

SMALL BUSINESS ADMINISTRATION
PRIVACY IMPACT ASSESSMENT

Name of Project: Loan Management and Accounting System (LMAS)
Program Office: Office of Capital Access, Office of Chief Financial Officer, and Office of Disaster Assistance

Project's Unique ID: LMAS

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

Do not email the approved PIA directly to the Office of Management and Budget email address identified on the Exhibit 300 form. One transmission will be sent by the OCIO Portfolio Management Division

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

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

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

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6) Who is the Reviewing Official? (According to OMB, this the agency CIO or other agency head designee who is other than the official procuring the system or the official who conducts the PIA).

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B. LMAS APPLICATION/GENERAL INFORMATION:

1) Does this system contain any information about individuals?

- a. Is this information identifiable to the individual?

Yes

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

Yes

- c. Is the information about employees?

No

2) What is the purpose of the Loan Management and Accounting System (LMAS)?

The LMAS will support loan origination (except disaster loans), servicing, liquidation, litigation processes for 7(a), 503/504 guaranteed business loans, SBIC, microloans to intermediaries, and disaster business and home loans. The system will also serve as an integrated financial management system to track all budgetary, payment, and accounting actions. The system will replace following standalone subsystems.

Loan Allotment System (LAAS)
Loan Accounting System (LAS)
E-Tran
Guaranty Purchase Tracking System (GPTS)
Credit Bureau Reporting
Delinquent Loan Collection System
General Ledger Only
Internal Revenue Service (IRS) 1099C System
Loan Litigation & Liquidation Tracking System
Microloan Mainframe
Automated Loan Control System (ALCS)
Preauthorized Debit System
Treasury Offset System

3) What: legal authority authorizes the purchase or development of LMAS?

- 15 U.S.C. § 634(b)(6), 44 U.S.C. § 3101.
- Public Law 85 – 536, 15 U.S.C. § 631 et seq. (Small Business Act, all provisions relating to loan programs)
- 44 U.S.C. § 3101 (Records Management by Federal Agencies)
- Public Law 103 - 62 (Government Performance and Results Act)
- Public Law 85 - 699 as amended 15 U.S.C. § 661 et seq. (Small Business Investment Act of 1958, all provisions relating to loan programs)
- Title 6 General Accounting Office (GAO) Policy and Procedures Manual, 31 U.S.C. Part 285, Sections 112(a)
- 113 of the Budget and Accounting Procedures Act of 1950
- 5 USC Chapters 55 through 63 and 15 U.S.C. § 634(b)(6), 44 U.S.C. § 3101
- GPEA, 15 U.S.C. § 636(a) et seq.
- 15 U.S.C. § 695 to 697f
- Section 7(b)(1) of the Small Business Act, as amended, authorizes the Agency's Physical Disaster Loan Program. SBA can make loans to eligible victims of declared disasters as defined by the Small Business Act.
- Section 7(b)(2) of the Small Business Act, as amended, authorizes the Agency's Economic Injury Disaster Loan (EIDL) Program. SBA can make loans to eligible non-farm small businesses and eligible small agricultural cooperatives located in a disaster area that suffered substantial economic injury as a result of the disaster.
- Additional program definition is detailed in Title 13 of the Code of Federal Regulations (13 CFR), Part 123.

C. DATA in the SYSTEM:

1) What categories of individuals are covered in the LMAS System?

Following categories of individuals are covered in the system: Borrowers, Principals of Borrowers, and Guarantors of Borrowers.

2) What are the sources of the information in this system?

- 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**

Data will be acquired directly from individuals or from lending partners. For disaster loans the information is taken from Disaster Credit

Management System (DCMS). Some of the information about individuals will be taken from other SBA systems like Etran, LATS, 7(a),503, and 504 Servicing System.

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

U.S Department of Treasury is providing data to process all disbursements and refund requests, and provide payment confirmations.

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

None

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

Credit Reporting Agencies will provide data for loan management functions.

Dun & Bradstreet will provide business reports and commercial vendors will provide reference data such as Zip Codes.

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

The applicant will provide their social security or EIN number, address, contact information, employment, asset, income, expense, tax, property and disaster damage data. The data is collected via an OMB approved form, referenced as OMB No. 32450017

3) Accuracy, Timeliness, and Reliability

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

The US Department of Treasury has controls in place to collect accurate data.

Credit Reporting Agencies are the original source for consumer credit.

Data from Federal Agency records that is identified by name, address, and/or SSN and will be subject to Privacy Act regulation and documented practices for accuracy. Data from commercial entities will be subject to regulation and identified by name, address and SSN. Where commercial credit information results in adverse decisions, applicants are advised of

the source of the information and may obtain it through various means at no cost.

b. How will data be checked for completeness?

LMAS will contain edits that assure the completeness of records including the generation of errors. Applicant and borrower data will be compared and reconciled with any third party data received. Agency business rules and system edits will require critical information be complete before processing. Discrepancies as identified will be discussed with applicants.

c. Is the Data Current? What steps or procedures are taken to ensure the data is current and not out-of-date? Name the document (e.g., data models)

The data will be current. Credit Bureau and business report data will capture the date of entry for all line items or general updates. IRS and FEMA data will be updated as needed to insure current values. Data collected directly from applicants will be updated as provided.

As part of the financial reporting process, financial records will be reconciled at minimum on a monthly basis by the Office of the Chief Financial Officer. The financial report documents will include the financial statements and the SF224.

Documents that describe data stored in LMAS will be created as defined by the statement of work.

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

Yes. SOP 20 03 3 – Accounting Structure identifies loan accounting will be updated to reflect LMAS.

Documents that describe data stored in LMAS will be created as defined by the statement of work. LMAS will use the Oracle Federal Financials suite of financial applications for some functionality. The Oracle suite as implemented is well documented. SBA has additionally created enhancements to the Oracle functionality using Oracle provided tools. These extensions, that address gaps in functionality, are also well documented.

D. ATTRIBUTES OF THE DATA

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

Yes. LMAS data will be used to verify SBA program compliance and record specifics of loans. The data will also be used for needed loan accounting processes for the agency.

Additional data requirements are based on specific need to evaluate disaster damage, credit worthiness, repayment, statutory interest rate, character and eligibility as defined in the Small Business Act and 13 CFR.

- 2) Will the system derive new data or create previously unavailable data about an individual through aggregation from the information collected, and how will this be maintained and filed?**

No, the system will not derive new data through aggregation from information collected.

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

N/A

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

N/A

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

n/a

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

Agency Security Access Procedures – Data access will be limited to those individuals with authorized use and only for specific screens as they pertain to the user's role/need.

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

Agency Security Roles and Procedures/Controls, Agency Security Access Procedures will be followed in granting access to the system. Access will be limited by control assignment of a responsibility profile to all users. Each responsibility comes with a predetermined set of privileges, limiting data that may be viewed to those screens and reports that are within the duties and needs of the user.

- 8) How will the data be retrieved? Does a personal identifier retrieve the data? If yes, explain and list the identifiers that will be used to retrieve information on the individual.**

Data will be retrieved by personal identifier (SSN/EIN), individual name, business name, employer identifier, loan number etc. Data can be retrieved through ad hoc queries and standard reports.

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

Reports will be produced on individual's records to respond to inquiries which comply with FOIA and Privacy Act requirements. Access will be restricted to Program Officials with the "need to know" and to public inquiries where the specific data complies with FOIA and Privacy Act guidelines. The financial reports will be used for reconciliation purposes. Reports will be distributed on a need to know basis.

- 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.)**

N/A

E. MAINTENANCE AND ADMINISTRATIVE CONTROLS

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

One system and set of financial records will be in place for all loan and accounting data.

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

Loan records are retained for the life of SBA's interest in the business loan and are disposed of according to the reference in the SOP that pertains to a particular type of record; retention period varies according to the type of record.

Financial records are governed by NARA standards and are retained for 6 years and 4 months.

The duration of SBA's interest in approved loans partially dictates the retention standards, i.e. some records will need to be maintained for the life of a loan.

- 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**

Loan records of individuals will be deleted from the system in accordance with records retention period listed above. Financial records are archived per SBA policy.

- 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. LMAS will not be using technologies in ways that the SBA has not previously employed.

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

N/A

- 6) Will this system provide the capability to identify, locates, and monitor individuals? If yes, explain**

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

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

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

The LMAS does not use tracking technology to monitor individuals.

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

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

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

SBA's Privacy Act Systems of Records
SBA 20 – Disaster Loan Case Files
SBA 21 – Loan System

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

N/A

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 personnel from the Office of Capital Access Office of Disaster Assistance, and Office Chief Financial Officer.

For performing system maintenance activities, authorized personnel from Office of Chief Information Officer and the service provider users will have access to LMAS. This includes developers, system administrators and database administrators.

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

Criteria – Agency Security Roles and Procedures/Controls – Agency Security Access Procedures – Access is limited by controlled assignment of a role profile to all users. Each role will be defined set of privileges, limiting data that may be viewed to those screens and reports that are within the duties and needs of the user.

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

User's access to the data will be limited by their role. Each role will have defined set of privileges, limiting data that may be viewed to those screens and reports that are within the duties and needs of the user.

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

Educating Agency employees and contractor staff regarding the Privacy Act rules and prohibitions on the dissemination or use of nonpublic information is mandatory and ongoing. System audit trails will be used to document suspicious or irregular logons and navigation of the system. Agency network logon procedures mandate a posted Privacy notice be viewed and acknowledged prior to entry. SBA Privacy Act Systems of Records SBA 20 and SBA 21 define routine uses of this information and serve as a control by defining acceptable uses. Limiting access to sensitive financial information to only those with a need to know remains the best and primary control.

For critical processes, 'rules of two' will be in place. These rules require that data entry performed by one user is approved by another user. These two functions (data entry and approval) create a separation of duty.

IT Security also conducts biannual security reviews of access to LMAS to validate that users are still performing the same job responsibilities within LMAS. The reviews require validation from managers to ensure that the access is appropriate and accurate.

Additionally, critical data tables will be audited. User information will be tracked in the system for audit purposes.

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. Privacy act contract clauses will be inserted in their contracts and other regulatory measures addressed.

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

Data will be downloaded to other databases; however, there is no direct interface with other systems.

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

Office of the Chief Information Officer

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

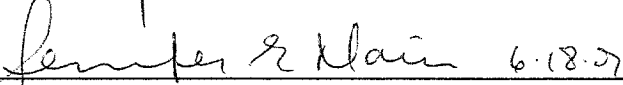
10) Who is responsible for assuring proper use of the data?


Office of the Chief Information Officer

The following officials have approved this document:

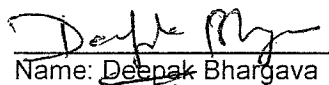
1) System Owner

 6/14/07
Name: Michael Hager
Title: Associate Deputy Administrator, Office of Capital Access

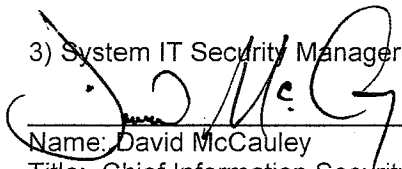
 6.18.07
Name: Jennifer Main
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Name: Herbert Mitchell
Title: Associate Administrator, Office of Disaster Assistance

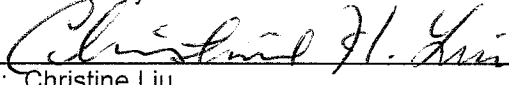
2) System Program/Project Manager


Name: Deepak Bhargava
Title: Loan Modernization Program Manger

3) System IT Security Manager


Name: David McCauley
Title: Chief Information Security Officer

4) System Privacy Official


Name: Christine Liu
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