

U.S. Department of Housing and Urban Development

Office of Housing

Single Family Neighborhood Watch (SFNW)

Privacy Impact Assessment

August 11, 2006

DOCUMENT ENDORSEMENT

I have carefully assessed the Privacy Impact Assessment (PIA) for Single Family Neighborhood Watch (SFNW). This document has been completed in accordance with the requirement set forth by the [E-Government Act of 2002](#) and [OMB Memorandum 03-22](#) which requires that "Privacy Impact Assessments" (PIAs) be conducted for all new and/ or significantly altered IT Systems, and Information Collection Requests.

ENDORSEMENT SECTION

Please check the appropriate statement.

- The document is accepted.**
 The document is accepted pending the changes noted.
 The document is not accepted.

Based on our authority and judgment, the data captured in this document is current and accurate.

[/s/ Joy Hadley](#)

SYSTEM MANAGER

Office of Lender Activities and Program Compliance

[8/11/06](#)

Date

[/s/ Mark Ross](#)

PROGRAM AREA/SPONSOR REPRESENTATIVE

Office of Lender Activities and Program Compliance

[8/11/06](#)

Date

DEPARTMENTAL PRIVACY ADVOCATE

Office of the Chief Information Officer

U. S. Department of Housing and Urban Development

Date

[/s/ Jeanette Smith](#)

DEPARTMENTAL PRIVACY ACT OFFICER

Office of the Chief Information Officer

U. S. Department of Housing and Urban Development

[9/6/2006](#)

Date

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**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PRIVACY IMPACT ASSESSMENT (PIA) FOR:
SINGLE FAMILY NEIGHBORHOOD WATCH (SFNW)**

(OMB Unique Identifier] and PCAS number: 00251370

August 2, 2006

NOTE: See Section 2 for PIA answers, and Section 3 for Privacy Advocate's determination.

SECTION 1: BACKGROUND

Importance of Privacy Protection – Legislative Mandates:

HUD is responsible for ensuring the privacy and confidentiality of the information it collects on members of the public, beneficiaries of HUD programs, business partners, and its own employees. These people have a right to expect that HUD will collect, maintain, use, and disseminate identifiable personal information only as authorized by law and as necessary to carry out agency responsibilities.

The information HUD collects is protected by the following legislation and regulations:

- [Privacy Act of 1974, as amended](#) affords individuals the right to privacy in records that are maintained and used by Federal agencies. (See <http://www.usdoj.gov/foia/privstat.htm>; see also [HUD Handbook 1325.1 at www.hudclips.org](#));
- Computer Matching and Privacy Protection Act of 1988 is an amendment to the Privacy Act that specifies the conditions under which private information may (or may not) be shared among government agencies. (See <http://www.usdoj.gov/foia/privstat.htm>);
- [Freedom of Information Act of 1966, as amended](#) (http://www.usdoj.gov/oip/foia_updates/Vol_XVII_4/page2.htm) provides for the disclosure of information maintained by Federal agencies to the public, while allowing limited protections for privacy. See also [HUD's Freedom of Information Act Handbook \(HUD Handbook 1327.1 at www.hudclips.org\)](#));
- [E-Government Act of 2002](#) requires Federal agencies to conduct Privacy Impact Assessments (PIAs) on its electronic systems. (See http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107_cong_public_laws&docid=f:publ347.107.pdf; see also the summary of the E-Government Act at http://www.whitehouse.gov/omb/egov/pres_state2.htm);
- [Federal Information Security Management Act of 2002](#) (which superceded the Computer Security Act of 1987) provides a comprehensive framework for ensuring the effectiveness of information security controls over information resources that support Federal operations and assets, etc. See also the codified version of Information Security regulations at [Title 44 U.S. Code chapter 35 subchapter II](#) (<http://uscode.house.gov/search/criteria.php>); and

- [OMB Circular A-130, Management of Federal Information Resources, Appendix I](http://www.whitehouse.gov/omb/circulars/a130/appendix_i.pdf) (http://www.whitehouse.gov/omb/circulars/a130/appendix_i.pdf) defines Federal Agency responsibilities for maintaining records about individuals.

Access to personally identifiable information will be restricted to those staff that has a need to access the data to carry out their duties; and they will be held accountable for ensuring privacy and confidentiality of the data.

What is the Privacy Impact Assessment (PIA) Process?

The Privacy Impact Assessment (PIA) is a process that evaluates issues related to the privacy of personally identifiable information in electronic systems. See background on PIAs and the 7 questions that need to be answered, at: <http://www.hud.gov/offices/cio/privacy/pia/pia.cfm>. Personally identifiable information is defined as information that actually identifies an individual, e.g., name, address, social security number (SSN), or identifying number or code; or other personal/ sensitive information such as race, marital status, financial information, home telephone number, personal e-mail address, etc. Of particular concern is the combination of multiple identifying elements. For example, knowing name + SSN + birth date + financial information would pose more risk to privacy than just name + SSN alone.

The PIA:

- Identifies the type of personally identifiable information in the system (including any ability to combine multiple identifying elements on an individual);
- Identifies who has access to that information (whether full access or limited access rights); and
- Describes the administrative controls that ensure that only information that is necessary and relevant to HUD's mission is included.

Who Completes the PIA?

Both the program area System Owner and IT Project Leader work together to complete the PIA. The System Owner describes what personal data types are collected, how the data is used, and who has access to the personal data. The IT Project Leader describes whether technical implementation of the System Owner's requirements presents any risks to privacy, and what controls are in place to restrict access of personally identifiable information.

When is a Privacy Impact Assessment (PIA) Required?

- 1. New Systems:** Any new system that will contain personal information on members of the public requires a PIA, per OMB requirements (this covers both major and non-major systems).
- 2. Existing Systems:** Where there are significant modifications involving personal information on members of the public, or where significant changes been made to the system that may create a new privacy risk, a PIA is required.

3. Information Collection Requests, per the Paperwork Reduction Act (PRA):

Agencies must obtain OMB approval for new information collections from ten or more members of the public. If the information collection is both a new collection and automated, then a PIA is required.

What are the Privacy Act Requirements?

Privacy Act. The [Privacy Act of 1974](http://www.usdoj.gov/foia/privstat.htm), as amended (<http://www.usdoj.gov/foia/privstat.htm>) requires that agencies publish a Federal Register Notice for public comment on any intended information collection. Privacy Act Systems of Records are created when information pertaining to an individual is collected and maintained by the Department, and is retrieved by the name of the individual or by some other identifying number, symbol, or other identifying particular assigned to an individual. The [E-Government Act of 2002](#) requires PIAs for electronic systems as well as information collection requests that are automated. So, there is a relationship between the new PIA requirement (when automation is involved) and the long-standing Privacy Act System of Records Notices (for both paper-based and automated records that are of a private nature). For additional information, contact the Departmental Privacy Act Officer in the Office of the Chief Information Officer.

Why is the PIA Summary Made Publicly Available?

The E-Government Act of 2002 requires that the analysis and determinations resulting from the PIA be made publicly available. The Privacy Advocate in HUD's Office of the Chief Information Officer (OCIO) is responsible for publishing the PIA summary on HUD's web site. See: <http://www.hud.gov/offices/cio/privacy/pia/pia.cfm>.

SECTION 2 – COMPLETING A PRIVACY IMPACT ASSESSMENT

Please submit answers to the Departmental Privacy Advocate in the Office of the Chief Information Officer (OCIO). If any question does not apply, state Not Applicable (N/A) for that question, and briefly explain why it is not applicable.

Program Area: Office of Housing – Office of Single Family Program Development
Subject matter expert in the program area: Mark Ross, OLAPC, Quality Assurance Division. (518) 862-2842

Program Area Manager: Joy Hadley, Director, OLAPC, Quality Assurance Division. (202) 708-2830 ext. 146

IT Project Leader: Matthew R. McCants, IT Specialist, Office of Chief Information Officer, (202) 708-1587 ext. 7608; Paul E. Theisen, Director, Real Estate Insurance Division, Office of the chief Information Officer (202) 708-1587 ext. 7614

For IT Systems:

- **Name of system:** Single Family Neighborhood Watch (SFNW)
- **PCAS #:** 0251370
- **OMB Unique Project Identifier #:**
- **System Code:** A80W

For Information Collection Requests:

- **Name of Information Collection Request:**
- **OMB Control #:**

Question 1: Provide a brief description of what personal information is collected.

The Single Family Neighborhood Watch (SFNW) System provides HUD staff with information on HUD's single family portfolio and lender activity in areas throughout the country. Lenders are able to browse information pertaining to their portfolio. Neighborhood Watch is intended to aid HUD/FHA staff in monitoring lenders and its programs, and to aid lenders and the public in self-policing the industry as it pertains to HUD/FHA insured mortgages. The system is designed to highlight exceptions, so that potential problems are readily identifiable. In addition, the system can be used to identify loan programs, geographic areas and lenders that are performing well.

This system is a work in progress. Currently, it provides the user with the ability to identify and analyze patterns, by geographic area or originating lender, in loans which are currently 90 days delinquent, or became 90 days delinquent during their first two years (first defaults). The default data window is based on a two-year loan origination period and the system contains quarterly views for the previous two years. First defaults include loans that were defaulted but have subsequently cured.

SFNW has both a Public view and a Secure View. Public users will have read-only access to SFNW in order to review summary and case level result information. Case level results for public users have been striped of any data not meeting privacy requirements. This site has no access to the secured sfnw/detail directory. The SFNW Public site is accessed via the Internet and is under the www.hud.gov uniform resource locator (url), Work Online, Citizens.

For the Secure view, SFNW supplies user IDs via the FHA Connection security procedures. Only authorized users will be able to access information from the SFNW system through the FHA Connection. Mortgagee CEOs will be mailed coordinator IDs to distribute appropriately. All external users will then apply for an ID, which will be sent to the mortgagee coordinators. The coordinator will have the rights to grant appropriate system access to the user of that entity. The coordinators can grant access to either the SFNW summary level data (which is essentially what the public views) or the coordinator can grant access to SFNW detail level data. Case level results will only be accessible to the user if the Lender is associated with the case as the originator, sponsor, holder or servicer.

The SFNW Secure view also allows access to the data by HUD staff, HUD field offices, Home Ownership Centers (HOC), HUD contractors, and HUD's Office of Inspector General. All HUD users will have read-only access to SFNW in order to review summary and case level result information. HUD users must have a valid FHA Connection ID and SFNW access to view case level data. With validation all data may be viewed.

In addition to the security mentioned above, SFNW has the ability to keep an audit trail of exactly who requested information to the data.

The SFNW is part of the HUD Federal Housing Administration FHA Connection, and is accessed via the Single Family FHA menu. The FHA Connection provides FHA-approved lenders and business partners with direct, secure, online access to computer systems of the U.S. Department of Housing and Urban Development (HUD). The SFNW is reached through the FHA Connection's Single Family FHA menu.

Security

Table below provides an overview of the security necessary for each SFNW functional area. The table consists of the user/role, area, security protocol, and type of access. The user/role specifies the group that the security should be applied to. The area specifies the SFNW function that the security should be applied for. The security protocol specifies the method that the user group should use to retrieve their user ID and get security. The type of access specifies the authority actions that the user group will have in the specified area.

| SFNW Security Table | | | |
|--|--|--|----------------|
| User/Role | Area | Security Protocol | Type of Access |
| Public | Public users will have read-only access to SFNW in order to review summary and case level result information. Case level results have been striped of any data not meeting privacy requirements. This site has no access to the secured sfnw/detail directory. | Non-Secure Connection no user ID required | Read |
| Lender Users FHA Connection Site | Lender users will have read-only access to SFNW in order to review summary and case level result information. Case level results will only be accessible to the Lender if the Lender is associated with the case as the originator, sponsor, holder or servicer. Lender Users must have a valid FHA Connection ID and SFNW access. | Secure Connection "M" user ID | Read |
| HUD Users (includes HUD Field Offices and Contractors) | All HUD users will have read-only access to SFNW in order to review summary and case level result information. HUD users must have a valid FHA Connection ID and SFNW access to view case level data. With validation all data may be viewed. | Secure Connection "H or C" user ID | Read |

If this automated system (or Information Collection Request) involves personally identifiable information on members of the public, then **mark any of the categories that apply below:**

Personal Identifiers:

| | |
|---|---|
| X | Name |
| X | Social Security Number (SSN) . |
| | Other identification number (specify type): |
| | Birth date |
| X | Home address |
| | Home telephone |
| | Personal e-mail address |
| | Fingerprint/ other "biometric" |
| | Other (specify): |
| | None |
| X | Comment: Within the SFNW Public website: there is not personal identifiable information (PII) or specific loan information included, only default statistical totals/ averages. |

Personal/ Sensitive Information:

| | |
|---|--|
| | Race/ ethnicity |
| | Gender/ sex |
| | Marital status |
| X | Spouse name (if co-borrower on the loan) |
| | # of children |
| | Income/ financial data (specify type of data, such as salary, Federal taxes paid, bank account number, etc.): |
| | Employment history: |
| | Education level |
| | Medical history/ information |
| | Disability |
| | Criminal record |
| | Other (specify): |
| | None |
| X | Comment: Within the SFNW Public website: there is not personal identifiable information (PII) or specific loan information is included, only default statistical totals/ averages. |

Question 2: Type of electronic system or information collection.

Fill out Section A, B, or C as applicable.

A. If a new electronic system (or one in development): Is this a new electronic system (implemented after April 2003, the effective date of the E-Government Act of 2002)? **If yes, fill out subsections a, b, and c.**

| | Yes | Yes | No |
|---|---|--------------------------|--------------------------|
| | a. Does the system require authentication? | <input type="checkbox"/> | <input type="checkbox"/> |
| | b. Is the system browser-based? | <input type="checkbox"/> | <input type="checkbox"/> |
| | c. Is the system external-facing (with external users that require authentication)? | <input type="checkbox"/> | <input type="checkbox"/> |
| X | No | | |
| | Comment | | |

A. **If an existing electronic system:** Mark any of the following conditions for your existing system that OMB defines as a “trigger” for requiring a PIA (if not applicable, mark N/A):

| | |
|-----|--|
| N/A | Conversion: When paper-based records that contain personal information are converted to an electronic system |
| N/A | From Anonymous (Non-Identifiable) to “Non-Anonymous” (Personally Identifiable): When any systems application transforms an existing database or data collection so that previously anonymous data becomes personally identifiable |
| N/A | Significant System Management Changes: When new uses of an existing electronic system significantly change how personal information is managed in the system. (Example #1: when new “relational” databases could combine multiple identifying data elements to more easily identify an individual. Example #2: when a web portal extracts data elements from separate databases, and thereby creates a more open environment for exposure of personal data) |
| N/A | Merging Databases: When government databases are merged, centralized, matched, or otherwise significantly manipulated so that personal information becomes more accessible (with special concern for the ability to combine multiple identifying elements) |
| N/A | New Public Access: When <u>new</u> public access is given to members of the public or to business partners (even if the system is protected by password, digital certificate, or other user-authentication technology) |
| N/A | Commercial Sources: When agencies systematically incorporate into databases any personal data from commercial or public sources (ad hoc queries of such sources using existing technology does not trigger the need for a PIA) |
| N/A | New Inter-agency Uses: When agencies work together (such as the federal E-Gov initiatives), the lead agency should prepare the PIA |
| N/A | Business Process Re-engineering: When altering a business process results in significant new uses, disclosures, or additions of personal data |
| N/A | Alteration in Character of Data: When adding new personal data raises the risks to personal privacy (for example, adding financial information to an existing database that contains name and address) |

C. **If an Information Collection Request (ICR): Is this a new Request that will collect data that will be in an automated system?** Agencies must obtain OMB approval for information collections from 10 or more members of the public. The E-Government Act of 2002 requires a PIA for ICRs only if the collection of information is a new request and the collected data will be in an automated system.

| | |
|---|---|
| | Yes, this is a new ICR and the data will be automated |
| X | No, the ICR does not require a PIA because it is not <u>new</u> or <u>automated</u> |
| | Comment: |

Question 3: Why is the personally identifiable information being collected? How will it be used?

Mark any that apply:

Homeownership:

| | |
|---|--|
| | Credit checks (eligibility for loans) |
| | Loan applications and case-binder files (via lenders) – including borrower SSNs, salary, employment, race, and other information |
| | Loan servicing (MIP collections/refunds and debt servicing for defaulted loans assigned to HUD) |
| | Loan default tracking |
| | Issuing mortgage and loan insurance |
| | Other (specify): |
| X | Comment: Neither SFNW secure or public views collect personal identifiable information. The system is designed to display default and case level data with the user security provisions detailed above. Case level data includes borrower name, SSN, property address etc., but this data cannot be altered via the SFNW system. HUD and lender users that have the ability to view case level data, can utilize this information for developing patterns of defaults and performing risk analysis of lender branches, program areas and geographic locations. |

Rental Housing Assistance:

| | |
|--|--|
| | Eligibility for rental assistance or other HUD program benefits |
| | Characteristics on those receiving rental assistance (for example, race/ethnicity, # of children, age) |
| | Property inspections |
| | Other (specify): |
| | Comment: |

Grants:

| | |
|--|--|
| | Grant application scoring and selection – if any personal information on the grantee is included |
| | Disbursement of funds to grantees – if any personal information is included |
| | Other (specify): |
| | Comment: |

Fair Housing:

| | |
|--|--|
| | Housing discrimination complaints and resulting case files |
| | Other (specify): |
| | Comment: |

Internal operations:

| | |
|--|---|
| | Employee payroll or personnel records |
| | Payment for employee travel expenses |
| | Payment for services or products (to contractors) – if any personal information on the payee is included |
| | Computer security files – with personal information in the database, collected in order to grant user IDs |
| | Other (specify): |
| | Comment: |

Other lines of business (specify uses):

| | |
|--|--|
| | |
| | |
| | |

Question 4: Will you share the information with others? (e.g., another agency for a programmatic purpose or outside the government)?

Mark any that apply:

| | |
|---|---|
| | Federal agencies? |
| | State, local, or tribal governments? |
| | Public Housing Agencies (PHAs) or Section 8 property owners/agents? |
| X | FHA-approved lenders? |
| | Credit bureaus? |
| | Local and national organizations? |
| | Non-profits? |
| | Faith-based organizations? |
| | Builders/ developers? |
| | Others? (specify): |
| X | Comment: This information is not shared with other agencies. Lender users with case level access only have the ability to view cases where they are the originator, holder, servicer, or sponsor of the loan. |

Question 5: Can individuals “opt-out” by declining to provide personal information or by consenting only to particular use (e.g., allowing their financial information to be used for basic rent eligibility determination, but for not for sharing with other government agencies)?

| | |
|---|---|
| | Yes, they can “opt-out” by declining to provide private information or by consenting only to particular use |
| X | No, they can’t “opt-out” – all personal information is required |
| | Comment: |

If Yes, please explain the issues and circumstances of being able to opt-out (either for specific data elements or specific uses of the data): _____

Question 6: How will the privacy of the information be protected/ secured? What are the administrative and technological controls?

Mark any that apply and give details if requested:

| | |
|---|---|
| X | System users must log-in with a password (For case level data) |
| X | When an employee leaves: <ul style="list-style-type: none"> • How soon is the user ID terminated? (1 day, 1 week, 1 month, unknown)? • How do you know that the former employee no longer has access to your system? (explain your procedures or describe your plan to improve): The SFNW public system providing summary information is open to all citizens. The SFNW case level view uses the FHA Connection security controls for entry. ID termination procedures for FHA Connection are followed. |
| X | Are access rights selectively granted, depending on duties and need-to-know? If Yes, specify the approximate # of authorized users who have either: <ul style="list-style-type: none"> • Full access rights to all data in the system: We currently have 16,186 active users. These include Lenders Mortgagee, HUD Headquarters and field office staffs • Limited/restricted access rights to only selected data: We average about 55 persons daily using the public website. The SFNW Public website is accessed via the Internet and is under the www.hud.gov uniform resource locator (url), Work Online, Citizens. |
| | Are disks, tapes, and printouts that contain personal information locked in cabinets when not in use? (explain your procedures, or describe your plan to improve): |
| | If data from your system is shared with another system or data warehouse, who is responsible for protecting the privacy of data that came from your system but now resides in another? Explain the existing privacy protections, or your plans to improve: |
| | Other methods of protecting privacy (specify): |
| | Comment: |

Question 7: If privacy information is involved, by what data elements can it be retrieved?

Mark any that apply:

| | |
|---|--|
| | Name: |
| | Social Security Number (SSN) |
| | Identification number (specify type): |
| | Birth date |
| | Race/ ethnicity |
| | Marital status |
| | Spouse name (if co-borrower on the loan) |
| | Home address |
| | Home telephone |
| | Personal e-mail address |
| | Other (specify): |
| | None |
| X | Comment: Personally identifiable information is available to users with case level detail access only via FHA Case Number. Users cannot search or retrieve information in the SFNW system by any of the elements listed above. |

Other Comments (or details on any Question above):

SECTION 3: DETERMINATION BY HUD PRIVACY ADVOCATE

The Single Family Neighborhood Watch contains read only data from HUD’s Legacy systems some of which is subject to the Privacy Act and Freedom of Information Act. However, access to this data is restricted, with permission(s) granted by user id.

The Single Family Neighborhood Watch System public website does not pose a privacy risk. There is no PII information collected and/ or stored on the system, only default statistical totals and averages.