U.S. Department of Housing and Urban Development

PRIVACY HANDBOOK

AUGUST 2020

Document Change History

Issue	Date	Pages Affected	Description
Version 1.0	August 2020	All	Establishes HUD's Privacy Handbook.

Table of Contents

1. Introduction

The U.S. Department of Housing and Urban Development (HUD) Privacy Handbook provides HUD personnel with guidance on fulfilling Federally and HUD-mandated privacy responsibilities. In accordance with Federal requirements, the HUD Privacy Office established procedures and guidelines to safeguard HUD's data and protect individuals' identities and rights. This Handbook addresses role-specific and Department-wide privacy responsibilities in accordance with Federal regulations and best practices, such as the Privacy Act of 1974 (Privacy Act), the Federal Information Security Modernization Act of 2014 (FISMA), the E-Government Act of 2002, and Office of Management and Budget (OMB) memorandums. The Handbook outlines and explains HUD-wide processes and privacy responsibilities, such as personally identifiable information (PII) handling policies and procedures, information disclosure and accounting, risk assessments, data use inventorying and recordkeeping, Federal reporting, and forms and contracts requirements.

2. PII Handling Policies and Procedures

2.1. What is PII?

PII is information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. Set forth below is a non-exclusive list of information that may constitute PII on its own or in combination with other information:

- Full name
- Home address
- Business contact information (HUD does not engage with individuals in an entrepreneurial capacity, but business contact information may still constitute PII because it identifies individuals)
- Personal e-mail address
- Social security number
- Passport number
- Driver's license number
- Certificate number
- Credit card numbers
- Date of birth
- Telephone number
- Log in details
- Personnel number
- Vehicle identifier or serial number
- Photograph or video identifiable to an individual
- Biometric information
- Medical information
- Criminal history
- Other information related to an individual that may directly or indirectly identify that individual (e.g., salary, performance rating, purchase history, call history, etc.)

2.2. Privacy Policy

2.2.1. Exclusions

The HUD Privacy Policy is affiliated with HUD's collection and handling of personal information. HUD follows certain exceptions outlined in the Privacy Act of 1974. Examples of exceptions include records containing classified information on national security and those concerning criminal investigations. Additionally, certain exceptions may be defined in procedure when only business contact information is processed, such as when business e-mails are exchanged or when business contact information is used to print badges for a meeting. Other exceptions to this policy are expected to be requested only in unusual or exceptional circumstances and should be documented and approved by HUD's SAOP.

2.2.2. Responsibility

A. All **HUD personnel** physically involved with handling PII must comply with PII handling requirements outlined in the Privacy Policy. Noncompliance will result in reports to the PLO and possible escalation to the Privacy Office.

i. Office Managers are responsible for ensuring personnel understand and the terms of the Privacy Policy and the penalties for noncompliance.

ii. Office Managers must notify PLOs of any Privacy Policy violations and noncompliance.

B. As delegated by the **Senior Agency Official for Privacy (SAOP)**, the **Chief Privacy Officer (CPO)** has executive oversight and is responsible for the implementation of the HUD Privacy Policy.

C. **Privacy Liaison Officers (PLOs)** at HUD Offices are responsible for tracking violations of the Privacy Policy and reporting them to the Privacy Office.

2.2.3. PII Handling

HUD requires strict handling guidelines for employees and contractors who handle PII due to the nature of the data and the increased risk to an individual if data were to be compromised.

A. General Handling

Methods for handling PII include, but are not limited to the following, and must be done in accordance with HUD's approved records schedules and SORN, if applicable:

- Store PII on secure HUD network, systems, and HUD-approved media;
- Secure paper PII data by locking it in desks and filing cabinets;
- Remove visible PII from desks and office spaces when not in use (e.g., at the end of each day);
- Destroy PII by shredding;
- Delete electronic PII by emptying computer "recycle bin";
- Only use HUD-provided email addresses for conducting official business; and
- Encrypt PII on computers, media, and other devices, especially when sending data outside of HUD's network.

B. Distribution and Transmission

PII may be distributed or released to other individuals only if: (1) it is within the scope of the recipient's official duties; (2) the recipient has an official, role-based need to know; and (3) sharing information is done in a secure manner. When in doubt HUD personnel must treat PII as sensitive and must keep the transmission of PII to a minimum, even when it is protected by secure means.

Other ways for communicating, sending, and receiving PII include:

- Facsimile – When faxing information, HUD personnel should include an advisory statement about the contents on the cover sheet and should notify the recipient before and after transmission.
    - Verify that the recipient knows the fax will be transmitted so that the information does not sit at the fax machine unattended.
- Mail – HUD personnel should physically secure PII when in transit by sealing it in an opaque envelope or container, and mail it using First Class or Priority Mail, or a comparable commercial service. HUD personnel should not mail, or send by courier PII on CDs, DVDs, hard drives, flash drives, USB drives, floppy disks, or other removable media unless the data is encrypted.
- Email – When emailing PII outside of HUD, save it in a separate document and password-protect or encrypt it. Send the encrypted document as an email attachment and provide the password to the recipient in a separate email or by phone.
    - Never email PII to personal email accounts or devices.
- Hard Copy – HUD personnel should also hand-deliver documents containing PII whenever needed and as feasible. HUD personnel should not leave PII unattended on printers, facsimile machines, copiers, or in other common places.

2.2.4. PII Processing Requirements

The following principles apply to the *processing* of PII. These principles are based on the Fair Information Practice Principles (FIPPs) and are mirrored in several national and international privacy laws and regulations, as well as in the laws of many U.S. states.

A. Access and Amendment:

HUD should provide individuals with appropriate access to their own PII and the opportunity to correct or amend that PII.

B. Accountability:

HUD should be accountable for complying with these principles and applicable privacy requirements, and should appropriately monitor, audit, and document compliance. HUD should also clearly define the roles and responsibilities with respect to PII for all employees and contractors and should provide appropriate training to all employees and contractors who have access to PII.

C. Authority:

HUD should only create, collect, use, process, store, maintain, disseminate, or disclose PII if they have authority to do so, and should identify this authority in the appropriate documentation.

D. Minimization:

HUD should only create, collect, use, process, store, maintain, disseminate, or disclose PII that is directly relevant and necessary to accomplish a legally authorized purpose, and should only maintain PII for as long as is necessary to accomplish the purpose.

HUD's Privacy Office maintains an inventory of PII holdings and uses the PIA and SORN processes to identify methods to further reduce the data the Department collects and to ensure, to the maximum extent practicable, that such holdings are accurate, relevant, timely, and complete. Records containing PII must be maintained in accordance with NARA and department approved retention, disposition, and destruction schedules to further support the goals of privacy and security.

E. Quality and Integrity:

HUD should create, collect, use, process, store, maintain, disseminate, or disclose PII with such accuracy, relevance, timeliness, and completeness as is reasonably necessary to ensure fairness to the individual.

F. Individual participation:

HUD should involve the individual in the process of using PII and, to the extent practicable, seek individual consent for the creation, collection, use, processing, storage, maintenance, dissemination, or disclosure of PII. Agencies should also establish procedures to receive and address individuals' privacy-related complaints and inquiries.

G. Purpose Specification and Use Limitation:

HUD should provide notice of the specific purpose for which PII is collected and should only use, process, store, maintain, disseminate, or disclose PII for a purpose that is explained in the notice and is compatible with the purpose for which the PII was collected, or that is otherwise legally authorized.

H. Security

HUD should establish administrative, technical, and physical safeguards to protect PII commensurate with the risk and magnitude of the harm that would result from its unauthorized access, use, modification, loss, destruction, dissemination, or disclosure.

I. Transparency:

HUD should be transparent about information policies and practices with respect to PII, and should provide clear and accessible notice regarding creation, collection, use, processing, storage, maintenance, dissemination, and disclosure of PII.

J. Federal Record Rights

In accordance with Federal regulation, HUD should provide notice describing the individual data subject's rights in relation to personal data as follows:

- The individual data subject has access to the personal data held by HUD about them.
- The individual data subject can correct a record that is inaccurate, irrelevant, or incomplete.

Additionally, HUD should provide public access to information and instructions regarding the process and contacts for making a request to correct any record pertaining to the individual.

K. System of Records Notice

A System of Records is a group of any records under the control of any agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifier assigned to the individual. HUD adheres to the Privacy Act requirements for publishing publish notices of its systems of records in the Federal Register, which are referred to as SORNs.

Each SORN describes what, why and how HUD collects, maintains, uses and disseminates records in the system. Some systems maintain information on HUD employees while others maintain information from or about individuals outside of HUD. There are also Government-wide systems that are maintained by other Federal agencies and hold some of the operating authority over the records such as the Office of Personnel Management's Employee Performance File system.

L. Privacy Impact Assessments

A Privacy Impact Assessment (PIA) is an analysis of how information in identifiable form is collected, maintained, stored, and disseminated, in addition to examining and evaluating the privacy risks and the protections and processes for handling information to mitigate those privacy risks. A PIA is required for each HUD information system, General Support System, or electronic collection that collects, maintains, uses, and/or disseminates PII about US citizens, Federal employees, and HUD contractors. In the case where no PII is collected, the PIA will serve as a conclusive determination that privacy requirements do not apply to the system.

2.3. PII Protection at Workstations Policy

The HUD PII Protection at Workstations Policy covers the responsibilities of personnel regarding the protection of information assets when unattended in the personal workspace. Physical protections and security measures are needed to prevent unauthorized access and disclosure of PII, in accordance with the Agency's privacy responsibilities. A printable version of the PII Protection at Workstations Policy is available.

3. Privacy Act Requests

This section of the Handbook sets forth procedures for processing requests for access to or amendment of records under the Privacy Act. It also includes procedures for disclosing records, and accounting for such disclosures.

HUD follows its Freedom of Information Act (FOIA) process for Privacy Act requests. Upon receiving a request, a HUD FOIA specialist determines whether the request is related to PII and / or the Privacy Act. These requests are processed under the FOIA b(6) exemption.

FOIA specialists record the request and share the request with the relevant Program Office(s), who then have up to 10 days to deliver the necessary information back. From there, the assigned FOIA specialist analyzes the information to determine whether any PII would be included in the release or whether the request has any Privacy Act implications, and then determines the next steps for the request. These may include granting the request, making redactions to the request, or sending the request to the Office of the Inspector General (OIG).

Disclosure Accountings

The PLO is responsible for maintaining an accurate record of all disclosures made from any System of Records in the Privacy SharePoint, except disclosures to HUD personnel for use in the performance in their official duties or under 5 U.S.C. 552, the FOIA. In all other cases, the PLO and RMLO are required to maintain a disclosure accounting in the Privacy SharePoint, even if the individual has consented to the disclosure of the information.

Contents & Method of Disclosure Accountings

At a minimum, the disclosure accounting in the Privacy SharePoint should contain:

- The date of the disclosure.
- A description of the information released.
- The purpose of the disclosure.
- The name and address of the person or agency to whom the disclosure was made.

The PLO is to use the Privacy SharePoint as the system of disclosure accounting. When numerous similar records are released as part of mass disclosures, the PLO(s) and, if necessary, Records Management Liaison Officers (RMLOs) identify the category of records disclosed and include the data required in the list above.

If disclosure accountings are not maintained with the record and the individual requests access to the accounting, the PLO and RMLO are to prepare a listing of all disclosures and provide this to the individual upon request. See guidance below for detailed steps regarding procedures for disclosures, corrections and amendments, and accounting.

3.1. Disclosure Processing and Accounting Guidance

The following provides steps for processing requests and managing disclosure accounting.

1) **If an individual requests access to a record that is kept about them, then the individual should be allowed to:**
    a. View and review the record, unless a Privacy Act exemption applies.
    b. Bring one person of their choice to accompany them when reviewing the record.
        i. If the requesting individual brings a person with them, the requesting individual must sign a written statement authorizing the fact the person accompanying them will be present during any discussion or viewing of the record.
    c. Make copies of the entire record or a portion of the record.

2) **If an individual request to correct or amend a record kept about them, then the Department should:**
    a. Within 10 business days:
        i. Make the correction or amendment.
        ii. Or inform the individual the department refuses to amend the record.
            1. **If the Department refuses**, the Department must notify the individual of:
                a. The reason why it was refused.
                b. The departmental procedures for how the individual can request a review of the refusal by the secretary.
                c. Provide the name and business address of the Privacy Appeals Officer who reviews such decisions.

    b. If the individual wants the decision of refusal to amend to be reviewed, then the Department should:
        i. Review the decision within 30 business days of when the individual submits the request for review.
        ii. The Department can extend the 30-day period if there is a showing of good cause.

3) **If the Department refuses to amend the record, then:**
    a. The individual is:
        i. Permitted to file a **Statement of Disagreement** with the Department that details the reason why the individual believes they should have been allowed to amend the record.
    b. The Department should:
        i. Make a **Record of Justification** explaining the reason for refusal.
        ii. Create a **Notice of Dispute** that identifies the portions of the record which have been disputed.
        iii. Notify the individual of the provisions for judicial review of the Department's refusal to amend or correct the record.

c. Include the following documents with the record if the record is ever disclosed to other persons or agencies:
   i. Individual's **Statement of Disagreement**.
   ii. Department's **Record of Justification** for refusal.
   iii. General **Notice of Dispute**.

3.2. Privacy Act Exceptions to Conditions of Disclosure

The Privacy Act prohibits agencies from disclosing information about an individual without the individual's written consent, unless the disclosure is pursuant to one of the 12 statutory exceptions. The 12 exceptions allow disclosure:

1. To those officers and employees of the Department, who have a need for the record in the performance of their duties;
2. When disclosure is required under the Freedom of Information Act (FOIA);
3. For an established routine use identified in the SORN that has been published in the Federal Register;
4. To the Census Bureau for purpose of planning or carrying out a census or survey;
5. To a recipient who has provided the Department with adequate written assurance that the record will be used solely for statistical research or reporting record, and the record is to be transferred in a form that is not individually identifiable;
6. To the National Archives and Records Administration (NARA) for historical preservation if the Archivist determines the record has historical value;
7. To another department or to an instrumentality of any governmental jurisdiction, within or under the control of the U.S. for a civil or criminal law enforcement activity if the activity is authorized by law, and if the head of the department or instrumentality has made a written request to the HUD specifying the particular portion desired and the law enforcement activity for which the record is sought;
8. To a person pursuant to a showing of compelling circumstances affecting the health or safety of an individual if upon such disclosure notification is transmitted to the last known address of such individual;
9. To either House of Congress, or to the extent of matter within its jurisdiction, any committee or subcommittee thereof, any joint committee of Congress or subcommittee of any such joint committee;
10. To the Comptroller General, or any of his authorized representatives, in the course of the performance of the duties of the General Accountability Office;
11. Pursuant to the order of a court of competent jurisdiction;
12. To a consumer reporting agency in accordance with the Debt Collection Act.

3.2.1. Most Commonly Used Privacy Act Exceptions

This section highlights the exceptions that you will most likely come across in your routine responsibilities. Tips are provided below for how to handle each situation.

1. Disclosures made to those officers and employees of the department which maintains the record, who have a need for the record in the performance of their duties.
    - Make sure all disclosures to officers and employees are necessary
2. Disclosures made "under the Freedom of Information Act (FOIA)."
    - If you are unsure if a request falls under the FOIA Act, please contact the FOIA specialist for your office.
3. Disclosures made "for an established routine use identified in the SORN that has been published in the Federal Register."
    - Always check the SORN for the System of Records you are using.

3.3. Privacy Act Exemptions

The Privacy Act provides that the department will provide access to records on individuals within its possession unless one of ten exemptions applies. HUD's exempted SORNs can be found at 24 CFR 16.14 and 16.15. The potentially relevant exemptions for HUD are as follows:

1. Exemption (d)(5) – Information compiled in reasonable anticipation of civil action or proceeding;
2. Exemption (j)(2) – Certain OIG systems containing records compiled during the course of a criminal law enforcement proceeding.
3. Exemption (k)(1) – Classified information under an Executive Order in the interest of national defense or foreign policy.
4. Exemption (k)(2) – Investigatory material compiled for law enforcement purposes; coverage is less broad where individual has been denied a right, privilege, or benefit as result of information sought.
5. Exemption (k)(4) – Information required by statute to be maintained and used solely as statistical records.
6. Exemption (k)(5) – Investigatory material used only to determine suitability, eligibility, or qualifications for Federal civilian employment or access to classified information when the material comes from confidential sources.
7. Exemption (k)(6) – Testing or examination material used to determine appointment or promotion of Federal employees when disclosure would compromise the objectivity or fairness of the process.
8. Exemption (k)(7) – Military evaluative records.

4. Privacy Impact Assessments (PIA)

HUD is required to regularly update and maintain foundational privacy artifacts such as Privacy Impact Assessments (PIAs) to comply with the E-Government Act of 2002. PIAs analyze the privacy risks as well as the protection and the process of handling information to mitigate privacy risks. PIAs are conducted when developing or procuring information systems or projects that collect, maintain, or use personally identifiable information (PII) any individual. PIAs are also required when a new collection of information is initiated.

4.1. PIA Template

The HUD PIA template can be found on the HUD Privacy Website.

4.2. What Is a PIA?

A PIA is an analysis of how information in identifiable form is collected, stored, protected, shared, and managed. The purpose of a PIA is to demonstrate that System Owners and developers have incorporated privacy protections throughout the entire life cycle of a system.

4.2.1. Contents of a PIA

PIAs must analyze and describe:

a. What information is to be collected (e.g., nature and source);
b. Why the information is being collected (e.g., to determine eligibility);
c. Intended use of the information (e.g., to verify existing data);
d. With whom the information will be shared (e.g., another agency for a specified programmatic purpose);
e. What opportunities 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;
f. How the information will be secured (e.g., administrative and technological controls); and
g. Whether a System of Records is being created under the Privacy Act

4.3. Is a PIA Required?

All electronic HUD Systems of Records require a PIA. However, the type of PIA that is required depends on whether the system being assessed is new or existing.

4.4. What Type of PIA Is Required?

- Is this a new system**?**
  - **If yes** → See "**New PIA**"
  - **If no** → Has there been a change to the system that creates new privacy risks?
    - **If yes** → See "**Modified PIA**"
    - **If no** → No PIA is required.

4.4.1. Types of PIAs

- **New PIA** – A New PIA is conducted before a new electronic System of Records is established.
- **Modified PIA** – A Modified PIA is conducted when there been a change to the system that creates new privacy risks or when a new collection of information has been initiated on the system.

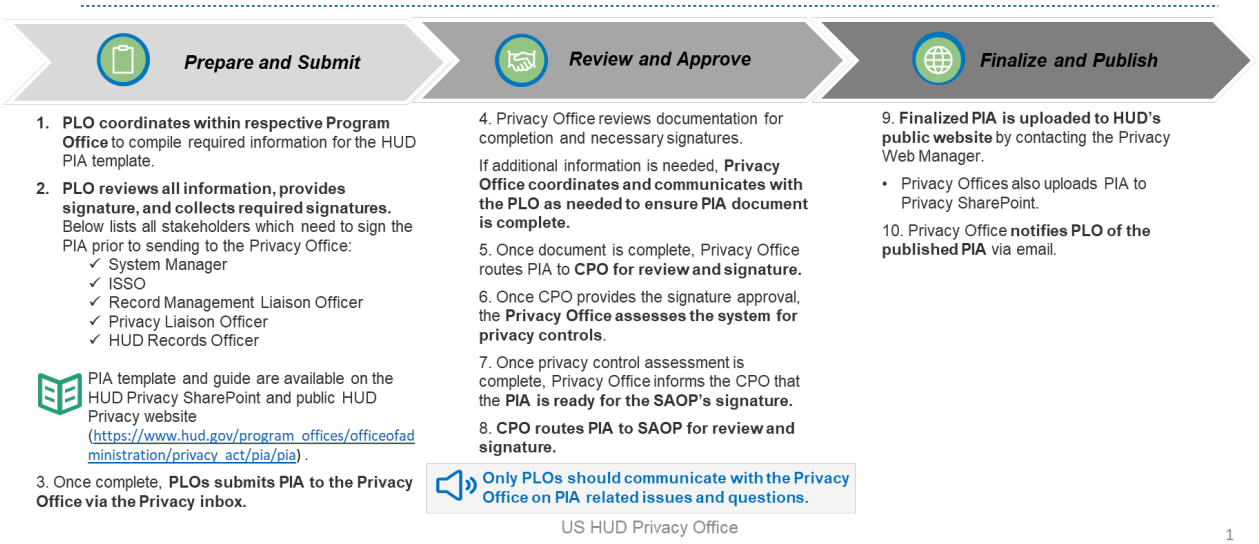
4.4.2. PIAs – What Is a Significant Change?

1. Conversions – When converting paper-based records to electronic systems.
2. Anonymous to Non-Anonymous – When functions applied to existing information collection changes anonymous information into information in identifiable form.
3. Significant System Management Changes – When new uses of an existing IT system, including application of new technologies, significantly change how information in identifiable form is managed in the system:
   - For example, when an agency employs new relational database technologies or web-based processing to access multiple data stores; such additions could create a more open environment and avenues for exposure of data that previously did not exist.

4. Significant Merging – When agencies and departments adopt or alter business processes so that government databases holding information in identifiable form are merged, centralized, matched with other databases or otherwise significantly manipulated: For example, when databases are merged to create one central source of information; such a link may aggregate data in ways that create privacy concerns not previously at issue.
5. New Public Access - When user-authenticating technology (e.g., password, digital certificate, biometric) is newly applied to an electronic information system accessed by members of the public.
6. Commercial Sources – When agencies and departments systematically incorporate into existing information systems databases of information in identifiable form purchased or obtained from commercial or public sources. (Merely querying such a source on an ad hoc basis using existing technology does not trigger the PIA requirement).
7. New Interagency Uses – When agencies and departments work together on shared functions involving significant new uses or exchanges of information in identifiable form, such as the cross-cutting E-Government initiatives; in such cases, the lead agency should prepare the PIA;
    - For example, the Department of Health and Human Services, the lead agency for the Administration's Public Health Line of Business (LOB) Initiative, is spearheading work with several agencies to define requirements for integration of processes and accompanying information exchanges. HHS would thus prepare the PIA to ensure that all privacy issues are effectively managed throughout the development of this cross-agency IT investment.
8. Internal Flow or Collection – When alteration of a business process results in significant new uses or disclosures of information or incorporation into the system of additional items of information in identifiable form:
    - For example, agencies and departments that participate in E-Gov initiatives could see major changes in how they conduct business internally or collect information, as a result of new business processes or E-Gov requirements. In most cases the focus will be on integration of common processes and supporting data. Any business change that results in substantial new requirements for information in identifiable form could warrant examination of privacy issues.
9. Alteration in Character of Data – When new information in identifiable form added to a collection raises the risks to personal privacy (for example, the addition of health or financial information).

4.5. Establishing or Modifying a PIA

The workflow below describes the Privacy Office's PIA development and communication processes. A printable version of the workflow is available. Please use the HUD PIA Template to provide the Privacy Office with required information. For detailed instructions on how to properly fill out a PIA, please see the HUD PIA Reference Guide.



4.6. PIA Review Schedule and Process

This section establishes a schedule and process for ensuring PIA reviews are conducted in a recurring and timely manner.

In addition to standard Continuous Monitoring procedures, PIAs should be reviewed **not less than annually** to ensure accuracy and to make note of any significant changes that may need to be reported.

PIA Review Schedule	
Action	**Timing**
PLOs should initiate the annual PIA review and inform **System Owners** in their respective Offices to review and update all PIAs that were first established more than one year ago (as of June 1st of the current year). All necessary updates and changes must be submitted to the Privacy Office by June 30th. • **PLOs** should begin working with **System Owners** to review PIAs to determine if **Modified PIAs** are needed. See ***Section 4.4*** of this Handbook for details. • If **Modified PIAs** are not needed, **PLOs** should work with **System Owners** to submit **Updated PIAs** to confirm PIA accuracy. See ***Section 4.6.2*** of this Handbook for details and instructions.	June 1st
PLOs should conduct a status check for which Offices have and have not submitted **Modified or Updated PIAs**. • **PLOs** should send submission reminders to **System Owners** who have not submitted their updated PIAs.	Not later than (NLT) June 15th
System Owners in each Office should complete reviewing PIAs and ensure **Modified** and **Updated PIAs** are completed and submitted to the Privacy Office at privacy@hud.gov.	NLT June 30th

4.6.1. Annual PIA Review Procedures

PLOs should work with **System Owners** to review PIAs that were first established more than one year ago (as of June 1st of the current year). If the first PIA for a system was established within one year as of June 1st of the current year, the PIA does not need to be reviewed and updated until the next year.

PLOs and **System Owners** should determine if the PIAs are up to date, or if **Modified PIAs** are needed. Refer to ***Section 4.4*** of this Handbook to determine if a Modified PIA is needed. If no Modified PIAs are needed, Offices should re-date and submit **Updated PIAs** to the Privacy Office to confirm accuracy.

4.6.2. Updated PIAs

1. Using the HUD PIA Template, copy over all the information from the existing PIA.
2. Insert the current date.
3. **PLOs** sign the updated PIA.
4. **PLOs** submit the updated PIA to the Privacy Office at privacy@hud.gov with the subject field, "Annual PIA Certification [Year], [Office Name]."

Modified PIAs

- To determine if a **Modified PIA** is needed, refer to ***Section 4.4*** of this Handbook for next steps.
- If a **Modified PIA** is needed, refer to ***Section 4.5*** of this Handbook for next steps.

4.7. PIA Website Publication

The Privacy Office is responsible for posting the first page of PIAs to the HUD Privacy Website. **Only Section 1 of PIAs should be published to the website; the full PIA should be kept only for internal use as system information can be sensitive**. The Privacy Office should maintain an updated SharePoint inventory of PIAs that includes the full PIAs as well as the redacted public web versions.

4.7.1. Retiring PIAs

Any time a system is retired, the PIA for the respective system should be moved to the Retired PIAs section of the HUD Privacy Website.

5. System of Records Notices (SORN)

The Privacy Office ensures compliance with the Privacy Act of 1974 by developing and maintaining SORNs. A System of Records is a group of any records under the control of any agency or department from which information is retrieved by a unique identifier, including but not limited to an individual's name, Social Security number, symbol, or other identifier assigned to the individual. (See ***Section 2.1*** of this Handbook for details about what constitutes PII.)

5.1. SORN Templates

HUD Templates for SORNs and all SORN-related documents can be found on the HUD Privacy Website.

5.2. What Is a SORN?

A SORN is comprised of the Federal Register notice(s) that identifies the System of Records, the purpose(s) of the system, the authority for maintenance of the records, the categories of records maintained in the system, the categories of individuals about whom records are maintained, the routine

uses to which the records are subject, and additional details about the system. The requirement for agencies and departments to publish a SORN allows the Federal Government to accomplish one of the basic objectives of the Privacy Act, fostering accountability through public notice.

5.2.1. Contents of a SORN:

A SORN Must include:

a. The name, location, and security classification of the system;
b. The authority for the system;
c. The purpose of the system;
d. Whether any exemptions were promulgated for the system;
e. The categories of individuals on whom records are maintained in the system;
f. The categories of records maintained in the system;
g. Each routine use of the records contained in the system, including the categories of users and the purpose of such use;
h. The policies and practices of the department regarding storage, retrievability, access controls (such as administrative, technical, and physical safeguards), retention, and disposal of the records;
i. The title and business address of the department official who is responsible for the System of Records;
j. The department procedures whereby an individual can be notified at his request if the System of Records contains a record pertaining to him;
k. The department procedures whereby an individual can be notified at his request how he can gain access to any record pertaining to him contained in the System of Records, and how he can contest its content; and
l. The categories of sources of records in the system.

5.3. Is a SORN Required?

- Do you collect or maintain information about individuals in a System of Records that is retrieved by an individual identifier?
  - **If yes** → A SORN is required.?
  - **If no** → A SORN is not required.

5.4. What Type of SORN Is Required?

- Is this a new System of Records or a modification to an existing system?
  - **New System of Records** → See "**New SORN**"
  - **Modification** → See "**Modified SORN**"
- Is a System of Records being terminated?
  - **If yes** → See "**Notice of Rescindment"**

5.4.1. Types of SORNs

New SORN – A new SORN is required when HUD establishes a new System of Records for which no prior Federal Register publication exists. The notice must be filed at least 30 days before the routine uses or disclosures are made from the System of Records.

Modified SORN – A modified SORN is required when a System of Records is significantly altered. Any new or significantly modified routine uses require a minimum of 30 days after publication in the Federal Register before the routine uses are effective and may be used as the basis for disclosure of a record in the system

Notice of Rescindment – A Notice of Rescindment must be filed when HUD stops maintaining a previously established System of Records. HUD shall publish a notice of rescindment in the Federal Register. A Notice of Rescindment must:

- Identify the System of Records
- Explain why the SORN is being rescinded and provide an account of what will happen to the records that were previously maintained in the system.
    - If the records in the System of Records will be combined with another System of Records or maintained as part of a new System of Records, the notice of rescindment shall direct members of the public to the SORN for the system that will include the relevant records.

5.4.2. SORNs – What Is a Significant Change?

Significant changes are those that are substantive in nature and therefore warrant a **Modified SORN** in order to provide notice to the public of the character of the modified System of Records. System Owners should contact their PLOs or Privacy Office before making a change to a System of Records to verify that the change is non-substantive. If the intended change is substantive, System Owners should work with PLOs and the Privacy Office to ensure that the SORN is modified to reflect that substantive change.

The following is a non-exhaustive list of examples of significant changes:

1. A substantial increase in the number, type, or category of individuals about whom records are maintained in the system. For example, a system covering physicians that is being expanded to include other types of health care providers (e.g., nurses or technicians) would require a revised SORN. Increases attributable to normal growth in a single category of individuals generally would not require a revised SORN.
2. A change that expands the types or categories of records maintained in the system. For example, a benefit system that originally included only earned income information that is being expanded to include unearned income information would require a revised SORN.
3. A change that modifies the scope of the system. For example, the combining of two or more existing systems of records.
4. A change that modifies the purpose(s) for which the information in the System of Records is maintained.
5. A change in the department's authority to maintain the System of Records or maintain, collect, use, or disseminate the records in the system.
6. A change that modifies the way in which the system operates or its location(s) in such a manner as to modify the process by which individuals can exercise their rights under the statute (e.g., to seek access to or amendment of a record).
7. A change to equipment configuration (either hardware or software), storage protocol, type of media, or department procedures that expands the availability of, and thereby creates substantially greater access to, the information in the system. For example, a change in the access controls that substantially increases the accessibility of the information within the department.
8. A new routine use or significant change to an existing routine use that has the effect of expanding the availability of the information in the system.
9. The promulgation of a rule to exempt a System of Records from certain provisions of the Privacy Act.

5.4.3. Reports and Additional Documents that Accompany SORNs

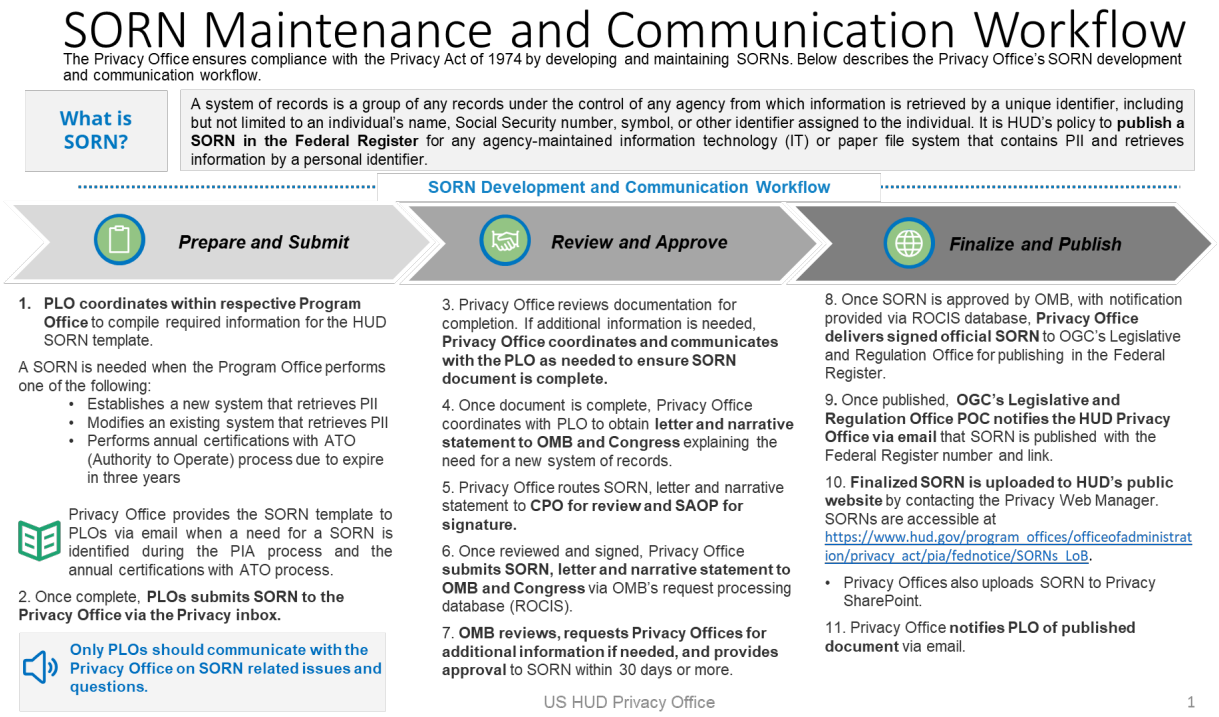
New and Modified SORNs require additional reports and notices to be filed before the matching program goes into effect.

- **Report to Congress and OMB** – Upon establishment of a ***new, renewed, or significantly modified matching agreement***, copies of the matching agreement must be submitted to the Committee of Homeland Security and Governmental Affairs of the Senate, the Committee on Oversight and Government Reform of the House of Representatives, and OMB. The department provides advance notice to OMB and the committees of jurisdiction in Congress in order to permit an evaluation of the probable or potential effect of such a proposal on the privacy or other rights of individuals.
    - Pursuant to OMB Circular A-108, the reports to Congress and OMB must be completed ***at least 30 days before submission of matching notices to the Federal Register*** for publication.
- **Letter of Transmittal** – The transmittal letter serves as a ***brief cover letter*** accompanying the reports to Congress and OMB. The transmittal letter shall:
    a. Be signed by the SAOP.
    b. Contain the name, email address, and telephone number of the individual who can best answer questions about the proposed System of Records.
    c. Contain the Department's assurance that the proposed System of Records fully complies with the Privacy Act and OMB policies.
    d. Contain the Department's assurance that the proposed System of Records does not duplicate any existing department or government-wide systems of records.
- **Narrative Statement** – The narrative statement provides a ***brief overview of the proposed System of Records*** making reference to the other materials in the report without simply restating information provided in those materials. The narrative statement shall:
    a. Describe the purpose(s) for which the department is establishing or modifying the System of Records and explain how the scope of the system is commensurate with the purpose(s) of the system.
    b. Identify the specific authority (statute or executive order) under which the System of Records will be maintained. The Department shall avoid citing authority that is overly general; rather, the Department shall cite the specific programmatic authority for collecting, maintaining, using, and disseminating the information.
    c. An evaluation of the probable or potential effect of the proposal on the privacy of individuals whose information will be maintained in the System of Records. If the Department has conducted one or more privacy impact assessment(s) with respect to information technology that will be used to collect, maintain, or disseminate the information in the System of Records, the privacy impact assessment(s) will likely provide the information necessary to meet this requirement, and may be submitted in lieu of drafting a separate evaluation.
    d. Explain how each new or modified routine use satisfies the compatibility requirement of the Privacy Act.
    e. Identify any information collections approved by OMB or submitted to OMB for approval that will be used to collect information that will be maintained in the System of Records, and provide the relevant names, OMB control numbers, and expiration dates. If the request for OMB approval of an information collection is pending, the department may simply state the name of the collection and the date it was submitted to OMB for review.

- **Federal Register Notice** – The Privacy Act requires the Department to publish any new or modified routine use at least 30 days before the effective date of the routine use. The Department shall not disclose any records pursuant to a new or modified routine use until after the 30-day comment period has ended and the department has considered any comments from the public and determined that no further modifications are necessary.
- **Exemption Rule** – Any new Privacy Act exemption rules or changes to published exemption rules in Federal Register format that the department proposes to issue that will apply to records in the new or significantly modified System of Records. See ***Section 3.3*** of this Handbook for details regarding Privacy Act Exemptions.
- **Supplementary Documents** – The supplementary documents include:
    - For significantly modified systems, the Department shall include a list of the substantive changes to the previously published version of the notice and/or a version of the previously published notice that has been marked up to show the changes that are being proposed.
    - The Department shall include any other supplementary documents requested by OMB.

5.5. Establishing or Modifying a SORN

It is HUD's policy to publish a SORN in the Federal Register for any department-maintained information technology (IT) or paper file system that contains PII and retrieves information by a personal identifier. Use the HUD SORN Template to provide the Privacy Office with necessary information. The workflow below describes the Privacy Office's SORN development and communication processes. A printable version of the workflow is available.



5.6. Rescinding a SORN

A System of Records is terminated whenever the information is no longer accessed by individuals' names or other identifiers, or whenever it is consolidated with another System of Records. Terminating a system may involve the physical destruction of records; it may involve purging the system of individual identifiers and maintaining the data in another form, such as statistical data; and it may involve altering the manner in which the records are accessed so that records are no longer accessed by the name of the subject individuals or other personal identifiers.

When a System of Records is terminated, a **Notification of Rescindment** should be sent to the Privacy Office for record keeping and for publication in the Federal Register.

Any time a SORN is rescinded, the System Owner should check to see if there is an accompanying PIA that needs to be retired. See ***Section 4.7.1*** for details.

5.7. SORN Review Schedule and Process

This section establishes a schedule and process for conducting mandated SORN reviews in a recurring and timely manner.

In addition to standard Continuous Monitoring procedures, SORNs should be reviewed **not less than annually** to ensure accuracy and to make note of any significant changes that may need to be reported.

SORN Review Schedule	
Action	**Timing**
PLOs should initiate the annual SORN review and inform **Program Owners** in their respective offices that all SORNs that were first established more than one year ago (as of June 1st of the current year) must be reviewed for accuracy, and that all updates must be submitted to the Privacy Office by June 30th. • **PLOs** should begin working with **Program Owners** to review existing SORNs to determine if **Modified SORNs** or **Notifications of Rescindment** are needed. See ***Section 5.3*** through ***5.6*** of this Handbook for details. • If **Modified SORNs** and **Notifications of Rescindment** are not needed, **PLOs** should work with **Program Owners** to submit **Annual SORN Certifications** to confirm SORN accuracy. See ***Section 5.7.2*** of this Handbook for details.	June 1st
PLOs should conduct a status check for which offices have and have not submitted **Annual SORN Review Certifications**, **Modified SORNs**, and or **Notifications of Rescindment**. • **PLOs** should send submission reminders to **Program Owners** who have not submitted their **Annual SORN Certifications**, **Modified SORNs**, and or **Notifications of Rescindment**.	NLT June 15th

PLOs should ensure **Program Owners** in each Office have completed reviewing SORNs and that **Annual SORN Certifications**, **Modified SORNs,** and or **Notifications of Rescindment** are completed and submitted to the **Privacy Office** at privacy@hud.gov. • **PLOs** should coordinate with relevant stakeholders to complete reviewing SORNs and ensure necessary updates are made and submitted to the Privacy Office before the end of June.	NLT June 30th

5.7.1. Annual SORN Review Procedures

Annual SORN Certification

PLOs should work with **Program Owners** in their Office to review all SORNs that were first established more than one year ago (as of June 1st of the current year). If the first SORN for a system was established within one year as of June 1st of the current year, the SORN does not need to be reviewed and updated until the next year.

SORNs must be reviewed for accuracy and that all updates must be submitted to the Privacy Office by June 30th. Refer to ***Section 5.3*** through ***5.6*** of this Handbook to determine if a **Modified SORN** or **Notification of Rescindment** is needed. If *neither* a Modified SORN or Notification of Rescindment is needed, Offices should submit an **Annual SORN Certification** to the Privacy Office to confirm SORN accuracy.

5.7.2. Annual SORN Certification Instructions

1. Find and **make a copy** of each existing SORN that needs to be certified for accuracy.
2. **On the copy**, mark the box on the first page that says, "**This is an annual certification for an existing SORN.**"
3. Change the date to the current date [Month, Day, Year].
4. Submit the document to the Privacy Office at privacy@hud.gov with the subject field, "SORN Annual Certification [Year], [Office Name]"

Modified SORNs

- If a Modified SORN is needed, refer to ***Section 5.4*** and ***5.5*** of this Handbook for next steps.

Notifications of Rescindment

- If a Notification of Rescindment is needed, refer to ***Section 5.6*** of this Handbook for next steps.

6. Computer Matching Agreements (CMA)

The Computer Matching and Privacy Protection Act (CMPPA) and Privacy Act requires agencies and departments engaged in computer matching activities to provide notice to individuals if their information is being computer matched. Individuals must be provided with the opportunity to refute adverse information before having a benefit denied or terminated on the basis of a match. Agencies departments are required to establish a Data Integrity Board (DIB) to oversee computer matching activities.

6.1. CMA Templates

Templates for CMAs and all CMA-related documents can be found on the HUD Privacy Website.

6.2. What Is a CMA?

A CMA is a written agreement establishing the conditions, safeguards, and procedures under which a Federal agency or department agrees to disclose data with another Federal or state agency when there is a computerized comparison of two or more automated System of Records for the purpose of determining eligibility for a benefit.

6.2.1. Contents of a CMA

A CMA Must Include:

a. The purpose and legal authority for conducting the program;
b. The justification for the program and the anticipated results, including a specific estimate of any savings;
c. A description of the records that will be matched, including each data element that will be used, the approximate number of records that will be matched, and the projected starting and completion dates of the matching program;
d. Procedures for providing individualized notice at the time of application, and notice periodically thereafter as directed by the Data Integrity Board of such agency or department (subject to guidance provided by the Director of the Office of Management and Budget) to—
    1. Applicants for and recipients of financial assistance or payments under Federal benefit programs, and
    2. Applicants for and holders of positions as Federal personnel, that any information provided by such applicants, recipients, holders, and individuals may be subject to verification through matching programs;
e. Procedures for verifying information produced in such matching program;
f. Procedures for the retention and timely destruction of identifiable records created by a recipient agency or non-Federal agency in such matching program;
g. Procedures for ensuring the administrative, technical, and physical security of the records matched and the results of such programs;
h. Prohibitions on duplication and redisclosure of records provided by the source agency within or outside the recipient agency or the non-Federal agency, except where required by law or essential to the conduct of the matching program;
i. Procedures governing the use by a recipient agency or non-Federal agency of records provided in a matching program by a source agency, including procedures governing return of the records to the source agency or destruction of records used in such program;
j. Information on assessments that have been made on the accuracy of the records that will be used in such matching program; and
k. That the Comptroller General may have access to all records of a recipient agency or a non-Federal agency that the Comptroller General deems necessary in order to monitor or verify compliance with the agreement.

6.3. Is a CMA Required?

- Is the shared information about individuals and retrievable with a personal identifier?
    - **If yes** → Will the information be used to compare information held by another agency to make a determination concerning eligibility for benefits?
        - **If no** → Then a CMA is **not required**.
        - **If yes** → Then a CMA **is required.**
    - **If no** → A CMA is **not required**.

6.4. What Type of CMA Is Required?

- Is this a new matching program?
  - **If yes** → See "**New Agreement**"
  - **If no** → Is this matching agreement going to expire in 3 months or less?
    - **If yes** → Is this matching program less than 18 months old?
      - **If yes** → See "**Renewal Agreement**"
      - **If no** → See "**Re-Establishment Agreement**"
    - **If no** → Are significant changes being made to the existing matching agreement?
      - **If yes** → See "**Modified Agreement**"

6.4.1. Types of CMAs

- **New Agreement** – A new agreement is used the first time a matching agreement is developed for a matching program. The matching agreement may exist for up to 18 months and may be extended 12 additional months. A new agreement must be reviewed by the Data Integrity Board (DIB) and requires development of a cost-benefit analysis.
  - **Cost-benefit Analysis** – The process whereby the recipient agency measures the benefits of engaging in a proposed CMA and compares the benefits with the costs. Benefits may include the avoidance of future improper and the recovery of improper payments and debts. Costs may include personnel costs (e.g., salaries) and computer costs related to the processing of computer matching (e.g., maintenance and use of computers at facilities).
- **Modified Agreement** – A modified agreement is used when the department is making significant changes to a matching program. See ***Section 6.4.2*** of this Handbook for details
- **Renewal Agreement** – An extension agreement allows the continuation of an existing agreement (new or renewal) for an additional 12 months, without additional review by the DIB, provided certain conditions are met.
  - The participating agencies must certify to the Chairperson of the DIB that the matching program will be continued in full compliance with the existing agreement and requested within the last 90 days of the existing agreement.
  - Notices and reports are not required.
- **Re-Establishment Agreement** – When the initial matching agreement (including any extension) has expired, a renewal agreement permits the matching program to continue and may exist for up to 18 months. This agreement must be approved by the DIB within the last 90 days of the existing agreement. Requires the same review, reports and notices as a new agreement.

6.4.2. CMAs – What is a Significant Change?

Significant changes are those that are substantive in nature and therefore warrant a revision of the matching notice in order to provide notice to the public of the modified matching program. The following are non-exhaustive examples of significant changes:

1. A change that modifies the purpose(s) of the matching program.
2. A change in the department's authority to conduct the matching program.
3. A change that expands the types or categories of records that are used in the matching program, or a significant increase in the number of records that are being matched.
4. A change that expands the categories of individuals whose records are used in the matching program.
5. A change to the source and/or recipient agencies that are involved in the matching program.

6.4.3. Reports and Additional Documents for CMAs

New, Modified, and Renewal CMAs require additional reports and notices to be filed before the matching program goes into effect.

- **Report to Congress** – Upon establishment of a ***new, renewed, or significantly modified matching agreement***, copies of the matching agreement must be submitted to the Committee on Homeland Security Governmental Affairs of the Senate and Committee on Oversight and Government Reform of the House of Representatives. Agencies provide advance notice to OMB and the committees of jurisdiction in Congress in order to permit an evaluation of the probable or potential effect of such a proposal on the privacy or other rights of individuals.
    - Pursuant to OMB Circular A-108, the reports to Congress must be completed ***at least 30 days before submission of matching notices to the Federal Register*** for publication.
- **Letter of Transmittal** – The transmittal letter serves as a ***brief cover letter*** accompanying the report to Congress. The transmittal letter shall:
    a. Be signed by the SAOP or the Chairperson of the Data Integrity Board.
    b. Contain the name, email address, and telephone number of the individual who can best answer questions about the proposed matching program.
    c. Contain the department's assurance that the proposed matching program fully complies with the Privacy Act and OMB policies.
- **Narrative Statement** – The narrative statement provides a ***brief overview of the proposed matching program*** making reference to the other materials in the report without simply restating information provided in those materials. The narrative statement shall:
    a. Describe the purpose(s) for which the department is establishing, re-establishing, or significantly modifying the matching program.
    b. Identify the specific authority (statute or executive order) under which the department is conducting the matching program. The department shall avoid citing authority that is overly general; rather, the department shall cite the specific programmatic authority for conducting the matching program.
    c. Describe the administrative, technical, and physical safeguards in place to protect against unauthorized access to records used in the matching program.
    d. Provide the department's specific evaluation of the potential impact on the privacy of individuals whose records will be used in the matching program.
    e. Indicate whether a cost-benefit analysis was performed for the matching program, describe the results of the cost-benefit analysis, and explain the basis on which the department is justifying the matching program.
- **Federal Register Matching Notice** – The notice published by the department in the Federal Register upon the ***establishment, re-establishment, or modification of a matching program*** that describes the existence and character of the matching program. A matching notice identifies the agencies involved, the purpose(s) of the matching program, the authority for conducting the matching program, the records and individuals involved, and additional details about the matching program.
    - Matching notices must be ***filed to the Federal Register 30 days before the notice goes into effect***. This 30-day period allows for public comment. HUD must review all public comments on the notice and determine whether any changes to the matching notice are necessary.
    - If needed, HUD will publish a revised matching notice and allow for a further 30-day comment period.

- **Supplementary Documents** – The supplementary documents include:
  - For significantly modified matching programs, the department shall include a list of the substantive changes to the previously published version of the matching notice and/or a version of the previously published matching notice that has been marked up to show the changes that are being proposed.
  - The department shall include any other supplementary documents requested by OMB.

6.5. CMA Procedures and Timetables

Procedure for New or Significantly Modified CMAs	
Action	**Timing**
HUD Program Office works with the **HUD Privacy Office** to: • Draft a new CMA or update the existing CMA. • Draft the transmittal letters to both Houses of Congress and OMB. • Draft the Federal Register notice. • Draft a narrative statement for the new or updated CMA. • Draft the cost-benefit analysis (CBA) (if necessary). • **If this is a Significantly Modified CMA**, include a list of the substantive changes to the previously published version of the matching notice and/or a version of the previously published matching notice that has been marked up to show the changes that are being proposed.	Begin drafting approximately 280 days before the intended implementation date of the matching program.
HUD Program Office submits the agreement to the **HUD Privacy Office**.	At least 100 days before the intended implementation date of the matching program.
The **HUD DIB** approves the matching agreement and the **HUD DIB Chairperson** signs the matching agreement.	At least 90 days before the intended implementation date of the matching program.
The **Other Matching Agency's DIB** approves and signs the matching agreement and returns it to the **HUD Privacy Office** and **CPO**.	Allow 3-4 weeks for approval and signing.

The **HUD CPO** immediately submits 2 copies of the matching agreement along with the respective transmittal letters to **both Houses of Congress** and the **OMB**. **Submit to:** • **The Administrator of the Office of Information and Regulatory Affairs within the OMB** via the ROCIS system. • **House Committee on Oversight and Government Reform**, 2157 Rayburn House Office Building, Washington, DC 20515 • **Senate Committee on Homeland Security and Governmental Affairs**, 340 Dirksen Senate Office Building, Washington, DC 20510	At least 60 days before the intended implementation date of the matching program.
The **OMB** and **Congress** evaluates the matching agreement.	The standard review period is 30 days.
Once the **OMB** and **Congress** approve of the matching agreement, the **HUD CPO** files a matching notice with the Federal Register for publication.	At least 30 days before the intended implementation date of the matching program.

Procedure for Re-Establishment CMAs	
Action	**Timing**
HUD Program Office works with the **HUD Privacy Office** to: • Draft the CMA or update the existing CMA. • Draft the transmittal letters to both Houses of Congress and OMB. • Draft the Federal Register notice. • Draft a narrative statement for the new or updated CMA. • Draft the cost-benefit analysis (CBA) (if necessary).	Begin drafting 190 to 220 days before the expiration date of the matching agreement.
HUD Program Office submits the agreement to the **HUD Privacy Office**.	At least 100 days before the expiration date of the matching agreement.
The **HUD DIB** approves the matching agreement and the **HUD DIB Chairperson** signs the matching agreement.	At least 90 days before the expiration date of the matching agreement.
The **Other Matching Agency's DIB** approves and signs the matching agreement and returns it to the **HUD Privacy Office** and **CPO**.	Allow 3-4 weeks for approval and signing.

The **HUD CPO** immediately submits 2 copies of the matching agreement along with the respective transmittal letters to **both Houses of Congress** and the **OMB**. **Submit to:** • **The Administrator of the Office of Information and Regulatory Affairs within the OMB** via the ROCIS system. • **House Committee on Oversight and Government Reform**, 2157 Rayburn House Office Building, Washington, DC 20515 • **Senate Committee on Homeland Security and Governmental Affairs**, 340 Dirksen Senate Office Building, Washington, DC 20510	At least 60 days before the expiration date of the matching agreement.
The **OMB** and **Congress** evaluates the matching agreement.	The standard review period is 30 days.
Once the **OMB** and **Congress** approve of the matching agreement, the **HUD CPO** files a matching notice with the Federal Register for publication.	At least 30 days before the expiration date of the matching agreement.

Procedure for Extension CMAs	
Action	**Timing**
If **HUD Program Office** and **Other Matching Agency** drafts an agreement in writing, certifying to the **HUD DIB** that: • The matching program will be conducted without any change • The program has been conducted in compliance with the agreement.	120-130 days before the expiration of the CMA.
HUD Program Office submits the agreement to the **HUD Privacy Office**.	Within 90 days of the expiration of the matching agreement.
The **HUD DIB** approves the extension agreement, allowing the matching program to continue an addition 12 months from the date the original CMA expires. No notices or reports are necessary.	Within 90 days of the expiration of the matching agreement.

6.6. CMA Review and Maintenance

Existing CMAs should be continuously monitored to ensure extensions, renewals, and modifications are submitted in a timely manner. System Owners should also notify PLOs of violations of CMA terms for systems they own. PLOs should report violations to the Privacy Office.

6.7. CMA Website Publication

The Privacy Office shall provide links on the HUD Privacy Website to matching notices and agreements for all active matching programs in which HUD participates.

6.8. Data Integrity Board

The Privacy Office establishes and maintains a DIB to oversee and manage CMAs.

6.8.1. DIB Responsibilities

The HUD DIB:

1. Oversees and coordinates the review, approval, maintenance, reporting and compliance of all HUD CMAs with applicable laws, regulations, guidelines, and existing CMAs;
2. Reviews, approves (by majority vote), and maintains all written agreements for receipt or disclosure of department records for matching programs to ensure compliance with all relevant statutes, regulations, and guidelines;
3. Reviews all matching programs in which the department has participated during the year, either as a source agency or recipient agency, to determine compliance with applicable laws, regulations, guidelines, and agency agreements, and assesses the costs and benefits of such programs;
4. Reviews all recurring matching programs in which the department has participated during the year, either as a source agency or recipient agency, for continued justification for such disclosures;
5. Submits an annual report, compiled by the CPO, which is then submitted to the Secretary of Homeland Security and the Director of OMB, and published on the HUD website, describing the matching activities of the department, including:
    - **a.** Matching programs in which the department has participated as a source agency or recipient agency;
    - **b.** Matching agreements proposed that were disapproved by the DIB;
    - **c.** Any changes in membership or structure of the DIB in the preceding year;
    - **d.** The reasons for any waiver of requirements for completion and submission of a cost-benefit analysis prior to the approval of a matching program;
    - **e.** Any violations of matching agreements that have been alleged or identified and any corrective action taken; and
    - **f.** Any other information required by the Director of OMB to be included in such report.
6. Serves as a clearinghouse for receiving and providing information on the accuracy, completeness, and reliability of records used in matching programs;
7. Provides interpretation and guidance, through the CPO, to HUD Components and personnel on the requirements for matching programs; and
8. Reviews HUD recordkeeping and disposal policies and practices for matching programs to assure compliance with Federal requirements.
9. May review and report on any agency matching activities that are not matching programs.

6.8.2. DIB Membership

The SAOP will designate members to the DIB as needed, as long as the following mandatory positions are filled:

1. Chairperson
    - This position must be filled by either the SAOP or CPO.
2. Inspector General
    - The Inspector General must be on the DIB but may not serve as Chairperson.
3. Secretary
4. Counsel to the DIB

7. Federal Reporting Requirements

7.1. Annual Computer Matching Agreement Activity Report

Per Office of Management and Budget (OMB) Federal reporting requirements, HUD must submit an Annual Computer Matching Agreement (CMA) Activity Report that accounts for all matching programs HUD engaged in during the reporting year.

The Privacy Office is responsible for consolidating information and submitting the activity report. All HUD offices are responsible for coordinating with their PLOs to compile necessary information for the annual activity report.

All HUD offices are responsible for ensuring that CMAs sent to the Privacy Office in a timely manner. See ***Section 6*** of this Handbook for details regarding CMA schedules and notice types. PLOs are responsible for tracking any violations of any CMA terms and reporting them to the Privacy Office for inclusion in the Annual CMA Activity Report.

Please refer to the Computer Matching Agreement (CMA) Activity Report Guide and template regarding the types of information that may need to be provided to the Privacy Office.

7.2. Annual SAOP FISMA Report

Federal agencies are required to submit the annual Senior Agency Official for Privacy (SAOP) report to the Office of Management and Budget (OMB) pursuant to FISMA. Each year, OMB issues guidance instructing each SAOP to review the administration of the department's Privacy Program and report compliance data to OMB. Per OMB requirements, the U.S. Department of Housing and Urban Development (HUD) SAOP is required to report on specific metrics and submit privacy program documentation through CyberScope. Please refer to the Annual SAOP FISMA Report Reference Guide for details on the process. The guide and associated templates are available on the HUD Privacy SharePoint.

7.2.1. Metrics

At the beginning of the reporting year (no later than November 30), the Privacy Office will confirm the relevant metrics, documents, and deadlines for submitting the SAOP report via CyberScope and OMB guidance. HUD Offices, PLOs, and System Owners are responsible for coordinating to provide the Privacy Office with any information needed to fill and submit the report. The following table includes the metrics and information that HUD Offices will need to provide to the Privacy Office.

Document Name	Description	Due By	Point of Contact
HUD's Privacy Program Plan	HUD's Privacy Program Plan, which can be found on the HUD Privacy Website.	No later than (NLT) one week before draft SAOP report is routed for department approvals	Privacy Office
Privacy Program Changes	Major changes made to HUD's privacy program during the reporting period, including changes in leadership, staffing, structure, and organization	NLT one week before draft SAOP report is routed for department approvals	Privacy Office
HUD's Agency Breach Response Plan	Major changes made to HUD's privacy program during the reporting period, including changes in leadership, staffing, structure, and organization	Due to Privacy Office NLT one month before the SAOP report is routed for department approvals	Privacy Office, OCIO
HUD's privacy continuous monitoring strategy	HUD's current continuous monitoring strategy	Due to Privacy Office NLT one month before the SAOP report is routed for department approvals	Privacy Office, OCIO
Privacy program webpage(s)	The Uniform Resource Locator (URL) for HUD's public-facing Privacy Program page, as well as the URL for any other sub-agency-, component-, and/or program-specific privacy program pages, as well as links to the public-facing privacy policy repository	NLT one week before the SAOP report is routed for department approvals	Privacy Office
Social Security Number (SSN) collection policy	The agency's written policy to ensure that any new collection or use of Social Security numbers (SSNs) is necessary	Due to Privacy Office NLT one month before the SAOP report is routed for department approvals	Privacy Office, OCIO

7.2.2. Timeline

In order to ensure timely consolidation of information from across HUD Offices, the following table provides the timeline for when information will need to be gathered and submitted to the Privacy Office.

Action	Due By	Point of Contact
Confirm the relevant metrics, documents, and deadlines for submitting the SAOP report via CyberScope and OMB guidance	November 30 of reporting year	Privacy Office
Inform SAOP of reporting requirements / deadlines for reporting year	January 15th of reporting year	Privacy Office
Draft internal schedule for collecting all required metrics and documentation and share with SAOP for approval	January 15th of reporting year	Privacy Office
Share the required reporting metrics, documentation, and due dates with the Privacy Liaison Officers (PLOs)	January and February PLO Meetings	Privacy Office
Collect documents and metrics available and coordinate with the appropriate Program Offices, through their respective PLOs, to identify remaining artifacts / information needed for the full report. Program Offices must submit any and all remaining artifacts/information needed for the full report as soon as possible after items have been identified.	Two months before CyberScope submission deadline	Privacy Office, PLOs
Complete a draft of SAOP report and submit draft for agency review and comment	One month before CyberScope submission deadline	Privacy Office
SAOP conducts final review, approval, and submission of the full Report	One week before CyberScope submission Deadline	Privacy Office

8. Forms and Contracts Requirements

8.1. Privacy Act Statements

The Privacy Act requires that HUD provide to any individual from whom it collects information as part of a system of records with the following:

(A) the authority (whether granted by statute or by Executive Order of the President) for soliciting the information and whether disclosure is mandatory or voluntary;
(B) the principal purpose(s) for which the information is intended to be used;
(C) the routine use(s) for which the information may be used, as published in the System of Records Notice (SORN),
(D) the effects on the individual, if any, of not providing all or any part of the requested information; and
(E) an appropriate citation (and, if practicable, a link) to the relevant SORN(s) (Pursuant to OMB Circular A-108).

The information above must be included on the information collection form itself, or in a separate form which can be retained by the individual whose information is being collected. For details regarding SORNs, see ***Section 5*** of this Handbook.

8.2. Contracts

HUD procures a variety of services from the private sector and provides grants to individuals and outside organizations. As many of these procurements may trigger the applicability of Privacy Act requirements, the following standard language must be customized and included in all HUD contracts:

1. The Contractor shall maintain compliance with all current and future Federal IT security requirements. The Contractor shall:
    A. Use, maintain, enhance, develop and upgrade all information technology software and system documentation under this Contract in accordance with Federal Laws, best practices, and regulations. This includes, but is not limited to:
        i. Federal Information Security Modernization Act - https://www.congress.gov/bill/113th-congress/senate-bill/2521;
        ii. The Privacy Act - https://www.archives.gov/about/laws/privacy-act-1974.html;
        iii. The E-Government Act - https://www.archives.gov/about/laws/egov-act-section-207.html;
        iv. The Clinger-Cohen Act - https://dodcio.defense.gov/Portals/0/Documents/ciodesrefvolone.pdf;
        v. Paperwork Reduction Act - https://www.law.cornell.edu/uscode/text/44/3501;
        vi. Office of Management and Budget Circulars A-130, and A-I23 - https://www.whitehouse.gov/omb/information-for-agencies/circulars/;
        vii. Office of Management and Budget Memorandum 17-12 - https://obamawhitehouse.archives.gov/sites/default/files/omb/memoranda/2017/m-17-12_0.pdf;
        viii. Department of Housing and Urban Development regulations, Handbooks and Policies - https://www.hud.gov/program_offices/officeofadministration/privacy_act/pia/polyref;
        ix. GAO directives - https://www.gao.gov/index.html; and

x. Federal Financial Manager Integrity Act (FFMIA) - https://obamawhitehouse.archives.gov/omb/financial_ffs_ffmia.

B. Maintain Security Assessment and Authorization (SA&A) standards in accordance with guidance published by NIST. An independent SA&A will be performed by Housing and Urban Development (HUD) during the period of performance of this contract. The Contractor shall complete the SA&A within [*time period consistent with contract terms, e.g. three weeks, six months, etc.*] after the award of the contract and again at the expiration of the SA&A and to include any revisions or updates.

C. Follow HUD's Project Planning and Management (PPM) Life Cycle and industry best practices in the analysis, design, development, testing and implementation of proposed new systems and/or the enhancement to existing systems. This includes prohibiting live data from being used in any environment other than Production and Disaster Recovery (DR) environments. Specifically, no live data should be used in development, testing or staging environments.

D. Review and update system documentation to ensure accuracy, compliance and completeness. Reviews and revisions must be completed and delivered to HUD quarterly.

E. The Contractor will prepare its security plan as part of its demonstration that it meets the requirements for SA&A per the applicable requirements from HUD, OMB, NIST, etc., which will require the preparation of several related documents, including but not limited to:

i. NIST FIPS 199/200 Security Categorization Analysis;
ii. NIST SP-800 Security Controls Self-Assessment;
iii. Application and network venerability scans;
iv. Business Impact Assessment;
v. Privacy Impact Assessment;
vi. Create System Security Plan, Risk Assessment, Technical Architecture, COOP and Contingency Plans, Quality Control Plan, ST&E Plan and other relevant SA&A supporting documentation for each new application;
vii. Security Assessment Tests (formerly ST&E Testing);
viii. Security Assessment Reports (formerly ST&E Report);
ix. POA&M; and
x. Accreditation Documentation.

F. Each mixed or financial system that the contractor manages, develops, modifies, enhances, releases and/or upgrades will be assessed under the Federal Information System Controls Audit Manual (FISCAM) methodology that include control families for both General Computer and Business Process Application controls:

i. General Controls:
    1. Security Management
    2. Access Controls
    3. Configuration Management
    4. Segregation of Duties
    5. Contingency Planning
ii. Business Process Application Controls:
    1. Application Security
    2. Business Process Controls
    3. Interfaces
    4. Data Management

G. Each mixed or financial system that the contractor manages, develops, modifies, enhances, releases and/or upgrades must comply with identified OMB A-123 Appendix A "Management's Responsibility for Internal Control", and Appendix D "Compliance

with the Federal Financial Management Improvement Act of l996" key controls; and the Federal Information Security Management Act of 2002 (FISMA) to include:

i. National Institute of Standards and Technology Special Publication (SP) 800-53, Security and Privacy Controls for Federal Information Systems and Organizations, Revision 5 (NIST SP 800-53, Rev. 5);
ii. NIST SP 800-18 Rev. 5 - Guide for Developing Security Plans for Federal Information Systems;
iii. NIST SP 800-23 - Guidelines to Federal Organizations on Security Assurance and Acquisition/Use of Tested/Evaluated Products;
iv. NIST SP 800-30 Rev. 5 - Guide for Conducting Risk Assessments;
v. NIST SP 800-34 Rev. 5 - Contingency Planning Guide for Federal Information Systems;
vi. NIST SP 800-37 Rev. 5 - Guide for Applying the Risk Management Framework to Federal Information Systems;
vii. NIST SP 800-47 - Security Guide for Interconnecting Information Technology Systems
viii. NIST SP 800-53A Rev. 5 - Guide for Assessing the Security Controls in Federal Information Systems and Organizations, Building Effective Security Assessment Plans;
ix. NIST SP 800-59 - Guideline for Identifying an Information System as a National Security System;
x. NIST SP 800-60 Rev. 5 - Guide for Mapping Types of Information and Information Systems to Security Categories;
xi. NIST SP 800-84 - Guide to Test, Training, and Exercise Programs for IT Plans and Capabilities;
xii. Federal Information Processing Standards (FIPS) 199/200 - Security Categorization Analysis; and
xiii. FIPS 191 - Guideline for the Analysis of Local Area Network Security.

2. HUD's Office of the Chief Information Officer (OCIO) will have responsibility for maintaining the FISCAM-based mapping of security controls that will be required in order to maintain compliance with FISMA, OMB A-123, and HUD security requirements.

3. The Contractor shall support and provide system security to ensure availability, confidentiality, and integrity of the HUD data applications (e.g. maintaining access control, user identification, password protection and authentication, confidentiality of customer profiles and traffic, physical and personnel security required under this PWS). Provide SA&A support, including potential off cycle or unanticipated SA&A support, over the life of the contract.

4. The HUD System Security Plans (Risk Assessment, Incidence Response Plan and IT Contingency Plan) shall be reviewed and presented to HUD's Chief Information Security Officer for approval.

5. The Contractor shall maintain compliance with OMB Memorandum 17-12 (OMB M 17-12), which requires contractors and sub-contractors (at any tier) to:
   A. Cooperate with and exchange information with agency officials, as determined necessary by the agency, in order to effectively report and manage a suspected or confirmed breach.
   B. Properly encrypt PII in accordance with OMB Circular A-130 and other applicable policies and to comply with any agency-specific policies for protecting PII;
   C. Provide and participate in mandatory training on how to identify and report a breach;

D. Report a suspected or confirmed breach in any medium or form, including paper, oral, and electronic, as soon as possible and without unreasonable delay, consistent with the agency's incident management policy and US-CERT notification guidelines;
E. Maintain capabilities to determine what Federal information was or could have been accessed and by whom, construct a timeline of user activity, determine methods and techniques used to access Federal information, and identify the initial attack vector;
F. Allow for an inspection, investigation, forensic analysis, and any other action necessary to ensure compliance with OMB M 17-12, the agency's breach response plan, and to assist with responding to a breach;
G. Identify roles and responsibilities, in accordance with OMB M 17-12 and the agency's breach response plan; and,
H. Explain that a report of a breach shall not, by itself, be interpreted as evidence that the contractor or its subcontractor (at any tier) failed to provide adequate safeguards for PII.

6. The Contractor shall provide and present a Security Self-Assessment Report to HUD's Chief Information Security Officer on an annual basis, due no later than August 31st of each calendar year.

7. Plans of Action and Milestones (POA&Ms) shall be reviewed and updated on a [*timeframe that is consistent with contract terms, e.g. quarterly, annual, bi-monthly, etc.*] basis and presented to HUD's Chief Information Security Officer for review and approval.

8. Failure to adhere to the above NIST requirements could result in penalties, to include a contract performance stop-work order until compliance can be demonstrated. Disregard of these NIST requirements could also lead to other criminal, civil, administrative, or contract penalties, including, but not limited to:
   A. Breach of Contract damages
   B. False Claims Act damages
   C. Liquidated Damages
   D. Termination for Default
   E. Termination for Convenience
   F. Poor Past Performance
   G. Suspension/debarment