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**Privacy Impact Assessment
for the
*NCO Financial Systems (NCO)***

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US Department of Education

Privacy Impact Assessment
FEDERAL STUDENT AID (FSA)
PRIVATE COLLECTION AGENCY
NCO Financial Systems

1. What information will be collected for the system?

NCO Financial Systems collects the following information from the Department of Education:

1. Full name
2. Address
3. Phone #'s
4. Payment transactions
5. Communication history
6. Bankruptcy information
7. Deceased information

2. Why is this information being collected?

All information received from the Department is used for the sole purpose of contacting the consumer and collecting owed funds on behalf of the Department of Education. NCO Financial Systems will utilize the information to (1) Facilitate the repayment of the loan, and (2) Identify the current status of the borrower.

3. How will FSA use this information?

FSA uses this information to update their records with current consumer information, payment history and updated loan encumbrances. NCO will use this and all other information obtained to support the collection of defaulted student loans for the Department of Education. Information is used for skip-tracing, location, collections, repayment and rehabilitation monitoring, and reporting results to the Department of Education. Additionally, NCO will utilize this information to provide borrower's non-cash resolution of their debt if they qualify.

4. Will this information be shared with any other agency or entity? If so, with which agency or agencies/entities?

Relevant information will be shared with NCO's dedicated software providers, credit history providers, letter printing providers and data scrubbing providers:

- Ontario Systems LLC: Muncie, Indiana 3rd Party software supplier of Collections Systems Software (FACS), Supplies core application code and enhancements
- First Data Resources: Denver, Colorado, 3rd Party "data scrubbing"
- TransUnion: Chicago, IL., 3rd party Credit Reporting
- PSC Info Group: Oaks, PA., 3rd party print and mail solutions
- Lexus Nexus: Miamisburg, Ohio, 3rd Party "data scrubbing"



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- Corporation: St. Louis, Missouri, verify employment
- Central Research: Lowell, AR, gather/verify incarceration information.

5. Describe the notice or opportunities for consent that would be or are provided to individuals about what information is collected and how that information is shared with other organizations.

Per the instructions provided on March 13, 2009 from the <http://pca.ed.gov/> Web site, the answer to this question is pending the completion and receipt of a standard template by the U.S. Department of Education, Office of Federal Student Aid. This is to ensure that NCO has the proper format to answer this question correctly.

6. How will the information be secured?

The information collected and maintained by NCO, on the behalf of the U.S. Department of Education, Office of Federal Student Aid, is secured using the requirements established by the Federal Information Security Management Act of 2002 (FISMA) and in accordance with NIST Special Publication (SP) 800-53, *Recommended Security Controls for Federal Information Systems, Revision 2*, and NIST SP 800-53A, *Guide for Assessing the Security Controls in Federal Information Systems*.

Additionally, NCO is currently re-writing its System Security Plan (SSP) using guidance in NIST SP 800-18 Revision 1, *Guide for Developing Security Plans for Federal Information Systems*, to document the security posture and describe each of the security controls as required by NIST SP 800-53 and 800-53A.

The U.S. Department of Education, Office of Federal Student Aid has implemented a certification and accreditation process in accordance with "NIST SP 800-37, *Guide for the Security Certification and Accreditation of Federal Information Systems*." The NCO Financial Systems will be certified and accredited with this process in order to validate the system's security controls.

Data is contained in a single database with multiple tables on a Storage Area Network in a secure, limited access, hardened Data Center. When data is moved to tape/portable media for off-site storage it is encrypted prior to being written to tape by an in-line data crypto-coprocessor which utilizes AES 256bit encryption.



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7. Is a system of records being created or updated with the collection of this information?

Per the instructions provided on February 19, 2009 during the FISMA Overview PCA Webinar, this question will be completed by the U.S. Department of Education, Office of Federal Student Aid.