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Privacy Impact Assessment

CERTAIN SUPERVISION, ENFORCEMENT,
AND FAIR LENDING (SEFL) DATA USED FOR
MARKET RESEARCH

Contact Point:
Claire Stapleton
Chief Privacy Officer
1700 G Street, NW
Washington, DC 20552
202-435-7220
claire.stapleton@cfpb.gov



Consumer Financial
Protection Bureau

DOCUMENT PURPOSE

The Privacy Impact Assessment or “PIA” provides the public with information about the Consumer Financial Protection Bureau’s (“CFPB” or “Bureau”) collection and use of personally identifiable information (“PII”). PII is any information “that can be used to distinguish or trace an individual’s identity”¹ like a name, address, Social Security number, or place and date of birth. The CFPB uses PIAs to document how the PII it collects is used, secured, and destroyed in a way that protects each individual’s privacy. Each PIA is broken out into sections that reflect the CFPB’s Privacy Principles. The CFPB’s Privacy Principles are a set of nine rules the CFPB follows when it collects or uses PII.

OVERVIEW

PROJECT / SYSTEM NAME: Certain Supervision, Enforcement, and Fair Lending (SEFL) Data Used for Market Research

PROJECT/SYSTEM INCLUDES INFORMATION ABOUT:

- Federal Employees
- Contractors
- Consultants
- The Public

PROJECT/SYSTEM INCLUDES:

- Name and other biographic information (e.g. date of birth)
- Contact Information (address, zip code, telephone number, email address)
- Social Security number (“SSN”) or other identifier
- Financial Information
- User and Online Information
- Third Party Information
- Other Information (including biometric information and health or medical information)

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”), Public Law No. 111-203, Title X, established the CFPB. The CFPB administers, enforces, and implements Federal consumer financial law, and, among other powers, has authority to protect consumers from unfair, deceptive, and abusive practices when obtaining consumer financial products or services.

The Act also authorizes the CFPB to conduct research to understand consumer financial markets; to monitor for risks to consumers in the offering or provision of consumer financial products or services; and to follow developments in markets for such products or services (“Market Research”). Products of Market Research include internal projects, such as internal reports to support policy development, including rulemaking and any related considerations of the benefits, costs, and impact of particular rules; and external projects, such as white

¹ Office of Management and Budget (OMB) Memorandum 07-16, *Safeguarding Against and Responding to the Breach of Personally Identifiable Information*, May 22, 2007, (OMB M-07-16) defines PII as “information which can be used to distinguish or trace an individual's identity, such as his or her name, social security number, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother’s maiden name, etc.”

papers and CFPB studies. For the purposes of this PIA, Market Research does not include analytic support for supervisory activities, or investigations or other enforcements activities.

In conducting Market Research, the Bureau is authorized to gather and compile information from a variety of sources, including information obtained using its other authorities.² Data collected by the Bureau's Division of Supervision, Enforcement, and Fair Lending ("SEFL") may, from time to time, be used for Market Research. For purposes of this PIA, "SEFL Data" are data collected in the normal course of conducting supervision or enforcement activities. These data include both PII and non-PII. Typically, the CFPB collects SEFL Data from third parties, not directly from consumers. In most cases, including when data are collected in the course of conducting examination and supervision activities, or when such data are collected pursuant to an investigative subpoena, discovery or a related court order, individuals will not receive notice that such data is being collected. Therefore, they will not receive notice how such data will be used or disclosed.

Market Research is generally conducted by the Bureau's Division of Research, Markets, and Regulations. When Market Research is conducted, SEFL Data may be used alone or in combination with other data collected from third parties, such as those that offer or provide consumer financial products or services, from commercial sources, and from public databases ("Administrative Data").³

Typically, direct identifying PII has been stripped from SEFL Data used for Market Research. When the CFPB does use direct identifying PII in analyses, it does so in order to a) match across datasets; b) update data sets; c) weight datasets in order to make generalizations regarding a given population; d) proxy based on population characteristics; and e) contact potential recipients of surveys and then use those surveys to solicit information on consumer experiences with consumer financial products and services. The CFPB does not track the financial habits or activities of any individual consumer.

All Market Research must be authorized by law and relevant to the CFPB's consumer protection mission. Where applicable, Market Research must be conducted in accordance with Section 1022(c)(4)(C) of the Act (codified at 12 U.S.C. § 5512(c)(4)(C)). It must also be compliant with other applicable federal laws, including other provisions of the Act, the Paperwork Reduction Act, the Right to Financial Privacy Act, and the Privacy Act of 1974.

Using SEFL Data for Market Research implicates privacy concerns because a breach of confidentiality, or re-identification, could result in an individual being stigmatized or suffering economic harm. Further, privacy protections such as notice and consent have limited applicability to the collection of data under Supervision and Enforcement authorities, because individuals do not provide their data directly to the CFPB, and informed consent may not be practicable.

SEFL Data used for Market Research are maintained within the CFPB's General Support System (GSS) over a number of Linux OS environments within flat files or SQL databases. The

² See, e.g., 12 U.S.C. § 5512(c)(4)(B).

³ For a discussion of use of Administrative Data in Market Research, see Market Analysis of Administrative Data Under Research Authorities PIA, December 20, 2013.

applications that are used to compile and analyze the data include SAS, Stata, Matlab, Gauss, and R.

SECTION 1.0 PURPOSE OF COLLECTION

The CFPB will state the purpose and legal authority for collecting PII.

1.1 Why is the information being collected?

The CFPB collects SEFL Data during the normal course of supervision or investigatory work for the primary purpose of providing support to the Supervisory, Enforcement, or Fair Lending activities. These activities are conducted to assess compliance with the requirements of Federal consumer financial laws; to detect and assess risks to consumers and to markets for consumer financial products and services; and to obtain information about the activities and compliance systems or procedures of supervised persons. Though not its primary purpose for collection, the CFPB may, from time to time, use SEFL Data to conduct Market Research with respect to consumer financial products and services.

1.2 What legal authority and/or agreements allow the information to be collected?

The Bureau has authority to use SEFL Data for Market Research purposes under Sections 1011-1013, 1021-1022, 1024-1026, 1052, and 1061 of the Dodd-Frank Act, codified at 12 U.S.C. §§ 5491-5493, 5511-5512, 5514-5516, 5562, and 5581.

1.3 Is the information searchable by a personal identifier – like a name or Social Security number? If so, what Privacy Act System of Records Notice(s) apply/applies to the information being collected?

SEFL Data used for Market Research typically are not retrievable by personal identifier. If any data are retrievable by a personal identifier and require a Privacy Act System of Records Notice, they will be covered by CFPB.002 – Depository Institution Supervision Database, CFPB.003 – Non-Depository Supervision Database, or CFPB.004 – Enforcement Database, as appropriate.

1.4 Is there a records retention schedule that has been approved by the National Archives and Records Administration (NARA) for the information system(s)? Explain how long and for what reason the information is retained.

The CFPB maintains computer and paper records indefinitely until NARA approves the CFPB's records disposition schedule. The CFPB will continue to retain these records until a CFPB records schedule is approved by the National Archives and Records Administration. Records that fall under a general records schedule will be disposed of according to the applicable schedule.

1.5 Are there any forms or surveys that are associated with the collection of the information that would be covered by

the Paperwork Reduction Act (PRA)?

To the extent a form or survey associated with the collection of information triggers the OMB approval requirements of the PRA, the CFPB will comply with such requirements.

- 1.6 Are there any privacy risks for this system that relate to the purpose of the collection? If so, how will the CFPB mitigate these risks?

The CFPB mitigates the risk of inappropriate collection by collecting SEFL Data in a manner consistent with applicable laws and CFPB policies. Typically, the CFPB strips the SEFL Data to be used for Market Research of direct identifying PII and only provides that stripped dataset to CFPB personnel who conduct Market Research.

SECTION 2.0 OPENNESS AND TRANSPARENCY

The CFPB will be open and transparent. We should tell individuals about the PII we collect and how we will protect it, use it, and share it. We will provide an easy way for individuals to learn about what is happening to their PII.

- 2.1 Will individuals be given notice prior to the collection of personal information about them? If not, please explain.

The CFPB generally collects SEFL Data from third parties, not directly from consumers. As noted in the Overview, where information is obtained in the exercise of CFPB's supervisory and enforcement authorities, individuals generally will not receive notice that the information is being requested and therefore how such information will be used or disclosed. In these cases, the use and disclosure of information is controlled by applicable federal law, regulations, discovery rules, and court orders. In cases where notice cannot be provided or is not required, the CFPB has provided constructive notice of how it may use such information through this PIA.

- 2.2 Will individuals be given notice prior to their information being shared? If not, please explain.

The CFPB generally collects SEFL Data from third parties, not directly from consumers. As noted in the Overview, where information is obtained in the exercise of CFPB's supervisory and enforcement authorities, individuals generally will not be informed of PII collected through supervisory or enforcement activity, or receive notice as to how information will be used or disclosed. In these cases, the use and disclosure of information is controlled by applicable federal law, regulations, discovery rules, and court orders. In cases where notice cannot be provided or is not required, the CFPB has provided constructive notice of how it may share information through this PIA.

- 2.3 Are there any privacy risks for this system that relate to openness and transparency? If so, how will the CFPB mitigate these risks?

There is a risk that individuals whose information is used for Market Research may not understand the scope of Market Research, including whether the CFPB has data that pertains

to them. The CFPB mitigates this privacy risk by minimizing the extent to which this data are identifiable by stripping the data of direct identifying PII where practicable, and by limiting access to only those individuals who have a need to access the data. The CFPB is also publishing this PIA to promote transparency.

SECTION 3.0 DATA MINIMIZATION

The CFPB will limit the collection of PII to what is needed to accomplish the stated purpose for its collection. The CFPB should keep PII only as long as needed to fulfill that purpose.

3.1 Whose information is included in the system?

SEFL Data may pertain to consumers who use particular consumer financial products or particular consumer financial service providers that are associated with supervisory or enforcement activities. Market Research frequently uses samples from SEFL Data and other sources in order to create generalizable knowledge about the consumer financial market.

3.2 What PII will the system include?

In most cases, SEFL Data used for Market Research will not contain direct identifying PII. However, in some cases they may include direct identifying PII, including:

- Name
- Phone number
- Home address
- Email
- Financial account number
- Social Security number

At times, the Bureau will analyze account-, loan-, or transaction- level data stripped of direct identifying PII for Market Research. Examples of such information include:

- Type of product/service
- Size of product/service
- Participation rates
- Participation terms
- Fees
- Geographic location
- Unique record locators
- Balances
- Type of Financial Institution
- Market share of Financial Institution
- Credit score
- Demographic information, such as race/ethnicity, gender, age, education level, and income

3.3 Why is the collection and use of the PII necessary to the project or system?

Typically, direct identifying PII has been stripped from SEFL Data used for Market Research. When the CFPB does use direct identifying PII in analyses, it does so in order to a) match across datasets; b) update data sets; c) weight datasets in order to make generalizations regarding a given population; d) proxy based on population characteristics; and e) contact

potential recipients of surveys and then use those surveys to solicit information on consumer experiences with consumer financial products and services.

- 3.4 Will the system aggregate previously unavailable data about the individual or create new data about the individual? If so, how will this data be maintained and used?

Use of SEFL Data for Market Research may involve the matching of records across different datasets. For example, the CFPB may obtain updates or supplements to a dataset and, in those circumstances, may use record locators unique to the entity providing the update in order to update or supplement the individual records. When the CFPB does use direct identifying PII in analyses, it does so in order to a) match across datasets; b) update data sets; and c) contact potential recipients of surveys and then use those surveys to solicit information on consumer experiences with consumer financial products and services. After the matching is complete, a de-identified copy of the matched dataset is used for conducting Market Research and analysis.

- 3.5 What controls exist to protect the consolidated data and prevent unauthorized access?

The CFPB protects the Market Research use of SEFL Data as described in Section 6, Security, below.

- 3.6 Will the system monitor the public?

The CFPB conducts Market Research to understand consumer financial markets; to monitor for risks to consumers in offering or provision of consumer financial products or services; and to follow developments in markets for such products or services. These Market Research uses of SEFL Data and analyses also support policy development, including rulemaking and any related considerations of the benefits, costs, and impact of particular rules. The CFPB does not track the financial habits or activities of any individual consumer.

- 3.7 Will the system monitor employees or contractors?

The technology that maintains Market Research use of SEFL Data tracks CFPB personnel access and use of the information.

- 3.8 What kinds of reports can be produced on individuals? Will the data included in the reports produced be made anonymous?

The CFPB does not produce reports on individuals in the conduct of Market Research. Products of Market Research consist of aggregate information, such as tabulations and statistical results, that are included in internal reports, CFPB whitepapers and studies, and other policy output, and do not contain direct identifying PII.

- 3.9 Are there any privacy risks for this system that relate to data minimization? If so, how will the CFPB mitigate these risks?

The CFPB reduces privacy risks by typically stripping direct identifying PII from the SEFL Data used for Market Research. When the CFPB does use direct identifying PII in analyses, it does so in order to a) match across datasets; b) update data sets; c) weight datasets in order to make generalizations regarding a given population; d) proxy based on population characteristics; and e) contact potential recipients of surveys and then use those surveys to solicit information on consumer experiences with consumer financial products and services.

Further, all proposals to use SEFL Data for Market Research are vetted, and all SEFL Data serve a supervisory or enforcement purpose.

SECTION 4.0 LIMITS ON USES AND SHARING OF INFORMATION

The CFPB will publish a notice about how we plan to use and share the PII that we collect from you. We will only share your PII in ways that are compatible with the notice or as stated in the Privacy Act.

- 4.1 Is the information in the project limited to only the information that is needed to carry out the purpose of the collection?

The CFPB uses SEFL Data for Market Research to carry out its statutory mandates with emphasis on promoting efficiency and minimizing burdens posed by the collection.

- 4.2 Will the CFPB share any of the information with other individuals, Federal and/or state agencies, or private sector organizations? If so, how will the CFPB share the information?

The CFPB may share the products of Market Research with the general public and federal financial regulators. Any such results do not include information that directly identifies any individual. In addition, to the extent that information is contained in a Privacy Act system of records, the CFPB may share information as outlined in the Routine Uses of each applicable SORN. Where applicable, information is treated in accordance with the CFPB's rules on the disclosure of confidential information, including 12 CFR 1070.41(c).

- 4.3 Is the information collected directly from the individual or is it taken from another source?

SEFL Data typically are not collected directly from the individual.

- 4.4 Will the project interact with other systems, whether within the CFPB or outside of the CFPB? If so, how?

Systems maintaining SEFL Data used for Market Research purposes do not interact with other systems within or outside the CFPB.

- 4.5 Are there any privacy risks for this project that relate to use limitation? If so, how will the CFPB mitigate these risks?

Although SEFL Data used for Market Research purposes do not typically contain direct identifying PII, to the extent that the data contain PII, there is a risk of unauthorized use such as unauthorized re-identification and monitoring of individuals, unauthorized disclosures, or unauthorized Market Research conducted by CFPB personnel.

To mitigate the risk of unauthorized uses, the CFPB typically strips SEFL Data of direct identifying PII when it is to be used for Market Research purposes. It also employs qualified personnel with the necessary academic credentials and subject matter expertise to conduct Market Research. To mitigate the risk of re-identification and monitoring of individuals using this data, the CFPB limits personnel access to direct identifying PII using technical access controls, and provides privacy and security training so that personnel know how to handle and protect data appropriately. CFPB personnel do not attempt to re-identify SEFL Data that are or have been stripped of direct identifying PII.

The CFPB reduces the privacy risk of unauthorized disclosures of SEFL Data by reviewing disclosures of Market Research in light of legal requirements, including the Privacy Act, Section 1022(c)(8) of the Dodd-Frank Act, and the CFPB's rules on the disclosure of confidential information, 12 CFR Part 1070, so that the data are not inappropriately disclosed and made vulnerable to subsequent misuse. To reduce disclosure risk, the CFPB may also use disclosure limitation techniques in generating Market Research products. These techniques may include collapsing response cells, not returning specific variables, and not associating specific outcomes with individuals.

SECTION 5.0 DATA QUALITY AND INTEGRITY

The CFPB will make reasonable efforts to ensure that all PII it maintains is accurate, relevant, timely, and complete.

5.1 How will the information collected be verified for accuracy and completeness?

The CFPB uses the best practices from social science research to design Market Research projects and manage the associated data. In addition, when the CFPB partners with a third party, the relevant contracts outline appropriate standards for data accuracy and completeness.

5.2 Are there any privacy risks for individuals whose information is collected or used by the project that relate to data quality and integrity? If so, how will the CFPB mitigate these risks?

Risk exists related to data quality and integrity. To reduce the risk related to data quality and integrity, the CFPB uses best practices of social science research design and data management techniques to reduce the impact of errors or bias in Consumer Experience Research. The Bureau does not use the results of Consumer Experience Research in a way that negatively impact the individual.

SECTION 6.0 SECURITY

The CFPB must protect PII from loss, unauthorized access or use, destruction, modification, or unintended or inappropriate disclosure.

6.1 Who will have access to the data in the project? What is the authorization process for access to the project?

Only CFPB personnel with a need to know are granted access to SEFL Data used for Market Research.

6.2 Has the CFPB completed a system security plan for the information system(s) supporting the project?

The CFPB has completed a System Security Plan for the environment which houses the SEFL Data used for Market Research.

6.3 How will the system be secured?

The CFPB has implemented security controls and safeguards to protect information against unauthorized disclosure and access. These include:

- CFPB policies and procedures governing privacy and information security;
- Background checks on all personnel with access to the system;
- Initial and follow-on privacy and security awareness training for each individual with access to the system;
- Security Operations Center to monitor antivirus and intrusion detection software;
- Risk and controls assessments and mitigation;
- Technical access controls, such as role-based access management and firewalls; and
- Appropriate disaster mitigation strategies, breach notification processes and plans, and secure channels for submitting transactional information.

6.4 Are there mechanisms in place to identify security breaches? If so, what are they?

The CFPB has an incident-reporting plan and procedures for handling a security incident involving the data. The CFPB Computer Security Incident Response Team (CSIRT) monitors daily use of the system and is responsible for reporting any incidents directly to the CFPB's Information Systems Security Officer. This Officer coordinates all escalation, reporting, and response procedures on behalf of the Bureau.

6.5 Are there any privacy risks for this system that relate to security? If so, how will the CFPB mitigate these risks?

There is risk that privacy incidents could occur, resulting in unauthorized use or disclosure of PII. The CFPB mitigates the risk of privacy incidents by providing an extensive set of technical and administrative security and privacy controls reinforced by privacy and security training to CFPB personnel on the appropriate use of information and implementing breach notification processes and plans.

SECTION 7.0 INDIVIDUAL PARTICIPATION

The CFPB will give individuals, in most cases, the ability to access their PII, and allow them to correct or amend their PII if it is inaccurate.

- 7.1 What opportunities are available for individuals to consent to uses, decline to provide information, or opt out of the project? If no opportunities are available to consent, decline or opt out, please explain.

SEFL Data used for Market Research purposes do not typically contain direct identifying PII. However, individuals to whom data may pertain do not have the opportunity to consent to uses, decline to provide information, or opt out of Market Research, because the CFPB does not generally collect the SEFL Data from individuals.

- 7.2 What procedures will allow individuals to access their information?

SEFL Data used for Market Research are typically de-identified. Where applicable, individuals may request access to their information in accordance with the Privacy Act and the CFPB's Privacy Act regulations, at 12 CFR 1070.50 *et seq.* However, in many cases information collected based on supervision and enforcement authorities would not be released as it would be subject to Privacy Act exemptions.

- 7.3 Can individuals amend information about themselves in the system? If so, how?

SEFL Data used for Market Research are typically anonymized. Where applicable, individuals may seek to amend information about themselves in accordance with the Privacy Act and the CFPB's Privacy Act regulations, at 12 CFR 1070.50 *et seq.* However, in most cases information collected based on supervision and enforcement authorities would not be amended as it would be subject to Privacy Act exemptions.

- 7.4 Are there any privacy risks for this system that relate to individual participation? If so, how will the CFPB mitigate these risks?

SEFL Data used for Market Research purposes do not typically contain direct identifying PII. They generally include account-, loan-, or transaction-level information stripped of direct identifying PII.

There is a risk that individuals may not be able to control how the data that pertains to them are being used in support of Market Research. The CFPB relies on its statutory authority to conduct Market Research using this data and promotes transparency regarding Market Research through this PIA.

SECTION 8.0 AWARENESS AND TRAINING

The CFPB will train all personnel about the proper treatment of PII.

- 8.1 Describe what privacy training is provided to users, either generally or specifically relevant to the project.

The CFPB requires privacy and security training for all of our personnel, including contractors who handle personal information on behalf of the CFPB.

8.2 Are there any privacy risks for this system that relate to awareness and training? If so, how will the CFPB mitigate these risks?

Since the CFPB requires and provides privacy and security training for all of CFPB personnel, Market Research poses minimal risks regarding privacy awareness and training.

SECTION 9.0 ACCOUNTABILITY AND AUDITING

The CFPB is accountable for complying with these principles. We will regularly check that we are meeting the requirements and take appropriate action if we are not doing so.

9.1 How does the system ensure that the information is used in accordance with the stated practices in this PIA?

The CFPB provides its personnel with appropriate privacy and security training to ensure information is used and secured appropriately. The CFPB also has implemented a rigorous set of security controls for all its systems, including those that maintain SEFL Data used for Market Research purposes, and has limited access to those CFPB personnel with a need to know the information.

Additionally, all CFPB systems are subject to periodic external audits to ensure that the CFPB protects and uses information appropriately.

9.2 Are there any privacy risks for this system that relate to accountability and auditing? If so, how will the CFPB mitigate these risks?

The CFPB has mitigated risks related to accountability and auditing by limiting who has access to the information, clearly defining and assigning user roles with limited permissions, and providing users with training on use of the system, including privacy, security, and confidentiality.