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[Notices]

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5130-N-15]

Privacy Act of 1974; Notice of a New System of Records, Single Family Insurance System CLAIMS Subsystem

AGENCY: Office of the Chief Information Officer, HUD.

ACTION: Notice of a new System of Records, Single Family Insurance System CLAIMS Subsystem.

SUMMARY: Pursuant to the provisions of the Privacy Act of 1974 (5 U.S.C. 552a), HUD's Single Family Claims Branch is providing notification of the establishment of this new record system, the Single Family Insurance System CLAIMS Subsystem, A43C. The purpose of A43C is to collect, maintain and verify data needed to support the claim payment activities received from mortgagees.

DATES: Effective Date: This action shall be effective without further notice on December 20, 2007 unless comments are received which will result in a contrary determination.

Comments Due Date: December 20, 2007.

ADDRESSES: Interested persons are invited to submit comments regarding this notice to the Rules Docket Clerk, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street, SW., Room 10276, Washington, DC 20410-0500. Any communications should make reference to the above docket number and title. A copy of each communication submitted will be available for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address.

FOR FURTHER INFORMATION CONTACT: The Departmental Privacy Act Officer, 451 Seventh St., SW., Room 4156, Washington, DC 20410, Telephone Number (202) 619-9057. (This is not a toll-free number.) A telecommunication device for hearing- and speech-impaired individuals (TTY) is available at (800) 877-8339 (Federal Information Relay Service).

SUPPLEMENTARY INFORMATION: Title 5 U.S.C. 552a(e) (4) and (11) provides that the public be afforded a 30-day period in which to comment on the new systems of records, and require published notice of the existence and character of the system of records.

The new system report was submitted to the Office of Management and Budget (OMB), the Senate Committee on Homeland Security and Governmental Affairs, and the House Committee on Oversight and Government Reform pursuant to paragraph 4c of Appendix 1 to OMB Circular No. A-130, "Federal Agency Responsibilities for Maintaining Records About Individuals," July 25, 1994; 59 FR 37914.

Authority: 5 U.S.C. 552a 88 Stat. 1896; 342 U.S.C. 3535(d).

Dated: November 9, 2007.

Walter Harris,
Acting Chief Information Officer.
HUD/SFH-02

System Name:
Single Family Insurance Claims Subsystem (A43C)

System Location:
The CLAIMS system hardware is located on HUD's mainframe, which is in Charleston, WV. Backup facilities are provided by SUNGUARD in Philadelphia, PA.

Categories of Individuals Covered by the System:
A43C maintains data on mortgagors that have obtained a HUD insured mortgage. The system also records the servicer and holder of HUD insured mortgages.

Categories of Records in the System:
The application includes data such as case number, the mortgagor's name, Social Security Number and property address, and mortgage amount.

Authority for Maintenance of the System:

National Housing Act of 1937 as amended (Pub. L. 75-412).

Description and System Purposes:

The Single Family Insurance Claims Subsystem (CLAIMS) processes single family (SF) insurance claims against

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defaulted loans. CLAIMS also processes accounts receivables relating to SF claims, performs collection activities, processes cash receipts, and records accounts receivable activities as well as providing accounting information to users. The claims process is initiated when a servicing mortgagee completes and submits an application for Single Family Insurance Benefits (HUD Form 27011) to HUD headquarters, via Electronic Data Interchange (EDI), the FHA Connection, or paper. Each type of claim requires the submission of a Part A (Initial Application) and Part B (Fiscal Data). When submitting a paper conveyance claim, a Title Approval Letter (TAL) must accompany the claim. However, when transmitting the claim through EDI, the TAL is not submitted with the conveyance claim because the title approval data from A80S-Single Family Acquired Asset Management System (SAMS) is stored in an authorization file.

Routine Uses of Records Maintained in the System, Including Categories of Users and the Purposes of Such Uses:

In addition to those disclosures generally permitted under 5 U.S.C. 552 a(b) of the Privacy Act, other routine uses are as follows:

1. U.S. Treasury: A43C provides the EFT disbursement information to Treasury for claim payments.
2. Claims Lockbox: SFICS receives batches of AR cases from U.S. Bank. Processing is performed on a daily basis following FedEx delivery of the schedule from U.S. Bank.
3. CENCOR: Automated mailing contractor--Advice of Payment, (AOP), Billing, and Title Approval letters.
4. Federal Housing Administration (FHA)-Approved Lenders: Lenders submit claims using the Single Family Application for Insurance Benefits (Form HUD-27011) via Electronic Data Interchange (EDI), the FHA Connection, or paper. Form HUD-27011 includes PII such as name, Social Security Number, and property address. Upon analysis of the claim, the lender will receive from HUD TS824, "Request for Correction", stating any deficiencies that need to be corrected, or TS820, AOP, informing the lender that the claim has been paid.
5. SFIS (A43): The purpose of the outgoing interface to SFIS is to

update the FHA insurance status to ``CLAIM" and to provide an effective date for the status change upon authorization of a claim for payment.

6. CAIVRS (F57): Outgoing--With authorized lenders and Federal agencies for the purpose of prescreening applicants for loans or loans guaranteed by the Federal Government for the purpose of evaluating a loan applicant's creditworthiness. Provision of the Social Security Numbers of mortgagors associated with the initial claim payment (Part A) over the past three years.

7. FHASL (PO13): FHASL is provided with paid claims fiscal data from SFICS and Loss Mitigation on a daily and monthly basis.

8. SFHEDW (D64A): SFICS data is extracted and uploaded to the SFHEDW for analysis on a weekly basis

9. CHUMS (F17): SFICS receives indemnification information related to specific cases from CHUMS on a daily basis.

10. SAMS (A80S): Outgoing--Provides financial information for paid Conveyance claims or paid Supplemental claims with an original paid Conveyance claim on a daily basis. Additionally, the SAMS extract file (from ARS) provides case-level information for established and adjusted receivables on a monthly basis. Incoming--Defines whether Title Evidence was approved; title approval is a pre-requisite for processing Part B Conveyance claims.

11. SFMNS/IFS (A80N): Provides the Strategy Group with paid Loss Mitigation--Partial Claims (Claim Type 33) data daily for the monitoring of these Secretary-held subordinate notes.

12. FHAC (F17C): Outgoing--Provides lenders and HUD users with case status information and title approval via the Internet. Incoming-- Provides the capability for authorized lender employees to submit individual claims for specified claim types.

13. IMF (F51): SFICS accesses the IMF to obtain lender institution information for the purpose of EFT payment and address generation.

14. EDIS (U26A): Transfer of the TS 998 to confirm receipt of a claim transmitted via Electronic Data Interchange. Transfer of the TS 820 and TS824 files to the respective trading partners for the servicer or holder to indicate either payment or suspension of incoming claims received as TS260 transactions. The TS824 transactions are error records from the A43C batch load process.

15. GNMA: Provides GNMA with paid claims information for FHA-insured loans in GNMA pools.

16. Fannie Mae: Fannie Mae, as a holder, receives data regarding paid claims information for FHA-insured loans through an Advice of Payment.

Policies and practices for storing, retrieving, accessing, retaining, and disposing of records in the system:

Storage:

Various types of storage media are used depending on the method used for filing a claim. Paper claims are filed at our contractor's office after processing, while disks and tapes are used to store electronic records in multiple computer record systems.

Retrievability:

Data regarding a claim filed on a HUD insured property is obtained using the FHA Case Number, property address, mortgagor's name, mortgagee servicing number, or mortgagee holder number.

Safeguards:

Safeguards that are in place include:

Lockable file cabinets;

Secured computer facilities at HUD and their contractor's offices;

Background checks of all HUD employees and contractor staff;

Computer access to the multiple HUD record systems is restricted by passwords, defined individual access profiles (least privileges), and access to specified data fields is restricted. Users, whether at HUD Headquarters or the Homeownership Centers, obtain access to CLAIMS through a HUD INET communication link from their LAN to the IBM mainframe computer;

Data is transmitted over secure T-1 and Shiva lines;

Information about conveyed properties is available to the public via the Internet for marketing purposes. However, information covered by the Privacy Act of 1974 and the Right to Financial Privacy Act (12 U.S.C. 3401) is not incorporated in any Internet site.

Retention and Disposal:

Depending on the age of the records, obsolete records are either sent to a storage facility or destroyed in accordance with HUD Housing Handbook 2226.1, Chapter 3 and Appendix 20 of HUD Housing Handbook 2225.6.

System manager(s) and Address:

Director, Single Family Post Insurance Division and Chief, Single Family Claims Branch; HUD, 451 7th Street, SW., Room 6248, Washington, DC 20410.

Notification and Records Access Procedures:

The Department's rules for providing access to records to the individual concerned are in accordance with 24 CFR part 16--Implementation of the Privacy Act of 1974. Individuals seeking

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information, assistance, or inquiry about the existence of records can contact the Departmental Privacy Act Officer at the Department of Housing and Urban Development, 451 Seventh Street, SW, Room 4156, Washington, DC 20410. Written requests must include the full name, current address, and telephone number of the individual making the request, as well as proof of identity, including a description of the requester's relation to the information in question.

Record Access Procedures:

The Department's rules for providing access to an individual's records appear in 24 CFR Part 16--Implementation of the Privacy Act of 1974. If additional information or assistance is required, contact the Departmental Privacy Act Officer.

Contesting Record Procedures:

The procedures for contesting the contents of records and appealing initial denials appear in 24 CFR Part 16--Implementation of the Privacy Act of 1974. If additional information or assistance is required, contact:

(i) The Departmental Privacy Act Officer, HUD; 451 7th St., SW., Room 4156, Washington, DC 20410, if contesting the content of records; or

(ii) The Departmental Privacy Appeals Officer, Office of General Counsel, Department of Housing and Urban Development; 451 7th St., SW., Washington, DC 20410, for appeals of initial denials.

Record Source Categories:

Record source categories include HUD/FHA Claims for Insurance Benefits, subject individuals; other individuals; credit bureaus; financial institutions; other corporations or firms; federal government agencies; non-federal (including foreign, state and local) government agencies; real estate brokers and agents.

Exemptions from certain provisions of the Act:

None.

[FR Doc. E7-22607 Filed 11-16-07; 8:45 am]

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