



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5921-N-10]

Implementation of the Privacy Act of 1974, as amended

Amended System of Records Notice, Active Partners Performance System

AGENCY: Office of Housing, HUD.

ACTION: Amended System of Records Notice.

SUMMARY: In accordance with the requirements of the Privacy Act of 1974, as amended, the Department's Office of Housing, Asset Management and Portfolio Oversight Division propose to amend and reissue a current system of records notice (SORN): Active Partners Performance System (APPS). This SORN was previously titled Previous Participation Review System and Active Partners Performance System Previous Participation Files, HUD/H07. The notice amendment includes administrative updates to the categories of individuals covered, categories of records, authority for maintenance, routine uses, storage, safeguards, retention and disposal, system manager and address, notification procedures, records access, contesting records procedures, and records source categories. These sections are amended to reflect the present status of the information contained in the system. The existing scope, objectives, and business processes in place for the program remain unchanged. The routine use instances recorded by this SORN were previously translated in the **Federal Register** on December 31, 2015 at 80 **FR** 81837-81840. This amendment deletes and supersedes the

HUD/H07 publication. The updated notice will be included in the Department's inventory of SORNs.

DATES: EFFECTIVE DATE: This notice action shall be effective immediately, which will become effective [**30 days after publication of this notice in the Federal Register**].

[COMMENTS DUE DATE]: [**Insert date that is 30 days after the date of publication in the Federal Register**].

ADDRESSES: Interested persons are invited to submit comments regarding this notice to the Rules Docket Clerk, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 10276, Washington, DC 20410-0500.

Communications should refer to the above docket number and title. Faxed comments are not accepted. A copy of each communication submitted will be available for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address.

FOR FURTHER INFORMATION CONTACT: Frieda B. Edwards, Acting Chief Privacy Officer, 451 Seventh Street, SW, Room 10139, Washington, DC 20410, telephone number 202-402-6828 (this is not a toll-free number). Individuals who are hearing- and speech-impaired may access this number via TTY by calling the Federal Relay Service at 800-877-8339 (this is a toll-free number).

SUPPLEMENTARY INFORMATION: This notice updates and refines previously published information pertaining to APPS in a clear and easy to read format. The notice identifies activities and records pertaining to: (1) submission and review of a multifamily housing principals previous participation and/or certification in a multifamily housing project; and (2) consideration, approval, and disapproval of a principals participation in a multifamily housing project; (3) a principals previous participation with HUD or other housing agencies; (4) summary of financial, management, or operational difficulties the principals may have had with prior HUD

projects; and (5) flag indication of whether the principals are or have been the subject of a government investigation. The amended notice conveys administrative updates to the notice's title, categories of individuals covered, categories of records, routine uses, storage, safeguards, retention and disposal, system manager and address, notification procedures, records access and contesting procedures, and records source captions. The Privacy Act places on Federal agencies principal responsibility for compliance with its provisions, by requiring Federal agencies to safeguard an individual's records against an invasion of personal privacy; protect the records contained in an agency system of records from unauthorized disclosure; ensure that the records collected are relevant, necessary, current, and collected only for their intended use; and adequately safeguard the records to prevent misuse of such information. This notice demonstrates the Department's focus on industry best practices and laws that protect interest such as personal privacy and law enforcement records from inappropriate release. This notice states the name and location of the record system, the authority for and manner of its operations, the categories of individuals that it covers, the type of records that it contains, the sources of the information for the records, the routine uses made of the records, and the types of exemptions in place for the records. The notice also includes the business address of the HUD officials who will inform interested persons of how they may gain access to and/or request amendments to records pertaining to themselves.

The amended notice does not meet threshold requirements set forth by paragraph 4c of Appendix 1 to OMB Circular No. A-130, "Federal Agencies Responsibilities for Maintaining Records About Individuals," November 28, 2000. Therefore, a report was not submitted to the Office of Management and Budget (OMB), the Senate Committee on Homeland Security and Governmental Affairs, and the House Committee on Oversight and Government Reform.

AUTHORITY: 5 U.S.C. 552a; 88 Stat. 1896; 42 U.S.C. 3535(d).

July 22, 2016

Date

Patricia A. Hoban-Moore
Senior Agency Official for Privacy

SYSTEM OF RECORDS NO.: HSNM.MFH/HTG.01

SYSTEM NAME: Active Partners Performance System (APPS)–F24P

SYSTEM LOCATION: Department of Housing and Urban Development, 451 Seventh Street, SW, Washington DC 20410; HUD Field and Regional offices¹ where in some cases APPS records may be maintained or accessed. The physical system is maintained for HUD under contract at the HUD Information Technology Systems Production Data Center at 2020 Union Carbine Drive, South Charleston, WV 25305, and at the location of the service providers under contract with HUD.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM: Principals who are approved to participate in HUD's multifamily projects such as owners, general contractors, management agents, consultants, facility operators and developers.

CATEGORIES OF RECORDS IN THE SYSTEM:

- 1) **Contact Information:** Name, work/personal address, work/personal telephone number, work/personal email address.
- 2) **Previous Participation Information:** Social Security number (SSN), tax identification number (TIN), and entity type and their legal structure.
- 3) **Project Level Information:** Lists of prior HUD projects; summary of financial, management, or operational difficulties with prior HUD projects (if any); indication of whether principals are or have been the subject of a government investigation; other information relevant to the standards for previous participation approval; minutes of deliberative meetings; flags and the reason for the flag on an external individual or company participant.

¹ <http://portal.hud.gov/hudportal/HUD?src=/localoffices>

AUTHORITY FOR MAINTENANCE OF THE SYSTEM: Section 7(d), Department of Housing and Urban Development Act, 79 Stat. 670, (42 U.S.C. § 3535(d)). HUD is authorized to collect the Social Security Number (SSN) by Section 165 (a) of the Housing and Community Development Act of 1987, Public Law 100-242 (42 U.S.C. § 3543).

PURPOSE(S): APPS was developed to automate the submission and review of the Housing and Urban Development (HUD) previous participation certification process (Form HUD-2530), which initiates the review and approval process for industry entities who would participate in a HUD project. The data collected through the HUD-2530 process is used by HUD employees to assess applicant's suitability to participate in HUD projects in light of their track record in carrying out financial, legal and contractual obligations in previous projects, in a satisfactory and timely manner. An approved HUD-2530 is a prerequisite for industry partners to participate in HUD projects. APPS contains data concerning principal participants in multifamily housing projects, including their previous participation with HUD or other housing agencies. APPS also tracks non-compliance of multifamily project participants' by flagging the participants for non-compliance with regulatory and contractual agreements. Flags are used to evaluate the risk of the participants prior to approval for future participation.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES. In addition to those disclosures generally permitted under 5 U.S.C. § 552a(b) of the Privacy Act, all or a portion of the records or information contained in this system may be disclosed outside HUD as a routine use pursuant to 5 U.S.C. 552a(b)(3) as follows.

- 1) To State and local governments participating in HUD housing programs as co-insurers or finance agencies--to assist in project application reviews.

- 2) To appropriate agencies, entities, and persons to the extent such disclosures are compatible with the purpose for which the records in this system were collected, as set forth by Appendix I, HUD's Routine Use Inventory Notice², published in the Federal Register.
- 3) To appropriate agencies, entities, and persons when:
 - a) HUD suspects or has confirmed that the security or confidentiality of information in a system of records has been compromised;
 - b) HUD has determined, that as a result of the suspected or confirmed compromise, there is a risk of harm to economic or property interests, identity theft or fraud, or harm to the security or integrity of systems or programs (whether maintained by HUD or another agency or entity) that rely upon the compromised information; and
 - c) The disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with HUD's efforts to respond to the suspected or confirmed compromise and prevent, minimize, or remedy such harm for purposes of facilitating responses and remediation efforts in the event of a data breach.
- 4) To the National Archives and Records Administration (NARA) or to the General Services Administration for records management inspections conducted under 44 U.S.C. 2904 and 2906.
- 5) To a congressional office from the record of an individual, in response to an verified inquiry from that congressional office, made at the request of that individual.

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

² http://portal.hud.gov/hudportal/documents/huddoc?id=routine_use_inventory.pdf

STORAGE: Records in this system are stored electronically on Internet/Intranet application servers. Paper records are scanned and converted into a uniform electronic format. The hard copies, after scanning, are stored at the NARA records management center.

RETRIEVABILITY: Electronic records are retrieved by name, submission ID and TIN.

RETENTION AND DISPOSAL: Data records and information submitted on the HUD Form 2530, Previous Participation Certification, are destroyed 3 years after the Secretary ceases to have any liability and/or interest in the project. The hard copies, after scanning, are stored in the NARA records management center. Electronic records will be destroyed pursuant to NIST Special Publication 800-88, "Guidelines for Media Sanitization."

Reference: HUD Records Disposition Schedule, Schedule 18, item 5: Previous Participation Approvals (NARA Job NCI-207-79-3), item 5. Note: This schedule is currently under review in accordance with OMB Memorandum M-12-18, Section 2.5.

SAFEGUARDS: Access to the system, storage, backup and infrastructure equipment is monitored and by password and code identification cards access and limited to authorized users.

SYSTEM MANAGER(S) AND ADDRESS: Devasia Karimpanal, Program Specialist, Office of Multifamily Asset Management and Portfolio Oversight, Business Relationships and Support Contracts Division, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410.

RECORD ACCESS AND NOTIFICATION PROCEDURES: For Information, assistance, or inquiries about the existence of records, contact Frieda B. Edwards, Acting Chief Privacy Officer, 451 Seventh Street, SW, Room 10139, Washington, DC 20410, telephone number 202-402-6828 (this is not a toll-free number). When seeking records about yourself from this system

of records or any other HUD system of records, your request must conform to the Privacy Act regulations set forth in 24 CFR Part 16. You must first verify your identity by providing your full name, current address, and date and place of birth. You must sign your request, and your signature must either be notarized or submitted under 28 U.S.C. § 1746, a law that permits statements to be made under penalty of perjury as a substitute for notarization. In addition, your request should:

- a. Explain why you believe HUD would have information on you.
- b. Identify which HUD office you believe has the records about you.
- c. Specify when you believe the records would have been created.
- d. Provide any other information that will help the FOIA staff determine which HUD office may have responsive records.

If you are seeking records pertaining to another living individual, you must obtain a statement from that individual certifying their agreement for you to access their records. Without the above information, the HUD FOIA Office may not be able to conduct an effective search, and your request may be denied due to lack of specificity or lack of compliance with applicable regulations.

CONTESTING RECORD PROCEDURES: The Department's rules for contesting contents of records and appealing initial denials appear in 24 CFR Part 16.3, "Procedures for Inquiries." Additional assistance may be obtained by contacting Frieda B. Edwards, Acting Chief Privacy Officer, 451 Seventh Street, SW, Room 10139, Washington, DC 20410, or the HUD Departmental Privacy Appeals Officer, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street SW, Room 10110, Washington DC 20410.

RECORD SOURCE CATEGORIES: The sources for information in the system are from the subject individuals and entities for whom the records are maintained; HUD Field Offices; other

governmental agencies. Individuals and entities register at the Business Partner Registration link on APPS web page and the information is transferred to APPS secure database.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT: None.

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