Technical Update GA-2008-15

December 31, 2008

NSLDS Security Enhancements

This information is intended for the person in your organization who is responsible for working with NSLDS. If that person is not you, please forward this update to the appropriate person.

Introduction

The purpose of this Technical Update is to announce new online access requirements for Users of NSLDS to ensure understanding of appropriate use of NSLDS data. These changes are effective January 2009. Additionally, the Technical Update will address some questions previously raised regarding NSLDS access.

In communications and training with Lenders and Lender Servicers, please share this information with them.

Rules of Behavior

NSLDS has developed a new confirmation page to reinforce the established Rules of Behavior for access to and use of NSLDS. Beginning January 1, upon the first logon each day, every NSLDS user will be required to read and agree with the Rules of Behavior before gaining online access. This new page will appear after the user has acknowledged the Privacy Act Reminder.

If you are the Primary Destination Point Administrators (PDPA), the Rules of Behavior include statements regarding PDPA responsibilities. If you are the PDPA but do not see the section that begins "Additionally, as PDPA of your organization…", please contact CPS/SAIG Technical Support at 800/330-5947 about your designation as the PDPA.

Annual Security Acknowledgment Training

NSLDS has created user security training to ensure that all NSLDS online users are aware of the security requirements for accessing and using NSLDS data. Every online user will be required to complete the training and the online Security Acknowledgment on an annual basis.

The security training is tailored to the type of access associated with the organization type (e.g. Guaranty Agency, School, Lender, State Agency) and whether or not the NSLDS user is a PDPA.

Beginning January 1, new users must complete the security training and confirm the Security Acknowledgment during their initial logon to the NSLDS system. For current users, the NSLDS system will prompt the user when it is time to complete the security training and the Security Acknowledgment.

The Security Acknowledgment completion is tracked by individual user ID. If a User has multiple online user IDs, the Security Acknowledgement must be completed for each one.

The initial completion date will become the anniversary date for the annual process. The estimated time to complete the security responsibilities review and Acknowledgment is between five to fifteen minutes.

No Relationship for Lender and Lender Servicer Users

Beginning January 1, NSLDS will require a reason for Lenders and Lender Servicers to retrieve a record for a Title IV aid recipient with whom an established relationship does not exist on NSLDS. NSLDS will check the borrower identifiers entered by Lenders or Lender Servicers to determine if the organization code associated with that user ID appears on any record for the borrower. If there are no records containing that user ID's organization code, the user will be prompted to provide the reason why access is necessary. The reason given will be tracked by NSLDS.

To further assist Lender and Lender Servicer PDPAs when conducting user oversight, the Security Report SECRL1 - No Relationship to Borrower will be enhanced. The SECRL1 report for Lenders and Lender Servicers will list the reason for lookup provided by the user.

Additional Information Regarding Access

Dear Colleague Letter (DCL), GEN -05-06, posted for all users, and the NSLDS Access Letters sent to the CEO/Presidents in May and June of 2007 provided information and guidance to Guaranty Agencies, Lenders/Servicers and State Grant Agencies on the appropriate use of NSLDS and the student data it contains.

The following Questions and Answers have been compiled to provide additional clarification on acceptable uses of NSLDS:

> Q1   May an entity who has no relationship with a borrower access NSLDS with authorization?

> A1   Yes, if the authorization is explicit and auditable. Explicit authorization means that the borrower has specifically authorized the agency to access NSLDS information. Auditable means that the explicit authorization must be in writing, an email is acceptable. If the authorization is oral, a recording must be kept.

> Q2   What does the Department of Education expect as internal controls and monitoring from GA's, Lenders or Servicers?

A2   The Department expects reasonable and auditable controls that prove the entity has control over the data contained within their system.

Additionally, NSLDS expects reasonable and auditable controls that prove the entity monitors the users granted access to NSLDS. NSLDS has created several security reports to assist the PDPA with monitoring of NSLDS online activity by the Users at their organization.

Q3   My organization performs dual functions such as a Guarantor and State Grant Agency or a Guarantor and Lender. Can a user on the Guarantor side look up information for the State Grant Agency?

A3   No. The user may not use their assigned GA ID to perform functions for the State Grant Agency or the Lender. The organization must ensure that NSLDS access has been granted to individuals separately. There is no limit to the number of NSLDS IDs that can be assigned to an organization or a person. It is more important that the assigned NSLDS ID be used only to perform functions for the entity (GA, State Grant Agency, or Lender) for which that ID was assigned.

Q4   In determining a borrower's eligibility based on NSLDS, many times an NSLDS screen is printed for internal documentation. The image is then added to the borrower's folder in the imaging system where the Lender/Servicer side of the organization has access to the same imaging system and data. Is this a problem?

A4   A borrower's information can only be made available to others in the organization with a need to know. As stated in DCL Gen 05-06, all authorized users in an organization are personally responsible for prohibiting improper access to the NSLDS database or improper use of the data contained in or <u>obtained from</u> the NSLDS database.

Electronic filing of documents in shared folders that are accessible to persons within the organization that do not have a need to know is prohibited.

Q5   NSLDS access is not granted to individuals who are in default. Can we check NSLDS for a potential new hire to determine if there are any outstanding defaults?

A5   No. NSLDS is only available to organizations to fulfill their requirements in the FFEL program and is not to be used in the hiring process. Many organizations use the credit bureaus for a source to run credit checks as part of their hiring process.

Q6   Is determining the eligibility for a deferment an acceptable reason to access NSLDS for a borrower?

A6   Yes.

Q7   Is determining the eligibility for a loan discharge an acceptable reason to access NSLDS for a borrower?

A7   Yes.

Q8   If an entity receives an application for a first-time borrower for that entity, is it acceptable to view NSLDS prior to processing the loan?

A8   Yes, if the loan application is for FFELP loan. No, for private or commercial loan applications.

Q9   School FAAs will frequently contact a GA requesting review of a borrower's record prior to certifying a loan. This may be because the borrower shows a default from a previous GA or it may for a loan aggregate issue. Is the GA for the new loan prohibited from performing this review on the school's behalf?

A9   It is the responsibility of the schools FAA to determine the eligibility of the borrower for any FFEL loans. Schools having difficulty understanding NSLDS records can call the NSLDS Customer Service Center at 1 800-999-8219.

Q10   If two employees within an agency carry the same job responsibilities but only one has an NSLDS ID is it permitted for both of them to view information pulled from NSLDS?

A10   NSLDS web access is only available to persons whose work assignments are directly related to the entities statutory and regulatory responsibilities under the FFEL program.

       It is permissible for a person without an NSLDS ID to view information obtained from NSLDS only if it is necessary to perform their job functions as they relate to the FFEL program.

       It is NOT permissible for the person without an NSLDS access to sign into NSLDS with the other employees ID. If the employee is in need of NSLDS data on a continuous basis it is advisable that the agency apply for an ID for that employee.

Q11   If a GA has a guaranteed PLUS loan and later discovers discrepancies exists with the borrower or the student is it permissible for the GA to view the student's NSLDS record in order to resolve the discrepancy?

A11   Yes. There is an established relationship with the PLUS borrower and therefore since the loan is for the student there is a relationship established with the student as well.

*If you have any questions, please contact the NSLDS Customer Service Center at
(800) 999-8219, or e-mail NSLDS@ed.gov.*

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