

**Small Business Administration**  
**Privacy Impact Assessment**  
**For**  
**Automated Loan Control System**

**OFFICE OF DISASTER ASSISTANCE**

**Freedom of Information/Privacy Acts Office & Office of the Chief Information Officer**  
**Small Business Administration**  
**409 3<sup>rd</sup> Street, S.W.**  
**Washington, DC 20416**

**September 2005**

## Privacy Impact Assessment Authorization Memorandum

I have carefully assessed the Privacy Impact Assessment for the Automated Loan Control System (ALCS). This document has been completed in accordance with the requirements of the E-Government Act of 2002.

MANAGEMENT CERTIFICATION – Please check the appropriate statement.

\_\_\_\_\_ The document is accepted.

\_\_\_\_\_ The document is accepted pending the changes noted.

\_\_\_\_\_ The document is not accepted.

\_\_\_\_\_ **We fully** accept the changes as needed improvements and authorize initiation of work to proceed. Based on our authority and judgment, the continued operation of this system is authorized.

\_\_\_\_\_  
System Manager

\_\_\_\_\_  
DATE

\_\_\_\_\_  
OCIO/Project Representative

\_\_\_\_\_  
DATE

\_\_\_\_\_  
Program/Office Head

\_\_\_\_\_  
DATE

\_\_\_\_\_  
OCIO

\_\_\_\_\_  
DATE

\_\_\_\_\_  
Chief FOI/PA

\_\_\_\_\_  
DATE

\_\_\_\_\_  
Senior Official for Privacy

\_\_\_\_\_  
DATE

**Name of Project: Automated Loan Control System (ALCS)**  
**Program Office: Office of Disaster Assistance**  
**Project's Unique ID: (This system is no longer reported as it id being retired)**

**A. CONTACT INFORMATION:**

**1. Who is the person completing this document?**

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**2. Who is the system owner?**

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**3. Who is the system manager for this system or application?**

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**8. Who is the Reviewing Official?**

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**B. SYSTEM APPLICATION/GENERAL INFORMATION:**

**1. Does this system contain any information about individuals?**

**(a) Is this information identifiable to the individual?**

- *Yes, however, efforts are currently underway to completely decommission this system through by migrating all of the data to the ODA's Disaster Credit Management System (DCMS). This effort will be completed no later than December 31, 2005.*

**(b) Is the information about individual members of the public?**

- *Yes*

**(c) Is the information about employees?**

- *No.*

**2. What is the purpose of the system/application?**

- *The system is used to track loan cases files and maintain pertinent loan decision data relevant to disaster loan applications.*

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

- *15 U.S.C. § 634(b)(6), 44 U.S.C. § 3101.*
- *Section 7(b)(1) of the Small Business Act, as amended, authorizes the Agency's Physical Disaster Loan Program. SBA can make loans to eligible victims of declared disasters as defined by the Small Business Act.*
- *Section 7(b)(2) of the Small Business Act, as amended, authorizes the Agency's Economic Injury Disaster Loan (EIDL) Program. SBA can make loans to eligible non-farm small businesses and eligible small agricultural cooperatives located in a disaster area that suffered substantial economic injury as a result of the disaster.*
- *Additional program definition is detailed in Title 13 of the Code of Federal Regulations (13 CFR), Part 123.*

**C. DATA in the SYSTEM:**

**1. Generally describe the type of information to be used in the system and what categories of individuals are covered in the system?**

- *Information on individuals and businesses such as name, address, SSN, EIN, and the relevant decision data pertaining to the loan application status. Data is stored on individuals who apply for loans to restore damages to residential real estate or personal property, individuals who have ownership interests in businesses with damages to business assets and/or economic losses, and on businesses who apply for loans or are affiliated with other entities in the application.*

**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?**

- *Information is collected from disaster victims that apply for disaster loans, from the Federal Emergency Management Agency (FEMA) by way of electronic referral resulting from the applicant applying for disaster assistance through FEMA, and the Internal Revenue Service (IRS) for tracking purposes only.*

**(b) What Federal agencies are providing data for use in the system?**

- *FEMA NEMIS system and IRS tax transcripts.*

**(c) What State and local agencies are providing data for use in the system?**

- *None.*

**(d) From what other third party sources will data be collected?**

- *FEMA, IRS and credit bureaus.*

**(e) What information will be collected from the employee and the public?**

- *The applicant provides a social security or EIN number, address, and contact information for use in the system. The data is collected via an OMB approved form, referenced as OMB No. 3245-0017*

### **3. Accuracy, Timeliness, and Reliability**

**(a) How will data collected from sources other than SBA records be verified for accuracy?**

- *Data from Federal Agency records is identified by name, address, and/or SSN and is subject to Privacy Act regulation and documented practices for accuracy. Data from commercial entities is subject to regulation and identified by name, address and SSN. Where commercial credit information results in adverse decisions, applicants are advised of the source of the information and may obtain it through various means at no cost.*

**(b) How will data be checked for completeness?**

- *Applicant data is compared and reconciled with any third party data received. Agency business rules and system edits require critical information be complete before processing. Discrepancies are discussed with applicants.*

**(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).

- *Yes. Credit Bureau and business report data captures the date of entry for all line items or general updates. IRS and FEMA data is updated as needed to insure current values. Data collected directly from applicants is updated as provided.*

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

- *Yes, the data collected in the ALCS is documented in “ALCS data Field Relationships” and “Data Element Descriptions Report” prepared by DatEquip.*

**D. ATTRIBUTES OF THE DATA:**

1. **Is the use of the data both relevant and necessary to the purpose for which the system is being designed?**
  - *Yes. The information is based on specific need to track all disaster loan applications and relevant documents necessary to for ODA staff to reach loan decisions as defined in the Small Business Act and 13 CFR.*
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?**
  - *No*
3. **Will the new data be placed in the individual's record?**
  - *Not Applicable*
4. **Can the system make determinations about employees/public that would not be possible without the new data?**
  - *Not Applicable*
5. **How will the new data be verified for relevance and accuracy?**
  - *Not Applicable*
6. **If the data is being consolidated, what controls are in place to protect the data from unauthorized access or use?**
  - *The ALCS data can only be accessed through authorized users for specific screens based on access controls.*
7. **If processes are being consolidated, are the proper controls remaining in place to protect the data and prevent unauthorized access? Explain.**
  - *No processes are being consolidated. Not applicable.*
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.**

- *Data is accessed by authorized users with sufficient privileges by name, agency application number, address or SSN/EIN.*
9. What kinds of reports can be produced on individuals? What will be the use of these reports? Who will have access to them?
- *Reports can be produced on individual's records for the purpose of workload management and inquiries which comply with FOIA and Privacy Act requirements. Access is restricted to Program Officials with the "need to know" and to public inquiries where the specific data complies with FOIA and Privacy Act guidelines.*
10. What opportunities do individuals have to decline to provide information (i.e., where providing information is voluntary) or to consent to particular uses of the information (other than required or authorized uses and how individuals can grant consent.)
- *Applications for disaster loans are voluntary. The data collected via the application form is required for the loan determination process.*

**E. 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?
- *The system currently operates from a single site and will be decommissioned no later than December 31, 2005. A separate site used for backup is in place in the event of data loss. Data is replicated to the backup site, but the system operates from a single site only.*
2. What are the retention periods of data in this system?
- *Data retention standards consistent with SOP 00 41 2 are currently in place.*
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?
- *The ALCS is being decommissioned and only relevant data is being migrated to another system for use. All other data will be maintained in a format useful for historical reporting purposes. The relevant plan is documented in the "DCMS Legacy Data Migration Plan."*
4. Is the system using technologies in ways that the SBA 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?**

*The System does not currently generate reports specific to individuals or individual loans. Reports can be produced on individual's records for the purpose of workload management and inquiries which comply with FOIA and Privacy Act requirements. Access is restricted to Program Officials with the "need to know" and to public inquiries where the specific data complies with FOIA and Privacy Act guidelines.*

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

*No the system cannot identify, locate or monitor individuals. It can retrieve information by personal identifier and by name, however, only that information that is already in the system, and only by those who have been granted access to the system and then only specific to their role with SBA.*

*The system does not currently generate reports specific to individuals or individual loans. Reports can be produced on individual's records for the purpose of workload management and inquiries which comply with FOIA and Privacy Act requirements. Access is restricted to Program Officials with the "need to know" and to public inquiries where the specific data complies with FOIA and Privacy Act guidelines.*

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

*We do not monitor individuals, we monitor loans, therefore this is not applicable.*

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

*Agency Security Roles and Procedures/Controls – Agency Security Access Procedures – Access is limited by controlled assignment of a responsibility profile to all users. Each responsibility comes with a pre-determined set of privileges, limiting data that may be viewed to those screens and reports that are within the duties and needs of the user*

**9. Under which Privacy Act systems of records notice does the system operate? Provide number and name.**

- *SMALL BUSINESS ADMINISTRATION Privacy Act System of Records SBA 20, Disaster Loan Case Files*

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

- *No revision is necessary.*

**F. ACCESS TO DATA:**

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

- *Access is limited to Agency officials acting in their official capacity, with a need to know, and certified contractors under confidentiality agreements while actually engaged in system maintenance. This may include users, managers, or system administrators.*

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

- *Access is limited by control of User ID's, password controls, and the assignment of screen access based on the users job responsibility. DCMS User Access Policies and Procedures was published in October of 2004 as "DCMSOPs #04-01, DCMS User Access Policy and Procedures" and contains information for accessing ALCS.*

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

- *Users have access only to screens, reports and data corresponding to the assigned screen access the user is granted through their supervisory channel. Managers have control over assigned responsibilities, through authorized system administrators.*

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

- *Access is limited by control of User ID's, password controls, and the assignment of a user defined responsibility profile which effectively limits browsing. Education of Agency and contractor staff regarding the Privacy Act rules and prohibitions on the dissemination or use of non-public information is mandatory and ongoing. System audit trails can be used to document suspicious or irregular log-ons and navigation of the system. Agency network*

*log-on procedures mandate a posted Privacy notice be viewed and acknowledged prior to entry. SBA Privacy Act System of Records SBA 20 defines routine uses of this information and serves as a control by defining acceptable uses. Limiting access to sensitive financial information to only those with a need to know remains the best and primary control.*

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, are Privacy Act contract clauses inserted in their contracts and other regulatory measures addressed?**
  - *Yes, contractors are involved in the design, development, and maintenance of the system. Yes, clauses are in the contracts that protect privacy act and other sensitive data. The system will be decommissioned no later than December 31, 2005.*
  
6. **Do other systems share data or have access to the data in the system? If yes, explain.**
  - *No sharing of data is contemplated. Discreet packets of specific data are sent out to effect interfaces with the Agency DCS system.*
  
7. **Who will be responsible for protecting the privacy rights of the public and employees affected by the interface?**
  - *OCIO, Office of Disaster Assistance and FOI/PA Office*
  
8. **Will other agencies share data or have access to the data in this system (Federal, State, Local, Other)?**
  - *No sharing of data is contemplated. Discreet packets of specific data are sent out to effect interfaces with the FEMA NEMIS system. This use is in accordance with SBA Privacy Act System 20.*
  
9. **How will the data be used by the other agency?**
  - *FEMA uses the data to implement statutory prohibitions on Duplication of Benefits to disaster victims.*
  
10. **Who is responsible for assuring proper use of the data?**
  - *FEMA has authority to obtain the data for established uses and FEMA assumes responsibility (under the Privacy Act) for its use once obtained. The exchange of data between FEMA and SBA and responsibilities for protection of privacy data are defined in a Memorandum of Agreement and Interagency*

***Security Agreement as accepted by FEMA and SBA security officers and formally agreed to and signed by the Chief Information Officers of FEMA and SBA. Administration of ALCS security policies is the responsibility of the ALCS Security Officer.***

**APPENDIX A  
DECLARATION OF PRIVACY PRINCIPLES**

The privacy principles set forth in this declaration are based on the ethical and legal obligations of the Small Business Administration to the public and are the responsibility of all SBA employees to recognize and treat their office as a public trust.

The obligation to protect client and partner privacy and to safeguard the information clients and partners entrust to us is a fundamental part of the SBA’s mission to administer the law fairly and efficiently. Clients and partners have the right to expect that the information they provide will be safeguarded and used only in accordance with law. In recognition of these obligations, policies and procedures must clearly state who should have access to what information and for what purposes. In addition, appropriate limitations must be placed on the collection, use and dissemination of clients and partners’ personal and financial information and sufficient technological and administrative measures must be implemented to ensure the security of SBA data systems, processes and facilities.

All SBA employees are required to exhibit individual performance that reflects a commitment to dealing with every client and partner fairly and honestly and to respect the clients and partners’ right to feel secure that their personal information is protected. To promote and maintain clients and partners’ confidence in the privacy, confidentiality and security protections provided by the SBA, the SBA will be guided by the following Privacy Principles:

Principle 1:	Protecting citizen, client and partner privacy and safeguarding confidential citizen, client and partner information is a public trust.
Principle 2:	No information will be collected or used with respect to citizens, clients and partners that is not necessary and relevant for legally mandated or authorized purposes.
Principle 3:	Information will be collected, to the greatest extent practicable, directly from the citizen, client or partner to whom it relates.
Principle 4:	Information about citizens, clients and partners collected from third parties will be verified to the greatest extent practicable with the citizens, clients and partners themselves before action is taken against them.
Principle 5:	Personally identifiable citizen, client or partner information will be used only for the purpose for which it was collected, unless other uses are specifically authorized or mandated by law.
Principle 6:	Personally identifiable citizen, client or partner information will be disposed of at the end of the retention period required by law or regulation.

Principle 7:	Citizen, client or partner information will be kept confidential and will not be discussed with, nor disclosed to, any person within or outside the SBA other than as authorized by law and in the performance of official duties.
Principle 8:	Browsing, or any unauthorized access of citizen, client or partner information by any SBA employee, constitutes a serious breach of the confidentiality of that information and will not be tolerated.
Principle 9:	Requirements governing the accuracy, reliability, completeness, and timeliness of citizen, client or partner information will be such as to ensure fair treatment of all clients and partners.
Principle 10:	The privacy rights of citizens, clients and partners will be respected at all times and every citizen, client and partner will be treated honestly, fairly, and respectfully.

The Declaration does not, in itself, create any legal rights for clients and partners, but it is intended to express the full and sincere commitment of the SBA and its employees to the laws which protect client and partner privacy rights and which provide redress for violations of those rights.

**APPENDIX B**  
**POLICY STATEMENT ON CITIZEN, CLIENT AND PARTNER PRIVACY RIGHTS**

The SBA is fully committed to protecting the privacy rights of all citizens, clients and partners. Many of these rights are stated in law. However, the SBA recognizes that compliance with legal requirements alone is not enough. The SBA also recognizes its social responsibility which is implicit in the ethical relationship between the SBA and the citizen, client or partner. The components of this ethical relationship are honesty, integrity, fairness, and respect.

Among the most basic of a citizens, clients, or partners' privacy rights is an expectation that the SBA will keep personal and financial information confidential. Citizens, clients and partners also have the right to expect that the SBA will collect, maintain, use, and disseminate personally identifiable information and data only as authorized by law and as necessary to carry out agency responsibilities.

The SBA will safeguard the integrity and availability of citizens, clients and partners' personal and financial data and maintain fair information and record keeping practices to ensure equitable treatment of all citizens, clients and partners. SBA employees will perform their duties in a manner that will recognize and enhance individuals' rights of privacy and will ensure that their activities are consistent with law, regulations, and good administrative practice. In our record keeping practices, the SBA will respect the individual's exercise of his/her First Amendment rights in accordance with law.

As an advocate for privacy rights, the SBA takes very seriously its social responsibility to citizens, clients and partners to limit and control information usage as well as to protect public and official access. In light of this responsibility, the SBA is equally concerned with the ethical treatment of citizens, clients and partners as well as their legal and administrative rights.