31 U.S.C. § 3720B); and Office of Management and Budget (OMB) Circulars A-129 (Policies for Federal Credit Programs and Non-Tax Receivables).

PURPOSES(S) OF THE SYSTEM: The purpose of CAIVRS is to ensure participating Federal agencies and their authorized lenders will comply with the legal requirement to verify individuals applying for a federally backed loan, or other aid, are not presently delinquent on another Federal obligation. CAIVRS is a shared, inter-agency database managed by HUD where participating agencies are required to report delinquent federal debt.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM: Individual borrowers who have applied for Federal housing loans and have fallen delinquent.

CATEGORIES OF RECORDS IN THE SYSTEM: Social Security Numbers, Taxpayer ID Numbers, and Employer Identification Numbers.

RECORD SOURCE CATEGORIES: A43C-SF Insurance System-Claims Subsystem, F71-Debt Collection and Asset Management System - Title I, F71A-Debt Collection and Asset Management System - Generic Debt, A75R-Financial Data Mart, P278-Lender Electronic Assessment Portal, DOJ-Department of Justice, SBA-Small Business Administration, USDA-United States Department of Agriculture, ED-Department of Education, VA-Department of Veterans Affairs.

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

- (1) 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.
- (2) To Federal, State, and local agencies, their employees, and agents to conduct computer matching programs as regulated by the Privacy Act of 1974, as amended (5 U.S.C. 552a).
- (3) 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; 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 the information shared is necessary and relevant to verify pre-award and prepayment requirements before the release of Federal funds or 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.

(4) 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.

(5) 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.

(6) 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.

(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 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 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 and when such records, either alone or in conjunction with other information, indicate a violation or potential violation of law.

(10) 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; 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.

(11) 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.

(12) To match system users for security purposes. User-provided PII may be shared with HUD departmental enforcement offices and other Federal, state, local or tribal law enforcement agencies if there is reason to believe that a user provided false information to obtain access to the system, and that providing such information would help enforce civil or criminal laws.

(13) To the United States Department of Veterans Affairs (VA), to pre-screen applicants to determine if they are presently delinquent on any Federal debt reported by a participating agency, and to determine if they are eligible for a new federally backed loan or grant.

(14) To the United States Small Business Administration (SBA) to pre-screen applicants to determine if they are presently delinquent on any Federal debt reported by a participating agency, and to determine if they are eligible for a new federally backed loan or grant.

(15) To the United States Department of Education to pre-screen applicants to determine if they are presently delinquent on any Federal debt reported by a participating agency, and to determine if they are eligible for a new federally backed loan or grant.

(16) To the United States Department of Agriculture (USDA) to pre-screen applicants to determine if they are presently delinquent on any Federal debt reported by a participating agency, and to determine if they are eligible for a new federally backed loan or grant.

(17) To the United States DOJ to pre-screen applicants to determine if they are presently delinquent on any Federal debt reported by a participating agency, and to determine if they are eligible for a new federally backed loan or grant.

POLICIES AND PRACTICES FOR STORAGE OF RECORDS: Electronic only.

POLICIES AND PRACTICES FOR RETRIEVAL OF RECORDS: Social Security Numbers, Taxpayer ID Numbers, and Employer Identification Numbers.

POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS:

All records related to Federal Housing Administration (FHA) Mortgage Credit Alert report will be destroyed according to HUD Schedule Appendix 20 Single Family Home Mortgage Records, item 13B6 which states the following, destroyed when superseded or obsolete.

All records related to FHA Mortgage Credit Verification will be destroyed according to HUD Schedule Appendix 5 Technical Support Records, item 7 which states the following, destroy when superseded or obsolete.

ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS: CAIVRS and its data are located on centralized servers within Federal facilities with access control in place.

Physical controls include cypher and combination locks, key card-controlled access, security guards, closed circuit TV, identification badges, and safes. Administrative controls include encryption of back-up data, back-ups secured off-site, methods to ensure only authorized users have access to PII, periodic security audits, and regular monitoring of system users' behavior.

Technical controls include encryption of Data at Rest and in Transit, firewalls at HUD and each reporting agency, role-based access controls, user IDs and passwords, Least Privileged access, elevated and/or administrative privileged access, PIV cards, intrusion detection systems.

Additional measures to safeguard the system include role-based Privacy Act training required for HUD personnel responsible for CAIVRS system program management, IT security monitoring by the Department of Housing and Urban Development and the Department of Homeland Security.

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: N/A

HISTORY: Docket No. FR-7077-N-16, 88 FR 58595, August 28, 2023.

Shalanda Capehart

Acting Chief Privacy Officer, Office of Administration