

# Compliance Tool PIA v.2

---

**Does the CFPB use the information to benefit or make a determination about an individual?** No

---

**What is the purpose?** Analyze data collected under the Bureau's Supervisory authority.

---

**Are there controls to enforce accountability?** Yes, all standard CFPB privacy protections and security controls apply.

---

**What opportunities do I have for participation?** In most cases, supplying this information is mandatory and there are no opportunities for direct notice or consent. Constructive notice is provided by this PIA and access and redress is provided through the standard Bureau process.

---



Consumer Financial  
Protection Bureau

# Overview

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

One of the CFPB’s primary responsibilities is to supervise entities that provide consumers with financial products or services. Part of the supervision process involves reviewing loan data, which includes information about loans that a supervised entity has made or bought and is holding for repayment. The Compliance Tool, formerly the Compliance Analysis Toolkit (the “CAT”), automates and streamlines the collection and analysis of this data by providing a centralized system for analysis by CFPB examiners to determine compliance with the Truth in Lending Act (“TILA”), Real Estate Settlement Procedures Act (“RESPA”), Home Ownership and Equity Protection Act (“HOEPA”), Truth in Savings Act (“TISA”), and Secure and Fair Enforcement for Mortgage Licensing Act (“SAFE Act”).

The information in the Compliance Tool is collected from the supervised entities, stored in the Compliance Tool for analysis, and the information is maintained and destroyed in accordance with the National Archives and Records Administration (“NARA”) Supervision Examination and System Records Schedule, DAA-0587-2013-0011. Very little of this information used in the Compliance Tool is considered Personally Identifiable Information (“PII”). The Compliance Tool will contain some PII on loan officers or similar entity employees, borrower name and contact information for some types of loans, and account information for Compliance Tool users.

This system is authorized under the Bureau’s supervisory authority and provided in the Act, Pub. L. No. 111-203, Title X, Sections 1011, 1012, 1021, 1024, and 1025, codified at 12 U.S.C. Sections 5491, 5492, 5511, 5514, and 5515. The Compliance Tool does not use forms or collection techniques that are subject to the Paperwork Reduction Act.

This Privacy Impact Assessment (“PIA”) is published to document the Bureau’s use of the Compliance Tool and its impact on privacy and is an update to an existing CAT PIA published October 30, 2012. The Personally Identifiable Information (“PII”) contained in the Compliance Tool is documented in three System of Records Notices (“SORN”), CFPB.002 – CFPB Depository Institution Supervision Database [76 FR 45765], CFPB.003 – CFPB Non-Depository

Supervision Database [76 FR 45761], and CFPB.014 – Direct Registration and User Management System [77 FR 24185].

## Privacy Risk Analysis

As with any data collection and use, there are privacy risks. The primary risks associated with the Compliance Tool are risks related to:

- Data Minimization
- Data Quality and Integrity
- Individual Participation

These risks and their mitigations are described below.

*Data Minimization:* The Bureau requests specific data from the supervised entities in the course of a Supervisory examination. It is possible that entities will provide additional information beyond that required for the examination and analysis in the Compliance Tool. The Bureau provides guidance to the supervised entity as to what information is required in order to minimize the data provided to only that which is required by the Bureau. Also, the Compliance Tool has defined which data elements are required for various types of analysis and the system does not allow for the inclusion of other data.

*Data Quality and Integrity:* The Bureau relies on the supervised entity to provide accurate and current data, and it does not independently verify that the data is accurate. For example, the Bureau would not contact the borrower to ensure that the information is correct for use in the Compliance Tool. However, no benefit or determination about an individual is made based on the provided information that would affect consumers. If the results of analysis conducted on the information indicate a potential compliance problem, then the information is validated during the course of an examination outside of the Compliance Tool system.

*Individual Participation:* The three primary groups of individuals whose PII is contained in the Compliance Tool are 1) borrowers' names and contact information for some types of loans, 2) loan officers or similar supervised entity employees, and 3) the name and system account information of users of the Compliance Tool. All three groups of individuals have minimal opportunity to individually participate in decision-making around the collection and use of the data. However, only in the case of the data associated with the supervised entity employees is there a potential for harm; if employees are not complying with legal requirements, they may be

held accountable for their professional activities in making loans. These are legal obligations of which these employees should be aware. Borrowers do not have the direct ability to participate individually in the decision-making around the collection and use of their PII; however, the Bureau does not take any action against borrowers, using the analysis to investigate compliance by the supervised entity. Finally, Compliance Tool user accounts only require minimal PII, specifically name and contact information, in establishing the Compliance Tool user account.

The technical, physical, and administrative controls implemented to promote individual participation, minimization, and accountability are appropriate.

## Privacy Risk Management

1. Describe what information the CFPB collects, how the information is collected, and the sources from which the information is collected.

Specific information collected will vary based on the type of examination being conducted. However, this information could include some or all of the following PII:

### **PII about the borrowers:**

- Name (First and Last)
- Date of Birth
- Address
- Income
- Loan Information

### **PII about loan officers or supervised entity employees:**

- Name (First and Last)
- Nationwide Mortgage Licensing System identifier (“NMLS ID”)
- Contact Information (Address, Phone number, Fax number, E-Mail address)

### **PII about users of the system:**

- Name (First and Last)
- Contact Information (Address, Phone number, Fax number, E-Mail address)
- Employer name

With the exception of information on CFPB users of the system, this information is provided by the supervised entity at the request of the Bureau. It is information retained by the supervised entity in the normal course of business.

There are no forms or surveys that require compliance with the Paperwork Reduction Act that are used to collect this information. The Bureau will request the specific types of information required to conduct the supervisory examination.

## **2. Describe CFPB’s objective for the information.**

The information is collected to support the Bureau’s supervision process which involves reviewing loan data. The Compliance Tool automates and streamlines the collection and analysis of this data by providing a centralized system for analysis by CFPB examiners to determine compliance with the Truth in Lending Act (“TILA”), Real Estate Settlement Procedures Act (“RESPA”), Home Ownership and Equity Protection Act (“HOEPA”), Truth in Savings Act (“TISA”), and Secure and Fair Enforcement for Mortgage Licensing Act (“SAFE Act”). The information in the Compliance Tool could, in some cases, be used by other State or Federal regulators that have legal or regulatory financial compliance review responsibilities. These regulators may have overlapping responsibilities or may otherwise coordinate with the CFPB.

## **3. Describe how CFPB shares any of the information with third parties with whom the CFPB shares the information for compatible purposes, e.g. federal or state agencies, the general public, etc.**

The information collected for analysis in the Compliance Tool may, in some cases, be shared with other State or Federal agencies for compatible compliance review purposes and for resolving identified compliance issues. When this type of sharing happens, it is pursuant to an agreement between the Bureau and the other agency that limits the use of the data to only the agreed-upon purposes and requires that the data be protected and not further shared.

The PII contained in the Compliance Tool may be shared as described in the following SORNs, as appropriate:

- CFPB.002 – CFPB Depository Institution Supervision Database [76 FR 45765]
- CFPB.003 – CFPB Non-Depository Supervision Database [76 FR 45761]

- CFPB.014 – Direct Registration and User Management System [77 FR 24185]

4. Describe what opportunities, if any, individuals to whom the information pertains have to (a) receive notice regarding the CFPB’s use of the information; (b) consent to such use; (c) access the information that pertains to them; or (d) obtain redress.

Compliance Tool system users are provided notice and an opportunity to consent to the Bureau’s use of the data. However, the failure to consent and provide the information will mean that access to the Tool may not be granted.

Other users are provided notice through this PIA and laws and regulations that provide for the compliance examinations. Individuals have the opportunity to request access and amendment of their personal information in accordance with the Privacy Act and the CFPB’s Privacy Act regulations, at 12 C.F.R. 1070.50 *et seq.*

The Compliance Tool collects minimal information, only that required to perform the supervisory examination, and it makes no benefit decision or individual determinations based on borrowers’ information.

5. Explain the standards and relevant controls that govern the CFPB’s—or any third party contractor(s) acting on behalf of the CFPB—collection, use, disclosure, retention, or disposal of information.

The CFPB complies with the Privacy Act of 1974, Right to Financial Privacy Act, and E-Government Act of 2002; it voluntarily adopts Office of Management and Budget privacy-related guidance as a best practice; and it applies the National Institute of Standards and Technology risk management process for privacy.

The CFPB uses the following technical and administrative controls to secure the data and create accountability for the Bureau’s appropriate collection, use, disclosure, and retention of the information:

- Audit Logs and Reviews
- CFPB Personnel Privacy Training; Annual privacy training and role-based training
- CFPB Privacy Incident Response and Recovery Plan

- Compliance with CFPB cybersecurity policy and procedures
  - Extract logging and 90-day reviews
  - Policy and Standard Operating Procedures
  - Role-based and Least Privilege Access Controls: Including basic user access, Compliance Tool help desk employee, Examiners, and three types of administrator access
  - Supervision Examination and System Records Schedule, DAA-0587-2013-0011, Approved by National Archives and Records Administration
  - Personnel Security including background checks
6. Discuss the role of third party(ies) that collaborate or partner with the CFPB, if any. Identify any controls used to protect against inappropriate collection, use, disclosure, or retention of information. (This does not include third parties acting on behalf of the CFPB, e.g., government contractors discussed in Question 5.)

The Bureau does not collaborate with third parties, apart from those listed in question 3 above. And as noted, these other parties must agree to comply with the same standards, controls, and guidance as the Bureau.

# Document control

## Approval

---

Ashwin Vasan

Chief Information Officer

January 28, 2016

---

Claire Stapleton

Chief Privacy Officer

January 28, 2016

---

Jami Blume

Supervision, Enforcement, and Fair Lending

January 28, 2016

# Change control

Version	Summary of material changes	Pages affected	Date of change