Privacy Impact Assessment
CLP Servicing; 4 of 7 - LoanServ (LoanServ)

◄ Version: 4.0

◄ Date: May 10, 2023

◄ Prepared for: USDA Rural Development (RD)

USDA

**United States Department
of Agriculture**

Privacy Impact Assessment for the CLP Servicing; 4 of 7 - LoanServ (LoanServ*)*

5/10/2023

Contact Point

Rural Development, Cyber Security Division
United States Department of Agriculture
RDPrivacy@usda.gov

Abstract

LoanServ is used to provide loan servicing and support for rural housing SFH (Single Family Home) direct loans and grants, including delinquency servicing and risk management. LoanServ provides the interfaces to taxing authorities, insurance providers, credit bureaus, the U.S. Department of Treasury for the Treasury Offset Program and Cross Servicing for Guaranteed Loss Claims for required financial reporting. This PIA is required because the PTA determined that PII data is processed in LoanServ.

Overview

The **LoanServ** loan servicing system is a Commercial-off-the- Shelf (COTS) product which has been significantly enhanced to accommodate the unique requirements of the Federal Housing loan programs. The purpose of LoanServ is used to provide loan servicing and support for single family housing direct loans and grants (payment application, delinquency processing, automated escrow account processing and required financial reporting to credit bureaus and Treasury). The LoanServ system also provides the interfaces to taxing authorities, insurance providers, credit bureaus, the U.S. Department of Treasury for the Treasury Offset Program and Cross Servicing for Guaranteed Loss Claims, and other entities which assist in providing a secure and robust loan servicing system.

Primary users of LoanServ work in the Centralized Servicing Center (CSC), Office of the Deputy Chief Finance Officer, State and Local servicing offices, and the National Office. PII is processed.

Call Pegging (CallPeg) is a software application tool within the LoanServ area boundary used by USDA Centralized Servicing Center (CSC) designed to capture reasons customers call in to the Call Center. The CallPeg system piggybacks on the LoanServ application and located at https://callpeg.sc.egov.usda.gov. Information collected includes the account number, reason(s) for call, representative's name answering the call, date and time, and some current account data such as customer delinquency. RD uses this information to study the call activity and to improve the quality of customer service they provide. PII is processed.

Section 1.0 Characterization of the Information

The following questions are intended to define the scope of the information requested and/or collected as well as reasons for its collection as part of the program, system, rule, or technology being developed.

1.1   What information is collected, used, disseminated, or maintained in the system?

LoanServ processes the following information from individuals (RD Borrowers):

- Full name
- Date and/or place of birth

- Address Information
- Personal identification number (includes SSN/TIN)
- Financial data
- Employment history
- Miscellaneous identification numbers such as RD account number

CallPeg processes the following information:
- Full name
- RD account number and loan financial data (loan status)

1.2 What are the sources of the information in the system?

LoanServ receives closing documentation for the Single-Family Housing (SFH direct loans and grants, phone and personal interviews, and correspondence from UniFi (an internal RD application), which is the loan origination system.

CallPeg gets its information from customer calls and is tracked internally and hosted on the DISC platform. CSC representatives capture reasons customers call in to the Call Center.

1.3 Why is the information being collected, used, disseminated, or maintained?

LoanServ information is collected, used, disseminated or maintained for servicing RD direct loans and grants, the payment of taxes and insurance bills on the RD property and for reporting payment history to the credit bureaus to meet financial compliance requirements.

CallPeg is used to collect information from RD customers who call RD staff for assistance. CallPeg enhances the RD customer experience by providing management with useful data to improve this business process.

1.4 How is the information collected?

LoanServ information is collected from UniFi with an upload that contains closing documentation for the SFH direct loans and grants, phone and personal interviews, and RD correspondence.

CallPeg information is collected from RD customers who call RD staff for assistance.

1.5 How will the information be checked for accuracy?

The data is verified by authorized RD staff with regular review and verification as part of the normal workflow for LoanServ. Authorized RD Staff routinely review the information to ensure its accuracy as part of the normal workflow for LoanServ.

1.6 What specific legal authorities, arrangements, and/or agreements defined the collection of information?

- Privacy Act of 1974, as Amended (5 U.S.C. § 552a)
- OMB Circular A-130, Managing Information as a Strategic Resource, July 2016
- Freedom of Information Act, as amended (5 U.S.C. § 552)
- Federal Information Security Modernization Act of 2014 (also known as FISMA), (44 U.S.C. §3551), December 2014
- Consolidated Farm and Rural Development Act (7 U.S.C. §1981, et. seq.) and Title V of the Housing Act of 1949 as amended (42 U.S.C. §1471, et. seq.)
- Farm Bill 2018 (P.L. 115-334, Section 6417)
- Fair Credit Reporting Act, 15 U.S.C. §1681f
- Consumer Credit Protection Act, 15 U.S.C. §1601, et. seq.
- Equal Credit Opportunity Act, 15 U.S.C. §1691, et. seq.
- The Fair Debt Collection Practices Act, 15 U.S.C. §162, et. seq.
- 7 CFR Part 3550, Direct Single Family Housing Loans and Grants
- 7 CFR Part 3555, Guaranteed Rural Housing Program
- 7 CFR Part 3560, Direct Multi-Family Housing Loans and Grants

1.7 Privacy Impact Analysis: Given the amount and type of data collected, discuss the privacy risks identified and how they were mitigated.

MODERATE RISK: LoanServ privacy risks center around potential adverse consequences of unauthorized disclosure of PII would have on RD customers in the event of a breach.

MITIGATION: The LoanServ enforces user authentication and authorization. The system is designed to confirm the identity of authorized LoanServ users prior to granting the appropriate system access based on the user's pre-defined access level.

Section 2.0 Uses of the Information

The following questions are intended to clearly delineate the use of information and the accuracy of the data being used.

2.1 Describe all the uses of information.

LoanServ information is used to process Single Family Housing (SFH) direct loans and grants. This processing includes payment application, delinquency processing, automated escrow account processing and required financial reporting to credit bureaus and Treasury.

CallPeg uses data for trend analysis to improve the customer relationship for calls made to the call center. RD uses this information to study the call activity and to improve the RD customer experience with enhanced business processes.

2.2   What types of tools are used to analyze data and what type of data may be produced?

LoanServ creates output files that may be used by the FOCUS reporting tool to create fund distribution/allocation reports. RD uses CallPeg as a reporting tool to study the call activity and to improve the quality of customer service they provide.

2.3   If the system uses commercial or publicly available data please explain why and how it is used.

N/A

2.4   <u>Privacy Impact Analysis</u>: Describe any types of controls that may be in place to ensure that information is handled in accordance with the above described uses.

The LoanServ enforces user authentication and authorization. The system is designed to confirm the identity of authorized LoanServ users prior to granting the appropriate system access based on the user's pre-defined access level.

Section 3.0 Retention

The following questions are intended to outline how long information will be retained after the initial collection.

3.1   How long is information retained?

Loan Serv - RD GRS 2033a SFH Exhibit O
LOANS: 7 years after Cutoff
Approved:
- Line 6 – Sec 502 (Direct Single Family Housing Loans) DAA-0572-2017-0001-0006
- Line 8 – Sec 502 (Self-Help Housing Loans), DAA-0572-2017-0001-0008
- Line 7 – Sec 504 (Direct Rehabilitation Loans) DAA-0572-2017-0001-0007

Rejected, withdrawn, canceled, or expired: Line 4, DAA-0572-2017-0001-0004

Call Peg – SFH Correspondence 7 FYs after Cutoff, DAA-0572-2017-0001-0001

3.2   Has the retention period been approved by the component records officer and the National Archives and Records Administration (NARA)?

Yes.

3.3 <u>Privacy Impact Analysis</u>: **Please discuss the risks associated with the length of time data is retained and how those risks are mitigated.**

MODERATE RISK: The risk is associated with the potential unauthorized disclosure or illegal use of this PII and the potential adverse consequences this disclosure or use would have on the customer.

MITIGATION: Access controls are in place to reduce unauthorized access. Access Control Facility (ACF2) is used for authentication by authorized LoanServ RD staff.

Section 4.0 Internal Sharing and Disclosure

The following questions are intended to define the scope of sharing within the United States Department of Agriculture.

4.1 **With which internal organization(s) is the information shared, what information is shared and for what purpose?**

LoanServ shares cash tracking, general ledger, and borrower files *(name, SSNs)* with USDA Farm Production and Conservation (FPAC) for the purpose of reducing operating costs, improving functionality and efficiency, and centralizing access to data.

4.2 **How is the information transmitted or disclosed?**

Data is transmitted between RD and FPAC via Secure File.

4.3 <u>Privacy Impact Analysis</u>: **Considering the extent of internal information sharing, discuss the privacy risks associated with the sharing and how they were mitigated.**

MODERATE RISK: Risk is associated with the unauthorized access and potential compromise of PII data in LoanServ.

MITIGATION: Risk is mitigated by implementing and auditing controls spelled out in the Interconnection Security Agreement, Memorandum of Understanding, Rev 1.9, dated May 2021.

Section 5.0 External Sharing and Disclosure

The following questions are intended to define the content, scope, and authority for information sharing external to USDA which includes Federal, state and local government, and the private sector.

5.1 With which external organization(s) is the information shared, what information is shared, and for what purpose?

External Sharing Entity (ISA Reference#)	Types of Data	Purpose
Bank of America (ISA RD-188)	• Full name • Borrower account number • Bank of America account number	Disburse service for escrow account balances
CoreLogic (ISA RD-153)	• Name • Loan number • Address • Tax ID	Provide real estate taxing authorities with tool to process billing information for several mortgage companies in a single file (real estate tax processing)
DLA & Global Exchange Services (GEX) (ISA RD-100)	• Names • Addresses • SSN • Bankruptcy information	Daily federal bankruptcy data
Experian (ISA RD-110)	• Name • Address • Loan # • SSN	Compliance with Fair Credit Reporting Act (FCRA) (credit reporting)
FiServ Hazard EDI (ISA RD-168)	• Name • Loan # • Address • Policy number	Hazard insurance payment processing
Innovis Data Solutions (ISA RD-103)	• Name • Address • Loan # • SSN	Compliance with Fair Credit Reporting Act (FCRA) (credit reporting)
MoneyGram (ISA RD-128)	• Loan number	Processing payments
Proctor EDI (ISA RD-142)	• Name • Loan # • Address • Policy number	Provide force-place insurance to borrowers
TransUnion (SA RD-155)	• Name • Address • Loan # • SSN	Compliance with Fair Credit Reporting Act (FCRA) (credit reporting)
US Bank (ISA RD-156)	• Loan number	Provides lockbox services for direct single family housing loan customers

US Treasury (TWAI)(ISA MOU RD-183)	• Name • Data/Place of birth • Address • Personal ID number • Financial data • Employment history • Miscellaneous ID numbers	Compliance with Treasury Offset Program and Cross Servicing for Guaranteed Loss Claims
Western Union (ISA RD-111)	• Loan number	Processing payments

5.2 Is the sharing of personally identifiable information outside the Department compatible with the original collection? If so, is it covered by an appropriate routine use in a SORN? If so, please describe. If not, please describe under what legal mechanism the program or system is allowed to share the personally identifiable information outside of USDA.

Yes, sharing is covered under USDA/Rural Development 1, Current or Prospective Producers or Landowners, Applicants, Borrowers, Grantees, Tenants, and Other Participants in RD Programs.

5.3 How is the information shared outside the Department and what security measures safeguard its transmission?

LoanServ requires an Interconnection Service Agreement (ISA) or Memorandum of Understanding (MOU) for all external connections. The table below describes how data is transferred and the security measures in place.

External Sharing Entity (ISA Reference#)	Transfer method / security measures
Bank of America (ISA RD-188)	Online File transfer via SSL / encryption
CoreLogic (ISA RD-153)	VLAN / encryption
DLATS EDI Bankruptcy (ICA IOT21005)	Electronic Data Interchange (EDI) Secure File Transfer Protocol (SFTP) / encryption
DLA & GEX (ISA RD-100)	VLAN / SFTP transmissions
Experian (ISA RD-110)	SSL, SFTP / encryption
FiServ Hazard EDI (ISA RD-168)	VLAN / encryption
Innovis Data Solutions (ISA RD-103)	VLAN / 256-bit encryption
MoneyGram (ISA RD-128)	VLAN / encryption
Proctor EDI (ISA RD-142)	VLAN / Secure FTP over port 990
TransUnion (SA RD-155)	VLAN / SSL
US Bank (ISA RD-156)	VLAN / SSL encrypts the data from server to server

US Treasury (TWAI)(ISA MOU RD-183)	Connect:Direct over the TWAI File Transfer Gateway (FTG) and VLAN / Encryption
Western Union (ISA RD-111)	VLAN / via an SFTP server

5.4 Privacy Impact Analysis: Given the external sharing, explain the privacy risks identified and describe how they were mitigated.

MODERATE RISK: Privacy risks include the potential compromise and unauthorized access of PII data.

MITIGATION: This risk is mitigated with internal security and privacy controls outline in the System Security Plan and the ISAs. These measures enforce user authentication and authorization. The system is designed to confirm the identity of authorized LoanServ users prior to granting the appropriate system access based on the user's pre-defined access level. Audit logs are maintained to monitor activity.

Section 6.0 Notice

The following questions are directed at notice to the individual of the scope of information collected, the right to consent to uses of said information, and the right to decline to provide information.

6.1 Does this system require a SORN and if so, please provide SORN name and URL.

Yes, USDA/Rural Development 1, Current or Prospective Producers or Landowners, Applicants, Borrowers, Grantees, Tenants, and Other Participants in RD Programs.

6.2 Was notice provided to the individual prior to collection of information?

Not applicable. LoanServ is not the initial point of collection where notice is provided.

6.3 Do individuals have the opportunity and/or right to decline to provide information?

Not applicable. LoanServ is not the initial point of collection where the opportunity and/or right to decline is provided.

6.4 Do individuals have the right to consent to particular uses of the information? If so, how does the individual exercise the right?

Not applicable. LoanServ is not the initial point of collection where the opportunity to consent to particular uses is provided.

6.5 **Privacy Impact Analysis: Describe how notice is provided to individuals, and how the risks associated with individuals being unaware of the collection are mitigated.**

Not applicable. LoanServ is not the initial point of collection where notice is provided and risks are mitigated.

Section 7.0 Access, Redress and Correction

The following questions are directed at an individual's ability to ensure the accuracy of the information collected about them.

7.1 **What are the procedures that allow individuals to gain access to their information?**

Not applicable. LoanServ is not the initial point of collection.

7.2 **What are the procedures for correcting inaccurate or erroneous information?**

Not applicable. LoanServ is not the initial point of collection.

7.3 **How are individuals notified of the procedures for correcting their information?**

Not applicable. LoanServ is not the initial point of collection.

7.4 **If no formal redress is provided, what alternatives are available to the individual?**

Not applicable. LoanServ is not the initial point of collection.

7.5 **Privacy Impact Analysis: Please discuss the privacy risks associated with the redress available to individuals and how those risks are mitigated.**

Not applicable. LoanServ is not the initial point of collection.

Section 8.0 Technical Access and Security

The following questions are intended to describe technical safeguards and security measures.

8.1 What procedures are in place to determine which users may access the system and are they documented?

Desk Procedures document the process for establishing, activating, and modifying individual users for LoanServ. The group and account types are defined by the System Owner for the LoanServ.

8.2 Will Department contractors have access to the system?

Yes.

8.3 Describe what privacy training is provided to users either generally or specifically relevant to the program or system?

Yes, all RD employees and contractors are required to complete annual information security and awareness training, which includes privacy training.

8.4 Has Certification & Accreditation been completed for the system or systems supporting the program?

Yes, LoanServ has an Authorization to Operate (ATO) until January 2, 2026.

8.5 What auditing measures and technical safeguards are in place to prevent misuse of data?

NIST 800-53 controls are discussed in detail in the LoanServ Security Plan documentation including the Audit and Accountability (AU) controls in place to prevent misuse of data. Access to LoanServ is enforced with authentication. Access to sensitive information is controlled on a need-to-know basis and with audit logs of user activity.

8.6 Privacy Impact Analysis: Given the sensitivity and scope of the information collected, as well as any information sharing conducted on the system, what privacy risks were identified and how do the security controls mitigate them?

MODERATE RISK: There is moderate risk given the sensitivity and scope of the information collected, as well as any information sharing conducted on the system.

MITIGATON: LoanServ implements the relevant National Institute of Standards and Technology (NIST) 800-53 controls to prevent unauthorized access. Systems and Communication Protection controls are in place to prevent unauthorized access.

Section 9.0 Technology

The following questions are directed at critically analyzing the selection process for any technologies utilized by the system, including system hardware and other technology.

9.1   What type of project is the program or system?

LoanServ information is used to process Single Family Housing (SFH) direct loans and grants. This processing includes payment application, delinquency processing, automated escrow account processing and required financial reporting to credit bureaus and Treasury.

CallPeg is a customer service application used to take notes and update accounts when customers call into the call center.

9.2   Does the project employ technology which may raise privacy concerns? If so please discuss their implementation.

No, the project utilizes Agency approved technologies for LoanServ, and these technology choices do not raise privacy concerns.

Section 10.0 Third Party Websites/Applications

The following questions are directed at critically analyzing the privacy impact of using third party websites and/or applications.

10.1   Has the System Owner (SO) and/or Information Systems Security Program Manager (ISSPM) reviewed Office of Management and Budget (OMB) memorandums M-10-22 "Guidance for Online Use of Web Measurement and Customization Technology" and M-10-23 "Guidance for Agency Use of Third-Party Websites and Applications"?

Yes.

10.2   What is the specific purpose of the agency's use of 3rd party websites and/or applications?

Not applicable. LoanServ does not use 3rd party websites or applications.

10.3   What personally identifiable information (PII) will become available through the agency's use of 3rd party websites and/or applications.

Not applicable. LoanServ does not use 3rd party websites or applications.

10.4   How will the PII that becomes available through the agency's use of 3rd party websites and/or applications be used?

Not applicable. LoanServ does not use 3rd party websites or applications.

10.5   How will the PII that becomes available through the agency's use of 3rd party websites and/or applications be maintained and secured?

Not applicable. LoanServ does not use 3rd party websites or applications.

10.6   Is the PII that becomes available through the agency's use of 3rd party websites and/or applications purged periodically?

Not applicable. LoanServ does not use 3rd party websites or applications.

10.7   Who will have access to PII that becomes available through the agency's use of 3rd party websites and/or applications?

Not applicable. LoanServ does not use 3rd party websites or applications.

10.8   With whom will the PII that becomes available through the agency's use of 3rd party websites and/or applications be shared - either internally or externally?

Not applicable. LoanServ does not use 3rd party websites or applications.

10.9   Will the activities involving the PII that becomes available through the agency's use of 3rd party websites and/or applications require either the creation or modification of a system of records notice (SORN)?

Not applicable. LoanServ does not use 3rd party websites or applications.

10.10 Does the system use web measurement and customization technology?

Not applicable. LoanServ does not use 3rd party websites or applications.

10.11 Does the system allow users to either decline to opt-in or decide to opt-out of all uses of web measurement and customization technology?

Not applicable. LoanServ does not use 3rd party websites or applications.

10.12 Privacy Impact Analysis: Given the amount and type of PII that becomes available through the agency's use of 3rd party websites and/or applications, discuss the privacy risks identified and how they were mitigated.

Not applicable. LoanServ does not use 3rd party websites or applications.

Approval Signature

Signed copy kept on record.