



**Privacy Impact Assessment
For the
Home Affordable Modification Program
OMB Unique Identifier 1505-0216**

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Summary

The Department of the Treasury (UST or Treasury), Office of Financial Stability (OFS) is publishing this Privacy Impact Assessment (PIA) for the Home Affordable Modification Program (HAMP). HAMP is designed to bring relief to responsible homeowners struggling to make their mortgage payments, while mitigating the spillover effects of preventable foreclosures on neighborhoods, communities, the financial system and the economy. The program also provides clear and consistent loan modification guidelines that the entire mortgage industry can use. This PIA is being conducted because HAMP contains personally identifiable information (PII).

UST established the Making Home Affordable Program under the Emergency Economic Stabilization Act (EESA) of 2008 to stabilize the housing market. Just as the American Recovery and Reinvestment Act works to save or create several new jobs and the Financial Stability Plan works to get credit flowing, HAMP will support the recovery in the housing market and ensure that borrowers can continue paying their mortgages. The program is designed to facilitate first and second lien mortgage loan modifications; provide home price decline protection incentives; encourage foreclosure alternatives, such as short sales and deeds in lieu of foreclosure and make other foreclosure prevention services available to the marketplace. HAMP offers assistance to millions of homeowners who make a good-faith effort to make their mortgage payments, while attempting to prevent the destructive impact of the housing crisis on families and communities.

HAMP's goal is to reduce the amount homeowners owe per month to sustainable levels to stabilize communities. HAMP will bring together lenders, investors, servicers, borrowers, and the government, so that all stakeholders share in the cost of ensuring that responsible homeowners can afford their monthly mortgage payments. Borrower information is collected by mortgage loan servicers who then disclose that borrower information to the Financial Agents selected by the UST to administer the overall HAMP program. Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) have been designated as Financial Agents of UST, and are responsible for administering the program and monitoring compliance by servicers with the program. HAMP operates through a shared partnership between the Department and these Financial Agents to help those homeowners who commit to make reasonable monthly mortgage payments to stay in their homes, providing families with security and neighborhoods with stability.

System Application/General Information

1. What is the purpose of the system/application?

This system of records will facilitate administration of HAMP by the Department and its Financial Agents, including by enabling them to (i) collect and utilize information collected from mortgage loan servicers, including loan-level information about individual mortgage holders; and (ii) produce reports on the

performance of HAMP, such as reports that concern loan modification eligibility and "exception reports" that identify certain issues that loan servicers may experience with servicing loans.

2. What legal authority authorizes the purchase or development of this system/application?

The development and implementation of the system is authorized by the Emergency Economic Stabilization Act (EESA) of 2008 (Public Law 110-343).

3. Under which Privacy Act SORN does the system operate? (Provide the system name and unique system identifier.)

Home Affordable Modification Program Records--Treasury/DO.218

Data in the System

1. What categories of individuals are covered in the system?

This system of records contains loan-level information about individual mortgage borrowers. Loan servicers that participate in HAMP submit information about mortgage borrowers to the Department or its Financial Agents, and this information is stored in the system of records. Information collected pursuant to HAMP is subject to the Privacy Act only to the extent that it concerns individuals; information pertaining to corporations and other business entities and organizations is not subject to the Privacy Act.

2. What are the sources of the information in the system?

a. Is the source of the information from the individual or is it taken from another source? If not directly from the individual, then what other source?

Loan servicers who participate in HAMP collect information about mortgage borrowers. Those loan servicers then transmit this information to the Department or its Financial Agents, where it is stored in the system of records. The system may also contain information developed by UST and its Financial Agents in connection with HAMP. Information about individual mortgage borrowers does not go directly from the borrowers to the Department or its Financial Agents.

b. What Federal agencies are providing data for use in the system?

Certain information contained in the system is developed by UST itself.

c. What State and/or local agencies are providing data for use in the system?

State or local agencies are not providing data for use in the system.

d. From what other third party sources will data be collected?

Information in the system will be obtained from loan servicers who participate in the Program or will be developed by UST and its Financial Agents.

e. What information will be collected from the employee and the public?

Information is not collected directly from federal employees as an identifiable group. Information is not collected directly from members of the public. Mortgage loan servicers will provide information on mortgage borrowers, including (but not limited to) personal information such as name, Social Security Number, address, income, credit score, and debt, and mortgage information, such principal amount, interest rate, maturity date, valuation, and second lien amount. Information also may be acquired from commercial third party sources (such as, but not limited to, credit bureaus) to enable Treasury's Financial Agent to perform loan data validation with respect to data received directly or indirectly from servicers or borrowers. This document will be updated periodically as the information needs of the program evolve.

3. Accuracy, Timelines, and Reliability

a. How will data collected from sources other than bureau records be verified for accuracy?

Loan servicers that participate in HAMP (i) have agreed in writing that the information they provide to Treasury or to its Financial Agents is accurate, and (ii) have submitted a "click through" agreement on a Web site requiring the loan servicer to provide accurate information in connection with using the Program Web site. In addition, UST's Financial Agents will conduct loan servicer compliance reviews to validate data collection controls, procedures, and records. Information also may be acquired from commercial third party sources (such as, but not limited to, credit bureaus) to enable Treasury's Financial Agent to verify accuracy.

b. How will data be checked for completeness?

Verification of information submitted by loan servicers in connection with the Program is performed using certain computer programs. The computer programs examine over 120 parameters to verify the internal

validity and consistency of information submitted by the servicers. In addition, UST's financial agent will conduct loan servicer compliance reviews to check data collection controls, procedures, and records.

- c. Is the data current? What steps or procedures are taken to ensure the data is current and not out-of-date? Name the document (e.g., data models.)**

Loan servicers are contractually obligated to provide accurate information in connection with the Program. Please see response to item 3a above.

- d. Are the data elements described in detail and documented? If yes, what is the name of the document?**

The data elements contained in the system are described in detail in the HAMP Data Dictionary. The HAMP Data Dictionary is posted on the Program website, at www.HMPadmin.com. The data elements contained in the Central Data Store used by the Financial Agent providing compliance services to Treasury is documented in the MHA-C Central Data Store ("CDS") Data Dictionary maintained by that Financial Agent.

Attributes of the Data

- 1. Is the use of the data both relevant and necessary to the purpose for which the system is being designated?**

Yes. The information is required to administer the Program, which entails efforts to which this data is pertinent, including analysis of individual mortgage loans, calculation and payment of subsidies to modify loan terms to reduce borrower principal and interest payments and reviews to check whether Program requirements are being met. With this, the Department and its Financial Agents are able to analyze individual mortgage loans, calculate and pay subsidies to modify loan terms to reduce borrower principal and interest payments, as well as to produce reports on the performance of the HAMP Program. Fannie Mae and Freddie Mac have been designated as Financial Agents and are responsible for administering the HAMP program and monitoring compliance by servicers with the program.

- 2. Will the system derive new data or create previously unavailable data about an individual through aggregation from the information collected, and how will this be maintained and filed?**

Yes. The system will create previously unavailable information about mortgage borrowers, such as data relating to the quality and performance of loans over time

associated with individual mortgage borrowers. This information is maintained in the system.

3. Will the new data be placed in the individual's record?

Yes. Certain of the information is placed in the relevant loan file associated with an individual mortgage holder.

4. Can the system make determinations about employees/public that would not be possible without the new data?

Yes. The system will facilitate the determination of the performance of loans modified pursuant to the Program.

5. How will the new data be verified for relevance and accuracy?

The relevance and accuracy of information created by UST and its Financial Agents is verified through additional proofing data received from loan servicers over time, data analytics, and through the Financial Agents' operating procedures.

6. If the data is being consolidated, what controls are in place to protect the data from unauthorized access or use?

Information in the system is not consolidated with other databases.

The system is closed, meaning the platform is secured and not available to the general public. Furthermore, role-based access is only available to program and technical staff authorized to perform work on the Program and to Federal Agencies with responsibilities related to the Program. Safeguards designed to protect information contained in the system against unauthorized disclosure and access include, but are not limited to: (i) Department and Financial Agent policies and procedures governing privacy, information security, operational risk management, and change management; (ii) requiring Financial Agent employees to adhere to a code of conduct concerning the aforementioned policies and procedures; (iii) conducting background on all personnel with access to the system of records; (iv) training relevant personnel on privacy and information security; (v) tracking and reporting incidents of suspected or confirmed breaches of information concerning borrowers; (vi) establishing physical and technical perimeter security safeguards; (vii) utilizing antivirus and intrusion detection software; (viii) performing risk and controls assessments and mitigation, including production readiness reviews; (ix) establishing security event response teams; and (x) establishing technical and physical access controls, such as role-based access management and firewalls.

Financial Agents are also required to comply with national and state data breach notification requirements in the event of unauthorized access or disclosure, where applicable.

- 7. If processes are being consolidated, are the proper controls remaining in place to protect the data and prevent unauthorized access? Explain.**

Processes related to the system are not consolidated with other programs or processes.

- 8. How will the data be retrieved? Does a personal identifier retrieve the data? If yes, explain and list the identifiers that will be used to retrieve information on the individual.**

Information about individuals may be retrieved from the system by reference to the mortgage holder's name, Social Security Number, address, or loan number. The Department or its Financial Agent may adopt other identifiers from time to time as deemed appropriate for purposes of administering the Program. This document will be updated periodically as the information needs of the program evolve.

- 9. What kinds of reports can be produced on individuals? What will be the use of these reports? Who will have access to them?**

Information contained in the system may be used to produce reports on the performance of the Program, including but not limited to (i) reports that concern eligibility of loans for modification pursuant to the Program, (ii) "exception reports" that identify certain issues that a loan servicer may experience with servicing a loan, and (iii) aggregate reports that do not contain individually identifiable information. In addition, if a Financial Agent believes it has identified potential fraud or noncompliance with Program requirements on the part of individuals, the Financial Agent may report that information for Treasury's use. The reports are used to implement, monitor and administer the Program. The Treasury, its Financial Agents and other authorized Federal Agencies will have access to the reports.

Maintenance and Administrative Controls

- 1. If the system is operated in more than one site, how will consistent use of the system and data be maintained in all sites?**

This system is operated at multiple sites, including the Office of Financial Stability, Department of the Treasury, Washington, DC. Other facilities that maintain this system of records are located in: Urbana, MD, Dallas, TX, and a backup facility located in Reston, VA, all belonging to the Federal National

Mortgage Association (“Fannie Mae”); and in McLean, VA, Herndon, VA, Reston, VA, Richardson, TX, and Denver, CO, facilities operated by or on behalf of the Federal Home Loan Mortgage Corporation (“Freddie Mac”). Both Fannie Mae and Freddie Mac have been designated as Financial Agents for the Home Affordable Modification Program (“HAMP”).

The Financial Agents maintain data consistency by using industry standard data models, data dictionary reviews, change management processes and data governance policies.

2. What are the retention periods of data in this system?

Information is retained in the system on back-up tapes or in hard-copy form for seven years, except to the extent that either (i) the information is subject to a litigation hold or other legal retention obligation, in which case the data is retained as mandated by the relevant legal requirements, (ii) or the Treasury and its Financial Agents need the information to carry out the Program.

3. What are the procedures for disposition of the data at the end of the retention period? How long will the reports produced be kept? Where are the procedures documented?

Destruction is carried out by degaussing according to industry standards. Hard copy records are shredded and recycled. For the financial agent providing compliance activities on behalf of Treasury, specific procedures are under development at this time.

4. Is the system using technologies in ways that the bureau/office has not previously employed (e.g., monitoring software, Smart Cards, Caller-ID)?

No.

5. How does the use of this technology affect public/employee privacy?

N/A

6. Will this system provide the capability to identify, locate, and monitor individuals? If yes, explain.

Yes, the system will provide the capability to identify individuals by loan number or Social Security Number, and to locate individuals based on their address information contained in the system.

No, the system does not provide a monitoring capability.

7. What kinds of information are collected as a function of the monitoring of individuals?

The system does not provide a monitoring capability. Data access is limited only to authorized users and roles.

8. What controls will be used to prevent unauthorized monitoring?

The system does not provide a monitoring capability.

9. Under which Privacy Act SORN does the system operate? Provide number and name.

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10. If the system is being modified, will the Privacy Act SORN require amendment or revision? Explain.

This is a new system of records with a new SORN.

Access to Data

1. Who will have access to the data in the system? (e.g., contractors, users, managers, system administrators, developers, others.)

Information in the system is accessible to the Treasury and its Financial Agents. In addition, information may be disclosed as permitted by the Privacy Act and pursuant to the System of Records Notice for this system ("Home Affordable Modification Program Records--Treasury/DO.218"). Please see response to item 8 below.

2. How is access to the data by a user determined? Are criteria, procedures, controls, and responsibilities regarding access documented?

Authorized users will be restricted to the minimal amount of data in a record that is required to (i) fulfill a verifiable business function in connection with the Program or (ii) comply with applicable legal requirements. Access criteria, procedures and responsibilities are documented in information security policies and procedures maintained by the Treasury's Financial Agents. These criteria are enforced by a role-based access control policy which is based on the specific job functions of individual employees who support the HAMP program.

3. Will users have access to all data on the system or will the user's access be restricted?

Authorized users will be restricted to the minimal amount of data in a record that is required or appropriate to (i) fulfill a verifiable business function in connection with the Program or (ii) comply with applicable legal requirements. Access to all data is enforced by a role-based access control policy based on the specific job functions of individual employees who support the HAMP program.

4. What controls are in place to prevent the misuse (e.g., unauthorized browsing of data by those having access? (list processes and training materials.)

Safeguards designed to protect information contained in the system against unauthorized disclosure and access include, but are not limited to: (i) Department and Financial Agent policies and procedures governing privacy, information security, operational risk management, and change management; (ii) requiring Financial Agent employees to adhere to a code of conduct concerning the aforementioned policies and procedures; (iii) conducting background on all personnel with access to the system of records; (iv) training relevant personnel on privacy and information security; (v) tracking and reporting incidents of suspected or confirmed breaches of information concerning borrowers; (vi) establishing physical and technical perimeter security safeguards; (vii) utilizing antivirus and intrusion detection software; (viii) performing risk and controls assessments and mitigation, including production readiness reviews; (ix) establishing security event response teams; and (x) establishing technical and physical access controls, such as role-based access management and firewalls.

5. Are contractors involved with the design and development of the system and will they be involved with the maintenance of the system? If yes, was Privacy Act contract clauses inserted in their contracts and other statutory and regulatory measures addressed?

Financial Agents have been engaged to design and operate systems in support of the HAMP program per the terms of the Financial Agent Agreements (FAAs). The Treasury inserted Privacy Act clauses in the Treasury's Financial Agent Agreements with the Financial Agents, and these terms are mirrored in any contracts the financial agents enter into with contractors. In addition, the Financial Agents and the system of records are subject to the Treasury's regulations on conflicts of interest and confidentiality of information issued pursuant to EESA.

6. Do other systems share data or have access to the data in the system? If yes, explain.

Yes, some data from this system is shared with a central data repository hosted at the Treasury Department. However, the information shared is strictly financial information used for accounting and reconciliation purposes. It does not contain

any Privacy Act personally identifiable information (PII) related to any individual mortgage borrowers. In addition, some data from the system is shared with data bases operated by one or more Financial Agents that are not considered part of the system of records because they are not searchable by PII. However, all such data bases are subject to policies and controls similar in nature to the controls in place with respect to the system.

7. Who will be responsible for protecting the privacy rights of the public and employees affected by the interface?

The Treasury will be responsible for protecting the privacy rights (as specified in the Privacy Act, 5 U.S.C. § 552a, and other relevant legal requirements) of mortgage borrowers whose information is contained in the system. Financial Agents are also required to comply with all Privacy Act provisions contained in the Financial Agent Agreements executed with the Department, as well as any national and state data breach notification requirements in the event of unauthorized access or disclosure, where applicable.

8. Will other agencies share data or have access to the data in this system (e.g. Federal, State, Local, and Others)?

Other agencies will not have access to information contained in the system, except as permitted by the Privacy Act or the System of Records Notice for this system (“Home Affordable Modification Program Records--Treasury/DO.218”) which details a number of Routine Uses to allow disclosure of data from this system to other Federal Agencies. These include allowing the Treasury to:

(Routine Use 12) Disclose information to the appropriate Federal financial regulator or State financial regulator, or to the appropriate Consumer Protection agency, if that agency has jurisdiction over the subject matter of a complaint or inquiry, or the entity that is the subject of the complaint or inquiry;

(Routine Use 13) Disclose information and statistics to the Department of Housing & Urban Development and the Federal Housing Finance Agency to improve the quality of services provided under HAMP and to report on the program's overall execution and progress;

(Routine Use 14) Disclose information to appropriate agencies, entities, and persons when (a) The Department suspects or has confirmed that the security or confidentiality of information in the system of records has been compromised; (b) the Department has determined that as a result of the suspected or confirmed compromise there is a risk of harm to economic or property interests, identity theft or fraud, or harm to the security or integrity of this system or other systems or programs (whether maintained by the Department or another agency or entity) that rely upon the compromised information; and (c) the disclosure made to such

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agencies, entities, and persons is reasonably necessary to assist in connection with the Department's efforts to respond to the suspected or confirmed compromise and prevent, minimize, or remedy such harm.

(Routine Use 15) Disclose information to the U.S. Department of Justice ("DOJ") for its use in providing legal advice to the Department or in representing the Department in a proceeding before a court, adjudicative body, or other administrative body before which the Department is authorized to appear, where the use of such information by the DOJ is deemed by the Department to be relevant and necessary to the litigation, and such proceeding names as a party or interests:

- (a) The Department or any component thereof, including the Office of Financial Stability ("OFS");
- (b) Any employee of the Department in his or her official capacity;
- (c) Any employee of the Department in his or her individual capacity where DOJ has agreed to represent the employee; or
- (d) The United States, where the Department determines that litigation is likely to affect the Department or any of its components, including OFS.

9. How will the data be used by the other agency?

Information contained in the system may be used by other agencies in connection with the administration of the Program and for legal and/or compliance purposes. Please see response to item 8 immediately above.

10. Who is responsible for assuring proper use of the data?

The Treasury and its Financial Agents that maintain the system are responsible for assuring that information contained in the system is used properly.

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