



## **Privacy Impact Assessment of the Federal Reserve Application Name Check System**

### **Program or application name.**

Federal Reserve Application Name Check System (FRANCSYS)

### **System owner.**

FRANCSYS is maintained by the Board of Governors of the Federal Reserve System's Division of Banking Supervision and Regulation ("BS&R").

### **Contact information.**

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### **Description of the IT system.**

FRANCSYS is a process management tool that maintains information about designated individuals in connection with the Federal Reserve System's ("FRS") processing of applications, notices, or proposals associated with various types of financial institutions. As part of the

review and approval process for these filings, Board staff evaluates the fitness of certain key individuals who propose to be associated with a particular financial institution. The information stored and processed by the FRANCSYS technology is collected and maintained to assist Board staff in monitoring and tracking the progress and status of these fitness evaluations.

**1. Information concerning individuals that is being collected and/or maintained.**

FRANCSYS contains information about individuals affiliated with a particular regulatory application, notice, or proposal. The following information may be collected:

- a. name;
- b. social security, passport, or other identifying number;
- c. address;
- d. occupation;
- e. birth city, state, and country;
- f. country(ies) of citizenship;
- g. date of birth;
- h. names of related companies and the person's role at those companies;
- i. an indication whether each agency conducting a check had any information on the person and the results of the name check; and
- j. name and address of the financial institution that submitted the application with which the person is associated.

**2. Source(s) of each category of information listed in item 1.**

Information is provided by the individuals whom the record pertains or their agents (such as law firms or consultants) during the regulatory application, notice, or proposal process.

In addition, FRS staff, as part of the due diligence process associated with the review of a particular application, notice, or proposal, performs name checks on the individuals involved in such filings by contacting other Federal agencies for comments related to the identified individuals.

FRS staff also may contact central bank or financial regulators in a foreign applicant or notificant's home country, State banking departments, or other

state regulatory agencies, or self-regulatory organizations for comment in regard to applications, notices, or proposals, and the individuals to be involved in the business transactions related to those filings.

### **3. Purposes for which the information is being collected.**

The individual information submitted in FRANCSYS is collected pursuant to Sections 9, 19, 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 321-328, 466, 601-604(a) and 611-631); the Change in Bank Control Act (12 U.S.C. § 1817(j)); Section 18(c) of the Bank Merger Act (12 U.S.C. § 1828(c)); Section 32 of the Federal Deposit Insurance Act (12 U.S.C. § 1831i); Sections 3, 4, and 5 of the Bank Holding Company Act of 1956 (12 U.S.C. §§ 1842, 1843 and 1844); Section 5 of the Bank Service Company Act (12 U.S.C. § 1865); Sections 7, 8 and 10 of the International Banking Act (12 U.S.C. §§ 3105, 3106 and 3107); the Board's Regulation H (12 C.F.R. Part 208); the Board's Regulation K (12 C.F.R. Part 211); the Board's Regulation L (12 C.F.R. Part 212); and the Board's Regulation Y (12 C.F.R. Part 225), and Executive Order 9397.

The information is collected and maintained to assist the Board in evaluating the proposed officers, directors, principal shareholders, or other persons associated with a depository institution, holding company, or other foreign or domestic entity in connection with the Board's consideration of various regulatory applications, notices, or proposals. The Board uses these records, along with other information, to determine whether the related filing meets the statutory factors for approval.

### **4. Who will have access to the information.**

The information maintained in FRANCSYS is covered by a Privacy Act System of Records. For the most part, access to the information is generally determined by the "need-to-know" requirements of the Privacy Act. The specific results of the name check are not shared outside the Board. All other information may be disclosed for enforcement, statutory and regulatory purposes; to another agency or a Federal Reserve Bank; to a member of Congress; to the Department of Justice, a court, an adjudicative body or administrative tribunal, or a party in litigation; to contractors, agents, and others; where security or confidentiality has been compromised. This information may also be disclosed to other Federal agencies to enable completion of a name check; and to other bank and thrift regulatory agencies

pursuant to explicit information sharing agreements for regulatory comment purposes.

**5. Whether the individuals to whom the information pertains have an opportunity to decline to provide the information or to consent to particular uses of the information (other than required or authorized uses):**

Individuals may elect not to submit requested regulatory information; however, that failure will result in the Board's inability to consider information in connection with a regulatory application, notice, or proposal and may result in the Board's denial of a particular regulatory request. Individuals do not otherwise have an opportunity to consent to particular uses of the information.

**6. The procedure(s) for ensuring that the information maintained is accurate, complete, and up-to-date:**

The individual responsible for submitting the *Interagency Biographical and Financial Report* in connection with a regulatory application, notice, or proposal is responsible for the accuracy, completeness and timeliness of the information submitted during the application process. Available software edit checks promote accurate data entry into the FRANCSYS system. Moreover, the data is reviewed by Federal Reserve staff upon initial processing of a regulatory application, notice or proposal for sufficiency and completeness. Staff routinely reviews the information in FRANCSYS during the course of the review of the regulatory application, notice or proposal to ensure that accurate data are reported. In the event that either a technical discrepancy with the data is detected or the data is discovered to be inaccurate, incomplete, untimely or not relevant, the individual filer is notified and may follow the issue until it is resolved.

**7. The length of time the data will be retained, and how will it be purged.**

Records are retained for 15 years and destroyed when no longer needed for administrative or reference purposes.

**8. The administrative and technological procedures used to secure the information against unauthorized access.**

A combination of methods is used to secure FRANCSYS information against unauthorized access. Network security limits access to FRANCSYS to authenticated users. Role-based security further limits access to the FRANCSYS software and functions within FRANCSYS through lists of discrete tasks and access permissions assigned to business owners and software developers. The role-based software is secured to permit only authorized users to change permission and security settings. Finally, information transferred between client workstations and FRANCSYS servers is encrypted to ensure that, should FRANCSYS information be obtained through unauthorized access, the information would be illegible and unusable.

**9. Whether a new system of records under the Privacy Act will be created.**

FRANCSYS requires publication of a Privacy Act System of Records notice. The Privacy Act System of Records will be entitled BGFRS-36, FRB – Federal Reserve Application Name Check System, and will be published when the Board’s Privacy Act update is published in 2008.

**Reviewed:**

(signed) Charles S. Struckmeyer

06/10/2008

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Chief Privacy Officer

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Date

**Reviewed:**

(signed) Maureen Hannan

06/11/2008

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Chief Information Officer

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Date