

SMALL BUSINESS ADMINISTRATION
PRIVACY IMPACT ASSESSMENT

Name of Project: OCA: Loan/Lender Monitoring System (L/LMS)

Project's Unique ID: 028-00-01-02-01-2001-00

Once the PIA is completed and the signature approval page is signed, please provide copies of the PIA to the following:

- SBA IT Security Manager
- SBA OCIO IT Portfolio Division
- SBA Privacy Act Officer

Also refer to the signature approval page at the end of this document.

A. CONTACT INFORMATION:

1) Who is the person completing this document?

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2) Who is the System Owner?

Bryan Hooper, Director, Office of Lender Oversight
(202)205-3049

3) Who is the System Manager for this system or application?

Nick Liu, L/LMS Project Manager
(202) 205-3049

4) Who is the IT Security Manager who reviewed this document?

Joyce Lewis

5) Who is the Bureau/Office Privacy Act Officer who reviewed this document?

Ethel Matthews

6) Who is the Reviewing Official?

Christine Liu

B. L/LMS APPLICATION/GENERAL INFORMATION:

1) Does this system contain any information about individuals?

No.

a. Is this information identifiable to the individual!?

No.

b. Is the information about individual members of the public?'

No.

c. Is the information about employees?

No.

2) What is the purpose of the L/LMS?

This system does not collect, maintain, or disseminate information in identifiable form about any individuals. The Loan/Lender Monitoring System (L/LMS) is a key office tool for risk management of the Small Business Administration's (SBA) 7(a) and 504 government guaranteed small business loan programs; including guaranteed loans, portfolios, portfolio segments, and resource partner lenders. L/LMS consists of an on-line retrievable database, with a duplicate electronic file database, and numerous monthly, quarterly, and annual reports, and includes quarterly off-site lender ratings. Separately, L/LMS provides an on-line lender portal to allow appropriately authorized lenders to obtain limited authorized data on only their own portfolios.

3) What legal authority authorizes the purchase or development of L/LMS?

The 1997 Small Business Reauthorization Act mandated the Agency to proceed with development of L/LMS. The System is a key component of SBA's Lender Oversight functions. Approximately 75% of the \$11 billion of 7(a) loans generated annually are made by lenders to whom SBA has delegated the authority to make credit decisions. This situation creates a need to have meaningful, relevant information on SBA's loans and lenders in order to measure, monitor and evaluate the risk in SBA's loan portfolios. A further consideration is that SBA has over 5,000 lenders. It is inefficient and ineffective to try to oversee the SBA lending activities of all lenders directly. SBA's Loan/Lender Monitoring System provides the Agency with (1) credit quality predictive indicators on

SBA loans and lenders and (2) a systematic means of measuring and monitoring risk of SBA's lenders utilizing exception reporting for smaller, less active lenders and quantifiably identifying the degree of risk larger lenders present to SBA in terms of potential guarantee payments.

C. DATA in the PROCESS:

1) What categories of individuals are covered in the L/LMS?

None of the data in the L/LMS is identifiable to the individual. (Identifiable form is any of the following linked to an individual: names, address, social security number, or other identifying numbers or code, telephone number, e-mail address, etc.)

2) What are the sources of the information in the L/LMS?

The Loan/Lender Monitoring Services (L/LMS) provides reports and other on-line systems information derived from SBA's proprietary Loan Accounting System (LAS), SBA's Partner Information Management System (PIMS), and a 504 portfolio loan data subset database (504lamp), some public federal regulatory call report data, and vendor's commercial business information and risk assessment system data. No data is collected from any individual or business entity for the L/LMS. All data used has already been collected, compiled, or otherwise developed by the systems that feed data into it.

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

No information in any identifiable form about any individual is collected, maintained, retrievable, or disseminated in the L/LMS.

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

Portions of the data used for these services are collected by and made public by federal regulatory agencies.

c. What State and local agencies are providing data for use in the process?

Portions of the data used for these services are collected and made public by state regulatory agencies

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

Quarterly, SBA receives business credit bureau data, and a small business portfolio credit score (that uses third party business & consumer credit bureau information). This small

business credit score is produced by the contractors outside of the L/LMS. Only the final score is populated in L/LMS. None of the data in the L/LMS is identifiable to the individual.

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

No information will be collected from individuals.

3) Accuracy, Timeliness, and Reliability

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

There is no information collection tied to this investment.

This project uses data from existing SBA and vendor sources. No paperwork or any additional information is being collected from the SBA's resource partners (lenders) or the individual borrowers. There is no data collection or paperwork requirement to the public.

Data comes from reliable sources. The only sources are SBA's proprietary loan accounting system (LAS), vendor's established risk assessment system, and federal or state agencies that regulate Banks.

L/LMS information will not be made public. (Note that some of the data used is populated from public data from state and federal regulatory agencies.) All information that is released for use by the public is in aggregate form at peer group or total SBA portfolio level.

b. How will data be checked for completeness?

Update files are carefully reconciled to the SBA system of record from which the data comes. After L/LMS is populated with updated information, it is reconciled again. Monthly trend analysis also provides controls by closely evaluating changes in data characteristics.

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)

The only sources are: Monthly update from SBA's proprietary loan accounting system, Quarterly update from vendor's established risk assessment system, and Quarterly "call report" data from federal agencies that regulate Banks. All data is updated either monthly or quarterly.

d. Are the data elements described in detail and documented? If Yes, What is the name of the document?

Yes. They are described in the "Six RAM Databases Design Document".

D. ATTRIBUTES OF THE DATA

1) Is the use of the data both relevant and necessary to the purpose for which the process is being designed?

Yes. L/LMS utilizes an electronic means of gathering and analyzing a significant volume of loan level information. It combines SBA loan level data with private sector information including credit scores, quantifying current and near future credit risk, a predictor of future performance. It allows SBA to establish a baseline of loan program and lender performance and then track trends over time to identify and predict changes in the risk profile of SBA's loans and take anticipatory action to mitigate losses, as much as possible.

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?

N/A - None of the data in the L/LMS is identifiable to the individual.

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

N/A - There are no records of individuals. There is no new data.

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

N/A - There is no new data.

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

N/A - There is no new data. Data comes from existing, reliable, record keeping system sources. The only sources are SBA's proprietary loan accounting system (LAS), vendor's established risk assessment system and federal agencies that regulate Banks.

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

N/A - This is not a consolidation of systems. Each existing respective record keeping system is unaffected by L/LMS.

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

This is a new system that fully complies with the Minimum Security Requirements for Federal Information and Information Systems.

The vendor has an up-to-date Security Plan. The vendor has completed (as part of the C&A Certification) a full Security Plan for the L/LMS lender oversight and risk management system. The Certification and Accreditation is up to date and complete, and is periodically reviewed by SBA's CIO Security Office and the vendor; and updated with any changes.

Security review scans and site visits are used to ensure compliance. No POA&M vulnerabilities are outstanding.

- 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.**

N/A - None of the data in the L/LMS is identifiable to the individual.

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

N/A - None of the data in the L/LMS is identifiable to the individual.

- 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.)**

This project uses data from existing SBA and vendor sources. No paperwork or any additional information is being collected from the SBA's resource partners (lenders) or the individual small business borrowers. There is no data collection or paperwork requirement to the public.

E. MAINTENANCE AND ADMINISTRATIVE CONTROLS

- 1) If the information in the process operated in more than one site, how will consistent use of the data be maintained in all sites?**

L/LMS is populated by the contractor at their site (vendor hosted) via regular scheduled updates. As used by SBA, all data is "read only". Lenders may access only their own

data through a vendor hosted lender portal. Portal data is in the form of a single, standard report that the lender can view and print but not change.

2) What are the retention periods of data in the system?

L/LMS gathers data from SBA's system of record (LAS). Data is a duplicate of that maintained in those systems. Historical copies of L/LMS as populated are maintained by the vendor and the SBA program office. Likewise, historical copies of the analytic work product are maintained. This historical information will be kept indefinitely as long as it is useful.

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

Historical L/LMS data provides the ability to perform complex trend analysis on SBA's loan portfolio. The data is simply a copy of information maintained on external original systems. This historical information will be maintained on L/LMS indefinitely as long as it is useful.

4) Are the systems in the process using technologies in ways that the SBA has not previously employed (e.g., monitoring software, Smart Cards, Caller-ID)?

No – The system is a new application of existing technology.

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

N/A – There is no new technology and none of the data in the L/LMS is identifiable to the individual.

6) Will this system in the process provided the capability to identify, locates, and monitor individuals? If yes, explain

No.

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

N/A – There is no monitoring of individuals.

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

N/A – There is no monitoring of individuals.

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

N/A – This is not a system of records and none of the data in the L/LMS is identifiable to the individual, therefore no system of record number is required.

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

N/A – This is not a system of records

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)

The system will be accessed by SBA personnel. Restricted access is provided to participating lenders through the lender portal.

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

SBA personnel who need access to carry out their duties are accommodated. Lenders, upon their request and after proper verification, are provided portal access.

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

No. Users will be restricted to information related to their particular role. Restricted access is provided to participating lenders through the lender portal.

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

Lenders may access only their own data through a vendor hosted lender portal. Portal data is in the form of a single, standard report that the lender can view and print but not change.

No information in any identifiable form about any individual is collected, maintained, retrievable, or disseminated in the L/LMS.

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, were Privacy Act contract clauses inserted in their contracts and other regulatory measures addressed?

Yes, It includes a Privacy Act clause.

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

L/LMS receives data internally and externally. However, no other systems share or have access to this data.

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

The designated L/LMS Project Manager is responsible

8) Will other agencies share data or have access to the data in this: system?

No

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

N/A

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

The SBA IT Security Manager is responsible.

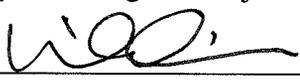
SBA L/LMS PIA

The following officials have approved this document:

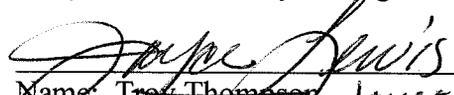
1) System Owner


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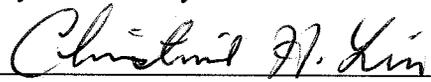
2) System Program/Project Manager


Name: Nick Liu
Title: L/LMS Project Manager

3) System IT Security Manager


Name: ~~Troy Thompson~~ Joyce Lewis
Title: Acting Chief Information Security Officer

4) System Privacy Official


Name: Christine Liu
Title: Chief Privacy Officer