



4000-01-U

DEPARTMENT OF EDUCATION

Privacy Act of 1974; System of Records

AGENCY: Federal Student Aid, Department of Education.

ACTION: Notice of an altered system of records.

SUMMARY: In accordance with the Privacy Act of 1974, as amended (Privacy Act), the Chief Operating Officer for Federal Student Aid (FSA) of the U.S. Department of Education (Department) publishes this notice to revise the system of records previously maintained by the U.S. Department of Health and Human Services (HHS) entitled "Health Education Assistance On-Line Processing System (HOPS)" (09-15-0044) because of the statutory transfer of the underlying loan program to the Department. As revised, the Department is retitling and renumbering the system of records as the "Health Education Assistance Loan (HEAL) program" (18-11-20).

The revisions are consistent with the amendments made by the Consolidated Appropriations Act, 2014, which permanently transferred the authority to administer the HEAL program from the Secretary of Health and Human Services to the Secretary of Education.

DATES: Submit your comments on this notice of an altered system of records on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Because Office of Management and Budget (OMB) Circular A-130, Appendix I, indicates that minor changes to systems of records need not be reported, such as the minor changes made to the HEAL program system of records by this notice as explained in the SUPPLEMENTARY INFORMATION section, the Department is not required to file, and has not filed, a report describing the altered system of records covered by this notice with the Chair of the Senate Committee on Homeland Security and Governmental Affairs, the Chair of the House Committee on Oversight and Government Reform, or the Administrator of the Office of Information and Regulatory Affairs, OMB. This altered system of records will become effective [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER], unless the system of records needs to be changed as a result of public comment.

ADDRESSES: Address all comments about this notice of an altered system of records to: Director, Systems Integration Division, Systems Operations and Aid Delivery Management Services, Federal Student Aid, U.S. Department of Education, Union Center Plaza (UCP), 830 First Street, NE., room 44F1, Washington, DC 20202-5454. If you prefer

to send comments by email, use the following address:
comments@ed.gov. You must include the term "HEAL program
comments" in the subject line of your electronic message.

During and after the comment period, you may inspect
all public comments about this notice in room 64D1, UCP,
830 First Street, NE., Washington, DC, between the hours of
8:00 a.m. and 4:30 p.m., Eastern Standard Time, Monday
through Friday of each week except Federal holidays.

Assistance to Individuals with Disabilities in Reviewing
the Rulemaking Record:

On request, we will provide an appropriate
accommodation or auxiliary aid to an individual with a
disability who needs assistance to review the comments or
other documents in the public rulemaking record for this
notice. If you want to schedule an appointment for this
type of accommodation or auxiliary aid, please contact the
person listed under FOR FURTHER INFORMATION CONTACT.

FOR FURTHER INFORMATION CONTACT: Director, Systems
Integration Division, Systems Operations and Aid Delivery
Management Services, Federal Student Aid, U.S. Department
of Education, Union Center Plaza (UCP), 830 First Street,
NE., room 44F1, Washington, DC 20202-5454. Telephone:
202-377-3547.

If you use a telecommunications device for the deaf (TDD) or text telephone (TTY), you may call the Federal Relay Service (FRS), toll free, at 1-800-877-8339.

SUPPLEMENTARY INFORMATION:

Introduction

Under division H, title V, section 525 of the Consolidated Appropriations Act, 2014 (Pub. L. 113-76) and title VII, part A, subpart I of the Public Health Service Act, the authority to administer the HEAL program, including servicing, collecting, and enforcing any loans made under the program that remain outstanding, is transferred from the Secretary of HHS to the Secretary of Education no later than the end of the first fiscal quarter that begins after January 17, 2014--the date of the enactment of the Consolidated Appropriations Act, 2014.

The HEAL program system of records covers records for all activities that the Department carries out with regard to servicing, collecting, and enforcing Federal student loans made under title VII, part A, subpart I of the Public Health Service Act that remain outstanding. The HEAL system also contains records of transactions performed by the Department to carry out the purposes of this system of records.

The Privacy Act (5 U.S.C. 552a(e)(4) and (11)) requires Federal agencies to publish in the Federal Register this notice of an altered system of records. The Department's regulations implementing the Privacy Act are contained in part 5b of title 34 of the Code of Federal Regulations.

The Privacy Act applies to records about individuals that contain individually identifying information and that are retrieved by a unique identifier associated with each individual, such as a name or Social Security number. The information about each individual is called a "record," and the system, whether manual or computer-based, is called a "system of records."

The revisions to this system of records relate to the transfer of the system from HHS to the Department in accordance with the Consolidated Appropriations Act, 2014. The system is being renamed and renumbered from Health Education Assistance On-Line Processing System (HOPS) (09-15-0044) to Health Education Assistance Loan (HEAL) program (18-11-20). These changes are being made so that the system of records reflects that the HEAL program is now administered by the Department.

Accessible Format: Individuals with disabilities can obtain this document in an accessible format (e.g.,

braille, large print, audiotape, or compact disc) on request to the person listed under FOR FUTURE INFORMATION CONTACT.

Electronic Access to This Document: The official version of this document is published in the Federal Register.

Free Internet access to the official edition of the Federal Register and the Code of Federal Regulations is available via the Federal Digital System at: www.gpo.gov/fdsys. At this site you can view this document, as well as all other documents of this Department published in the Federal Register, in text or Adobe Portable Document Format (PDF). To use PDF you must have Adobe Acrobat Reader, which is available free at the site.

You may also access documents of the Department published in the Federal Register by using the article search feature at: www.federalregister.gov. Specifically, through the advanced search feature at this site, you can limit your search to documents published by the Department.

Dated: June 20, 2014.

Chief Operating Officer,
Federal Student Aid.

James

For the reasons discussed in the preamble, the Chief Operating Officer, Federal Student Aid, of the U.S. Department of Education (Department or ED), publishes a notice of an altered system of records to read as follows:

SYSTEM NUMBER: 18-11-20

SYSTEM NAME: Health Education Assistance Loan (HEAL) program.

SECURITY CLASSIFICATION: Moderate.

SYSTEM LOCATION(S):

- Bureau of Health Professions, Health Resources and Services Administration, U.S. Department of Health and Human Services (HHS), 5600 Fishers Lane, Room 9-105, Rockville, MD 20857.
- Records are located at additional contractor sites. A list of contractor sites where individually identifiable data are currently located is available upon request to the System Manager.
- Washington National Records Center, 4205 Suitland Road, Suitland, MD 20409.

CATEGORIES OF INDIVIDUALS COVERED BY THIS SYSTEM:

Recipients of HEAL program loans that remain outstanding.

CATEGORIES OF RECORDS IN THE SYSTEM:

Each HEAL recipient record contains the borrower's name, Social Security number (SSN) or other identifying number, birth date, demographic background, educational status, loan location and status, and financial information about the individual for whom the record is maintained. Each loan record contains lender and school identification information.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

The authority for maintenance of the system includes Sections 701 and 702 of the Public Health Service Act, as amended (PHS Act) (42 U.S.C. 292 and 292a), which authorize the establishment of a Federal program of student loan insurance; Section 715 of the PHS Act (42 U.S.C. 292n), which directs the Secretary of Education to require institutions to provide information for each student who has a loan; Section 709 of the PHS Act (42 U.S.C. 292h), which authorizes disclosure and publication of HEAL defaulters; the Debt Collection Improvement Act (31 U.S.C. 3701 and 3711-3720E); and the Consolidated Appropriations Act, 2014, Div. H, title V, section 525 of Pub. L. 113-76, which transfers the authority to administer the HEAL program from the Secretary of Health and Human Services to the Secretary of Education.

PURPOSE(S) :

The purposes of this system are:

1. To identify borrowers participating in the HEAL program;
2. To monitor the loan status of HEAL recipients, which includes the collection of overdue debts owed under the HEAL program; and
3. To compile and generate managerial and statistical reports.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

1. Disclosure may be made to Federal, State, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, educational and financial institutions, and collection agencies. The purposes of such disclosures are to verify the identity of the loan applicant, to determine program eligibility and benefits, to enforce the conditions or terms of the loan, to counsel the borrower in repayment efforts, to investigate possible fraud and abuse, to verify compliance with program regulations, and to locate delinquent borrowers through pre-claims assistance. Information may be disclosed to educational or financial institutions to assist them in loan management.

2. Disclosure may be made to a congressional office from the record of an individual in response to an inquiry from the congressional office made at the request of that individual.

3. ED may disclose information from this system of records to the Department of Justice, or to a court or other tribunal, when: (a) ED or any component thereof; or (b) any ED employee in his or her official capacity; or (c) any ED employee in his or her individual capacity where the Department of Justice (or ED, where it is authorized to do so) has agreed to represent the employee; or (d) the United States or any agency thereof determines that the litigation is likely to affect ED or any of its components, is a party to litigation or has an interest in such litigation, and ED determines that the use of such records by the Department of Justice or the court or other tribunal is relevant and necessary to the litigation and would help in the effective representation of the governmental party, provided, however, that in each case, ED determines that such disclosure is compatible with the purpose for which the records were collected.

4. In the event that a system of records maintained by this agency to carry out its functions indicates a violation or potential violation of law, whether civil,

criminal, or regulatory in nature, and whether arising by general statute or particular program statute, or by regulation, rule, or order issued pursuant thereto, the relevant records in the system of records may be referred to the appropriate agency, whether Federal, State, or local, charged with enforcing or implementing the statute or any rule, regulation, or order issued pursuant thereto.

5. ED may disclose from this system of records a delinquent debtor's name, address, SSN, and other information necessary to identify him/her; the amount, status, and history of the claim, and the agency or program under which the claim arose, as follows: (a) To another Federal agency so that agency can effect a salary offset for debts owed by Federal employees; if the claim arose under the Social Security Act, the employee must have agreed in writing to the salary offset. (b) To another Federal agency so that agency can effect an authorized administrative offset, i.e., withhold money payable to, or held on behalf of, debtors other than Federal employees. (c) To the Internal Revenue Service (IRS), the U.S. Department of the Treasury (Treasury Department), to request a debtor's current mailing address to locate him/her for purposes of either collecting or compromising a debt or to have a commercial credit report prepared.

6. Records may be disclosed to the Office of Management and Budget for auditing financial obligations to determine compliance with programmatic, statutory, and regulatory provisions.

7. ED may disclose information from this system of records to a consumer reporting agency (credit bureau) to obtain a commercial credit report for the following purposes: (a) To establish creditworthiness of a loan applicant; and (b) To assess and verify the ability of a debtor to repay debts owed to the Federal Government. Disclosures are limited to the individual's name, address, SSN, and other information necessary to identify him/her; the funding being sought or amount and status of the debt; and the program under which the application or claim is being processed.

8. ED may disclose to the IRS, Treasury Department, information about an individual applying for a loan under any loan program authorized by the PHS Act to find out whether the loan applicant has a delinquent tax account. This disclosure is for the sole purpose of determining the applicant's creditworthiness and is limited to the individual's name, address, SSN, other information necessary to identify him/her, and the program for which the information is being obtained.

9. ED may report to the IRS, Treasury Department, as taxable income, the written-off amount of a debt owed by an individual to the Federal Government when a debt becomes partly or wholly uncollectible--either because the time period for collection under the statute of limitations has expired, or because the Government agrees with the individual to forgive or compromise the debt.

10. ED may disclose to debt collection agents, other Federal agencies, and other third parties who are authorized to collect a Federal debt, information necessary to identify a delinquent debtor. Disclosure will be limited to the debtor's name, address, SSN, and other information necessary to identify him/her; the amount, status, and history of the claim, and the agency or program under which the claim arose.

11. ED may disclose information from this system of records to any third party that may have information about a delinquent debtor's current address, such as the U.S. Postal Service, a consumer reporting agency (credit bureau), a State motor vehicle administration, a professional organization, an alumni association, etc., for the purpose of obtaining the debtor's current address. This disclosure will be limited to information necessary to identify the individual (defaulter's name,

latest known City and State of residence, total amount of the HEAL debt).

12. Records may be disclosed to Department contractors and subcontractors for the purpose of assisting HEAL program managers in collating, compiling, aggregating, or analyzing records used in administering the HEAL program. Contractors maintain, and are also required to ensure that subcontractors maintain, Privacy Act safeguards with respect to the records.

13. ED may disclose from this system of records to the IRS, Treasury Department: (a) A delinquent debtor's name, address, SSN, and other necessary information to identify the debtor; (b) The amount of the debt; and (c) The program under which the debt arose, so that the IRS can offset against the debt any income tax refunds which may be due to the debtor.

14. ED may disclose the complete loan file of defaulted HEAL recipients to potential purchasers of HEAL loans to enable them to value and price the loans, and to actual purchasers to enable them to collect the defaulted loans. The purpose of this disclosure will be to facilitate the sale and collection of defaulted HEAL loans. Potential purchasers are required to maintain Privacy Act safeguards with respect to the records.

15. In accordance with the directive in 42 U.S.C. 292h(c)(1), the names of HEAL borrowers who are in default may be published on a Defaulted Borrowers Web site, should ED reestablish one, by city and State along with the amounts of their HEAL debts. An individual's address also may be published if the address is a matter of public record as a result of legal proceedings having been filed concerning the individual's HEAL debt.

16. In accordance with the directive in 42 U.S.C. 292h(c)(2), disclosure may be made to relevant Federal agencies, schools, school associations, professional and specialty associations, State licensing boards, hospitals with which a HEAL defaulter may be associated, and other similar organizations.

17. To appropriate Federal agencies and Department contractors and subcontractors that have a need to know the information for the purpose of assisting the Department's efforts to respond to a suspected or confirmed breach of the security or confidentiality of information maintained in this system of records, and the information disclosed is relevant and necessary for that assistance.

DISCLOSURE TO CONSUMER REPORTING AGENCIES:

Disclosures pursuant to 5 U.S.C. 552a(b)(12) (as set forth in 31 U.S.C. 3711(e)): Disclosures may be made from

this system to "consumer reporting agencies," as defined in the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) or the Debt Collection Improvement Act (31 U.S.C.

3701(a)(3)). The purposes of these disclosures are:

1. To provide an incentive for debtors to repay delinquent Federal Government debts by making these debts part of their credit records; and

2. To enable ED to improve the quality of loan and scholarship decisions by taking into account the financial reliability of applicants.

Disclosure of records will be limited to the individual's name, SSN, and other information necessary to establish the identity of the individual; the amount, status, and history of the claim, and the agency or program under which the claim arose.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Records are maintained in database servers, file folders, CDs, DVDs, and magnetic tapes.

RETRIEVABILITY:

Records are retrieved by SSN or other identifying number.

SAFEGUARDS:

Authorized users: Access is limited to authorized HEAL program personnel and contractors responsible for administering the HEAL program. Authorized personnel include ED employees and officials, financial and fiscal management personnel, computer personnel and program managers who have responsibilities for implementing the HEAL program. Read-only users: read-only access is given to servicers, holders, and financial/fiscal management personnel.

Physical safeguards: Magnetic tapes, disc packs, computer equipment, and other forms of personal data are stored in areas where fire and life safety codes are strictly enforced. All documents are protected during lunch hours and non-working hours in locked file cabinets or locked storage areas. Security guards are staffed 24 hours a day, seven days a week, to perform random checks on the physical security of the records storage areas.

Procedural safeguards: A password is required to access the terminal and a data set name controls the release of data to only authorized users. All users of personal information in connection with the performance of their jobs protect information from public view and from unauthorized personnel entering an unsupervised office. In addition, all sensitive data is encrypted using Oracle

Transparent Data Encryption functionality. Access to records is strictly limited to those staff members trained in accordance with the Privacy Act and automatic data processing (ADP) security procedures. Contractors are required to maintain, and are also required to ensure that subcontractors maintain, confidentiality safeguards with respect to these records. Contractors and subcontractors are instructed to make no further disclosure of the records except as authorized by the System Manager and permitted by the Privacy Act. All individuals who have access to these records receive the appropriate ADP security clearances. ED personnel make site visits to ADP facilities for the purpose of ensuring that ADP security procedures continue to be met. Privacy Act and ADP system security requirements are specifically included in contracts. The HEAL program project directors, project officers, and the System Manager oversee compliance with these requirements.

Implementing guidelines: The safeguards described above were established in accordance with DHHS Chapter 45-13 and supplementary Chapter PHS.hf: 45-13 of HHS' General Administration Manual.

RETENTION AND DISPOSAL:

ED is working with its Records Officer and the National Archives and Records Administration to obtain the appropriate record retention schedule.

SYSTEM MANAGER(S) AND ADDRESS(ES): Director, Systems Integration Division, Systems Operations and Aid Delivery Management Services, Federal Student Aid, U.S. Department of Education, Union Center Plaza (UCP), 830 First Street, NE., room 44F1, Washington, DC 20202-5454. Telephone: 202-377-3547.

NOTIFICATION PROCEDURE:

To find out if the system contains records about you contact the System Manager.

Requests in person: Written requests for information and/or access to records received by mail must contain information providing the identity of the writer and a reasonable description of the record desired. Written requests must contain the name and address of the requester, his/her date of birth and at least one piece of information which is also contained in the subject record, and his/ her signature for comparison purposes.

Requests by mail: To request information and/or access to records by mail, you must provide your name, address, date of birth, a reasonable description of the record desired, at least one piece of information that is

also contained in the subject record, and your signature for comparison purposes.

Requests by telephone: Since positive identification of the caller cannot be established, telephone requests are not accepted.

RECORDS ACCESS PROCEDURES:

Same as notification procedures. Requesters should also provide a reasonable description of the record being sought. Requesters may also request an accounting of disclosures that have been made of their records, if any.

CONTESTING RECORD PROCEDURES:

Contact the System Manager, provide a reasonable description of the record, specify the information being contested, the corrective action sought, and the reasons for requesting the correction, along with supporting information to show how the record is inaccurate, incomplete, untimely, or irrelevant.

RECORD SOURCE CATEGORIES:

Individual loan recipients, HEAL schools, lenders, holders of HEAL loans and their agents, HHS, and other Federal agencies.

EXEMPTIONS CLAIMED FOR THE SYSTEM:

None.

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