

Privacy Impact Assessment

CLP Servicing; 3 of 7 – Guaranteed Loan System (GLS)

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Privacy Impact Assessment for the Guaranteed Loan System (GLS)

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Abstract

GLS records and manages obligations, servicing, and loss claims for guaranteed programs, as well as managing and monitoring lenders. GLS consists of eleven (11) internal modules that process PII: GLS Blockmode (Blockmode), Electronic Status Reporting (ESR), Farm Service Agency Guaranteed (FSAG), Guaranteed Annual Fees (GAF), Guaranteed Loan (GuarLoan), GLSmdb (mdb), GLS Services (Services), Guaranteed Loan Technology Branch (GLTB), Intermediary Relending Program (IRP), Multi- Family Housing Guaranteed (MFHG), and Single- Family Housing (SFH Loss). This PIA is required because PII data is being collected, processed, or stored in the GLS components and the PTA determined that a PIA is required.

Overview

The Guaranteed Loan System (GLS) is one of Rural Development's official accounting and financial management systems which supports the Guaranteed and Direct Business & Industry program, Guaranteed Community Facility program, Guaranteed Rural Rental Housing program, Guaranteed Single Family Housing program - including SFH Loss, and the Guaranteed Water & Waste program in RD. It also includes the GuarLoan and the FSAG subcomponents. GLS is an online transaction entry and inquiry financial and accounting system accessed by over 700 field offices, the National office, and Finance office. Updates are done online real-time and through nightly batch processes. Field offices primarily use Guaranteed support functions, and the Finance office has overall operational, financial, and accounting responsibility for RD. External trusted partners (Lenders) provide loan status data via file uploads from Lender Interactive Network Connection to the mainframe during the monthly reporting periods.

GLS records and manages obligations, servicing, and loss claims for guaranteed programs, as well as managing and monitoring lenders. The following GLS applications process PII:

- A. Electronic Status Reporting (ESR)** - (Hosted in the DISC Midrange environment). - Application for electronically capturing current loan status and delinquency information. Monitors USDA portfolio and lender performance. Provides reports on servicers and default status on a monthly basis.
- B. GLS Components / Services**
 - *Farm Service Agency Guaranteed (FSAG)* – Component including view only loan and credit bureau data. It can be accessed seven days a week via eAuth.
 - *Multi-Family Housing Guaranteed (MFHG)* - Component including loan origination, funds reservation, loan closing, losses, secondary market transactions, lender portfolio management, servicing actions, re-amortizations, consolidations, transfers, agency loan repurchases, liquidation expenses, interest credit payments, and status reporting.
 - *Guaranteed Loan (GuarLoan)* – GLS common or shared components used by loan programs within FSA and RD, including loan origination, funds administration, loan closing, annual fees, late fees, losses, secondary market transactions, lender portfolio management, servicing actions, re-amortizations, consolidations, transfers, agency

- loan repurchases, liquidation expenses, interest assistance payments, status reporting, and credit bureau reporting.
- *GLSmdb* – Component generates conditional commitment and loan closing forms and sends emails to the lenders with links to the forms.
 - *GLS Services* – A variety of services that interface with the GLS database and provide updates to borrower and loan data as well as annual fee amortization information.
 - *GLS Blockmode* – Component provides inquiry and update capability for GLS Security, GLS Loan Servicing, Electronic Fund Transfer, Messaging and Treasury Symbol data.
 - *Guaranteed Loan Technology Branch (GLTB)* - contains common Borrower functions for multiple loan programs and Loan Servicing functionality including re-amortizations, liquidation expenses, loss claims and Mortgage Recovery Advances repayment functionality.
- C. **Guaranteed Annual Fees (GAF)** – (Hosted in the DISC midrange environment) Component application provides an automated means to retrieve billing of annual fees for SFH guaranteed loans and allows submissions annual fee payment requests.
- D. **Intermediary Relending Program (IRP) / Rural Business Relending Program (RLP)** - (Hosted in the DISC midrange environment) Component provides loans to local organizations (intermediaries) for establishing revolving loan funds. These funds assist with financing business and economic development activity to create/retain jobs in disadvantaged/remote communities. Intermediaries are encouraged to work in concert with State and regional strategies, and in partnership with other public and private organizations that can provide complimentary resources. It allows the intermediary access to report the status of their recipients' loans and provide USDA financial reports via this site. Intermediaries can access it seven days a week via eAuth.
- E. **Single Family Housing (SFH Loss)** - (Hosted in the DISC midrange environment) Application automates the Guaranteed SFH Loss claims process by allowing lenders to electronically enter and transmit loss data and disburse loss payments to the lender via Electronic Funds Transfer (EFT). It allows for accurate and timely processing of SFH Loss claims data. While there is no direct interface to the LoanServ system, GLS places files on the mainframe which are accessed by LoanServ for claims applications. Files are currently empty as DCIA has been discontinued for RH Loans. Processing requirements for Automated Discrepancy Processing System (ADPS) collection of refunds and the GLS processing of lender payments are part of the GLS system as it relates to SFH Loss claims.

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?

GLS records and manages loan obligations, loan servicing, and loss claims for guaranteed loan programs, as well as manage and track lenders. GLS collects the following borrower information:

- full name
- address
- date of birth
- race/ethnicity
- citizenship
- marital status
- contact information (phone number and email address)
- Social Security Numbers (SSNs)
- Taxpayer Identification Numbers (TINs)
- financial information
- loan account information
- agency assigned numbers

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

GLS collects data from the following sources: Business Programs, Community Facilities, Multifamily Housing, Single Family Housing, Farm Service Agency, and Guaranteed Underwriting System 2 (GUS2).

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

Information is collected to monitor USDA-guaranteed private sector lender's loan portfolios and to provide financial and performance information on the Guaranteed portfolio. RD collects the information to determine eligibility and for consolidated reporting purposes, such as to the Internal Revenue Service (IRS) and related federal entities for financial compliance.

1.4 How is the information collected?

RD Lenders and RD personnel enter information directly into GLS or GUS2. RD receives a monthly file of banking data from the U.S. Department of Treasury.

1.5 How will the information be checked for accuracy?

Authorized RD staff manually review information to ensure that RD applicant/customer information and financial transactions are accurate and meet the RD business rules and USDA requirements.

There are many balancing processes that execute with every batch update cycle to validate the lender's loan portfolios. Balancing is done against general ledger, allotment summary, and check disbursement. The National Financial and Accounting Operations Center (NFAOC) within RD reviews these outputs daily.

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

Information in the GLS application falls under the following:

- *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. §1921, 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)*
- *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: The privacy risk centers on the potential unauthorized disclosure use of PII and the potential adverse consequences this disclosure or use would have on the RD customer.

MITIGATION: The GLS system owner defines access roles to ensure separation of duties, account management and authorized access to data and information in GLS. Only authorized RD staff and RD partners (Lenders) can access the GLS application using verified account access. These measures mitigate the risks to privacy data in GLS.

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.

GLS provides for the recording and management of loan obligations, servicing, and loss claims for guaranteed programs, as well as managing and monitoring lenders. GLS collects information to monitor USDA-guaranteed private sector lender's loan portfolios and to provide financial information on the GLS portfolio. The data is also used to determine

eligibility and for consolidated reporting purposes, such as demographic data.

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

GLS does not use tools to analyze data.

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

Not applicable, GLS does not use commercial or publicly available data.

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

GLS enforces user authentication and authorization to detect unauthorized access to information or transactions. The system is designed to confirm the identity of authorized GLS 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?

Borrower application records schedules are as follows:

- DAA-0572-2017-0001-0010 - 7 seven years
- DAA-0572-2017-0001-0005 (SFH Loss) – 7 years
- DAA-0572-2017-0008-0006 - 3 years
- DAA-0572-2017-0008-0007 - 7 years
- DAA-0572-2017-0007-0007 - 3 years

Program financial/accounting related records are not scheduled and will remain permanent until a records control schedule is developed/approved.

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

The borrower application records schedule has been approved by NARA.

Program financial/accounting related records are in the records schedule approval process.

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

HIGH 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. Mitigation requires the scheduling of GLS records.

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?

GLS shares data with Farm Production and Conservation's mission area, Farm Loan Accounting and Allotments System (FLAAS) - Program Loan Accounting System (PLAS). FLAAS contains the Program Loan Accounting System (PLAS), which supports the loan/grant making, servicing, General Ledger and reporting requirements for program areas. GLS sends cash tracking and general loan ledger information, which includes Borrower's PII data, to PLAS monthly via SFTP.

4.2 How is the information transmitted or disclosed?

The information within the GLS applications is transferred via mainframe batch processes. The information that is shared internally is within the USDA network using technical controls in place to protect the data with security and privacy protections.

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

MODERATE RISK: Privacy risks include the potential compromise of PII data with GLS.

MITIGATION: This risk is mitigated with internal security and privacy controls outline in the System Security Plan. Access is limited to authorized personnel using E-Authentication. Audit logs are maintained to monitor activity.

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?

GLS shares data via batch jobs with the following external organizations:

- **Ginnie Mae:** sends loan data information, such as the borrower’s full name, loan account number, address information, lender name/address, and financial information for the purpose of documenting GLS obligations for mortgage-backed securities.
- **Dun & Bradstreet BDES:** GLS sends guarantee loan information, such as the borrowers’ full name, lender names, addresses, date of reports, account number, TINs, amount of outstanding debt, type of debt, initiation date of debt, and maturity date to comply with Fair Credit and Reporting Act.
- **US Treasury / TWAI:** GLS sends loan account information, such as the borrowers’ full names, lender names, addresses, account number, TINs, and amount of outstanding debt for the purpose of the purposes of reducing government operating costs, providing greater functionality, and improving efficiency.
- **Experian:** GLS sends the borrower’s name, SSN, address, and account information for the purpose of providing credit bureau reporting on individuals with Farm Servicing Agency (FSA) guaranteed loans.

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, under [USDA/RD-1 Current or Prospective Producers or Landowners, Applicants, Borrowers, Grantees, Tenants, and Other Participants in RD Programs](#), Routine Uses 3, 7, and 10.

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

- **Ginnie Mae:** The security measures are detailed in the Data Sharing Agreement dated May 28, 2021 (expires May 2024)
- **Dun & Bradstreet BDES:** The security measures are detailed in the Interconnection Security Agreement (ISA) dated August 2020 (expires Aug 2023)
- **US Treasury / TWAI:** The security measures are detailed in the ISA and Memorandum of Agreement (MOA) dated May 2023 (expires May 2026).
- **Experian:** The security measures are detailed in the ISA dated November 20, 2021 (expires November 2024).

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 of PII and sensitive financial information.

MITIGATION: Risk is mitigated via the ICAs and MOUs governing the security practices and controls utilized to protect the information resources involved in the connection between the particular external organization and USDA GLS.

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, the system is covered by SORN USDA/RD-1, *Current or Prospective Producers or Landowners, Applicants, Borrowers, Grantees, Tenants, and Other Participants in RD Programs*: <https://www.govinfo.gov/content/pkg/FR-2019-05-14/pdf/2019-09874.pdf>.

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

Yes, notice was provided to the individual prior to the collection of information through the use of Form 3555-21. The borrower is required to sign/acknowledge prior to requesting a guarantee.

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

Individuals have the opportunity and/or right to decline to provide information on Form 3555-21.

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

Individuals are provided RD Form 3555-21 at the time of application to acknowledge and consent to the particular users of information.

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.

Notice is provided on RD Form 3555-21 at the time of loan/grant application. Individuals are also notified in the SORN RD-1. Applicants are aware of the collection of personal information.

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?

Individuals are also notified of the procedure to gain access to their information in the Record Access Procedures section as outlined in the SORN RD-1, Record Access Procedures. Individuals can reach out to authorized RD system users and lenders that have access to their information.

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

Procedures to correct their information are published in the Record Access Procedures section of the SORN RD-1.

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

Individuals are notified of the procedure to gain access to and contest their information in the Record Access Procedures section as outlined in the SORN RD-1.

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

Not applicable. Redress is provided.

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

Redress is available to program participant. There is no additional risk associated with the redress process available to users.

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?

GLS enforces user authentication and authorization to information contained within the

system prior to granting the appropriate system access based on the user’s pre-defined access level. Authentication and authorization is documented with desk procedures and approved by the GLS system owner.

8.2 Will Department contractors have access to the system?

Yes, RD contractors are required to undergo the same access and authentication procedures that RD federal employees follow.

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

All RD employees and contractors are required to complete annual information security and awareness training, which includes privacy training for GLS.

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

Yes, GLS has an Authorization to Operate (ATO), which is active until December 9, 2025.

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

GLS complies with the Federal Information Security Modernization Act of 2014 (FISMA) by documenting the Authorization and Accreditation, annual control self-assessments, and continuous monitoring in accordance with National Institute of Standards and Technology (NIST) Special Publication 800-53. Access to GLS is granted via eAuthentication once the UAM completes the proper provisioning. Section 5 of this PIA describes security protections in place for GLS data.

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.

MITIGATION: GLS 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?

GLS records and manages obligations, servicing, and loss claims for guaranteed programs, as well as managing and monitoring lenders.

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 GLS 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, the system owner and the ISSPM have reviewed the OMB memorandums.

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

Not applicable, GLS does not use 3rd party websites and/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, GLS does not use 3rd party websites and/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, GLS does not use 3rd party websites and/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, GLS does not use 3rd party websites and/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, GLS does not use 3rd party websites and/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, GLS does not use 3rd party websites and/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, GLS does not use 3rd party websites and/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, GLS does not use 3rd party websites and/or applications.

10.10 Does the system use web measurement and customization technology?

Not applicable, GLS does not use web measurement and customization technology.

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, GLS does not use web measurement and customization technology.

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

Not applicable, GLS does not use web measurement and customization technology.



Approval Signature

Signed copy kept on record.