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Privacy Impact Assessment

MARKET ANALYSIS OF
ADMINISTRATIVE DATA UNDER
RESEARCH AUTHORITIES

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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: Market Analysis of Administrative Data Collected under Research Authorities (“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)

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.”

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 protection laws, and, among other powers, has authority to protect consumers from unfair, deceptive, and abusive practices with respect to 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 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 papers and CFPB studies.

All Market Research is 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.

In order to conduct Market Research, the Bureau collects data from third parties, such as those that offer or provide consumer financial products or services, from commercial sources, and from public databases (“Administrative Data”). In many cases the institution from which the Bureau obtains Administrative Data will have generated the data for its own operations. Administrative Data is valuable because it is not affected by certain sampling issues and attrition problems associated with collecting information directly from individuals.

Administrative Data collected by the CFPB generally includes account-, loan-, or transaction-level information stripped of direct identifying PII. It does not typically contain direct identifying PII. Administrative Data may contain information such as demographic or geographic indicators. When the CFPB collects and uses PII, it does so in order to proxy based on population characteristics; match across datasets; update data sets; weight samples; and generate frames for surveys on consumer experiences with consumer financial products and services. The CFPB does not track the financial habits or activities of any individual, and the Administrative Data described above are used only for statistical analysis.

Administrative 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 Administrative Data for Market Research. Because the information is collected from third parties,

commercial sources, and public databases, individuals do not provide it directly to the CFPB, and informed consent may not be practicable.

There is no single system of consolidated Administrative Data maintained by the CFPB, and Administrative Data is not typically retrievable by personal identifier. In instances where Administrative Data can be retrieved by personal identifier, it is covered by CFPB.022 – Market and Consumer Research Records SORN.²

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

This Privacy Impact Assessment focuses on Market Research of Administrative Data collected under research authorities in the Dodd-Frank Act. The Act also authorizes the Bureau to conduct research using data gathered and compiled from other sources, including examination reports and consumer complaints;³ such data is not addressed in this PIA. This PIA also does not address data collected directly from individuals by the CFPB for research purposes. These categories of data will be addressed in forthcoming PIAs.

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 Administrative Data under research authorities in order to conduct Market Research with respect to consumer financial products and services.

² CFPB.022 – Market and Consumer Research Records System of Records Notice, 77 FR 67802 is available at <https://www.federalregister.gov/articles/2012/11/14/2012-27582/privacy-act-of-1974-as-amended>.

³ See, e.g., 12 U.S.C. § 5512(c)(4)(B)(i).

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

The Bureau has authority to collect Administrative Data for Market Research under Sections 1013 and 1022 of the Dodd-Frank Act, codified at 12 U.S.C. §§ 5493 and 5512.

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?

Administrative Data is not typically retrievable by personal identifier. In instances where Administrative Data can be retrieved by personal identifier, it is covered by CFPB.022 – Market and Consumer Research Records SORN.

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. 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 that Market Research uses Administrative Data that the Bureau gathers in information collections cleared under the PRA, information regarding the PRA clearances may be found at Reginfo.gov.

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 collection of Administrative Data does not generally include direct identifying PII. Nevertheless, there is risk that PII could be inappropriately collected in the course of collecting Administrative Data for research. In order to mitigate the risk of inappropriate collection, the CFPB evaluates the

authority and purpose that justify the intake or use of Administrative Data for Market Research, and approves data intake only when such intake is consistent with applicable law and CFPB policies. To the extent that the CFPB receives more PII than necessary, it minimizes retention to reduce the possibility that it may be misused subsequent to collection.

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 collects Administrative Data only from third parties, commercial sources and public databases, not directly from consumers, and it is those third parties' responsibility to determine whether notice is required and to provide any requisite notice.

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

The CFPB collects Administrative Data only from third parties, commercial sources and public databases, not directly from consumers, and it is those third parties' responsibility to determine whether notice is required and to provide any requisite notice regarding information being shared.

- 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 privacy risk that individuals to whom Administrative Data pertain may not understand the scope of Market Research. In particular, individuals may not know whether the CFPB has Administrative Data that pertains to them. The CFPB mitigates this privacy risk by minimizing the extent to which Administrative Data is identifiable. The CFPB also reviews available privacy policies published by the sources of the Administrative Data to verify that disclosures of the data to CFPB are covered as appropriate, and publishes this PIA to promote transparency. Further, the CFPB uses Advanced Notice of Proposed Rulemakings (ANPRM), Notice of Proposed Rulemakings (NPRM), OMB Information Collection Requests, Requests for Information, and other public solicitations, when possible; and, as appropriate, publishes studies and white papers in accordance with the [Bureau's Information Quality Guidelines](#) in order to inform the public about the CFPB's Market Research.

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?

The CFPB does not track the financial habits or activities of any individual consumer. However, Administrative Data may pertain to consumers who use particular consumer financial products or particular consumer financial service providers. Market Research frequently uses samples from various databases in order to create generalizable knowledge about the consumer financial market.

3.2 What PII will the system include?

Administrative Data collected by the CFPB does not typically contain direct identifying PII. In certain circumstances, Administrative Data collected for Market Research may include direct identifying PII, including:

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

At times, the Bureau will analyze account-, loan-, or transaction- level data stripped of direct identifying PII. 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?

Administrative Data collected by the CFPB does not typically contain direct identifying PII. It generally includes account-, loan-, or transaction-level

information stripped of direct identifying PII. When the CFPB collects and uses PII, it does so in order to proxy based on population characteristics; match across datasets; update data sets; weight samples; and generate frames for surveys on consumer experiences with consumer financial products and services. The CFPB does not track the financial habits or activities of any individual.

- 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?

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 collects and uses PII, it does so in order to proxy based on population characteristics; match across datasets; update data sets; weight samples; and generate frames for surveys on consumer experiences with consumer financial products and services. After the matching is complete, a de-identified copy of the matched dataset will be used for conducting research and analysis. The CFPB does not track the financial habits or activities of any individual.

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

The CFPB protects Administrative Data relevant to Market Research as described in Section 6, Security, below.

- 3.6 Will the system monitor the public?

The CFPB conducts 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 Administrative 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 Administrative Data for Market Research evaluates 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's Market Research relies on Administrative Data that may, in some instances, include direct identifying PII and related financial information, which is obtained from third parties, commercial sources, and public databases. There is risk that the Administrative Data gathered to conduct Market Research could contain unnecessary direct identifying PII.

The CFPB reduces the privacy risk of over-collection by conducting an exhaustive review of related and previous empirical studies prior to collection. The CFPB does not conduct Market Research when it can identify duplication with the CFPB's objectives that would render the CFPB's inquiries redundant, and the CFPB designs collections of Administrative Data to use representative samples where appropriate. Moreover, the Bureau evaluates and reduces the privacy sensitivity of the information under consideration for collection, using best practices from the OMB and the National Institute of Standards and Technology.

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 collects Administrative Data to carry out its statutory mandates with emphasis on promoting efficiency and minimizing burdens posed by the collection. The CFPB does not track the financial habits or activities of any individual.

- 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 does not generally share Administrative Data. The CFPB may share the results of Market Research with the general public, the source of the Administrative Data, and/or 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?

Administrative Data is not collected directly from the individual. Administrative Data is gathered from third parties, such as those that offer or provide consumer financial products or services, from commercial sources, and from public databases.

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

Systems maintaining Administrative Data are not directly integrated with each other or 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 Administrative Data collected by the CFPB does not typically contain direct identifying PII, to the extent that it contains PII, there is 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 obtains Administrative Data stripped of direct identifying PII. 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 Administrative 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 Administrative Data that is or has been stripped of direct identifying PII.

The CFPB reduces the privacy risk of unauthorized disclosures of Administrative Data by reviewing disclosures of Market Research in light of legal requirements, including the Privacy Act and Section 1022(c)(8) of the Dodd-Frank Act, so that Administrative Data is 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?

Administrative Data is collected in a variety of formats from third parties, commercial sources, and public databases. The CFPB seeks to promote accuracy and completeness using a variety of methods including but not limited to: manually coding searchable text to ensure accurate data entry and quality; obtaining data from reputable and high quality sources; tabulating Administrative Data and comparing it to publicly available sources to assess whether the data is representative, where practicable; and subscribing to periodic updates of Administrative Data. However, the CFPB cannot guarantee the accuracy of information obtained from third parties, commercial sources, and public databases.

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?

There is risk related to data quality and integrity. Administrative Data are developed by the sources of the Administrative Data for particular purposes, and when data is repurposed for research, issues of quality are particularly relevant. While the CFPB cannot guarantee the accuracy or completeness of Administrative Data, Market Research methodologies are designed to reduce the impact of data errors.

Erroneous data would not result in an adverse determination or consequence for individuals. Administrative Data typically does not contain direct identifying PII, and the CFPB uses Administrative Data only for Market Research.

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 Administrative 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 an SSP for the environment which houses the Administrative Data.

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 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.

Administrative Data collected by the CFPB does not typically contain direct identifying PII. It generally includes account-, loan-, or transaction-level information stripped of direct identifying PII.

Because the CFPB collects Administrative Data from third parties, commercial sources, and public databases, individuals to whom Administrative Data may pertain do not have the opportunity to consent to uses, decline to provide

information, or opt out of Market Research. When information is collected from third parties, commercial sources, and public databases, it is those third parties' responsibility to provide any opportunity that may be required to consent, decline, or opt out of how their information may be used.

7.2 What procedures will allow individuals to access their information?

Individuals may request access to their information in accordance with the Privacy Act and the CFPB's Privacy Act regulations, at 12 C.F.R. 1070.50 et seq.

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

Individuals may seek to amend information about themselves in accordance with the Privacy Act and the CFPB's Privacy Act regulations, at 12 C.F.R. 1070.50 et seq.

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

Administrative Data collected by the CFPB does not typically contain direct identifying PII. It generally includes account-, loan-, or transaction-level information stripped of direct identifying PII.

There is a risk that individuals may not be able to control how Administrative Data that pertains to them is being used in support of Market Research. The CFPB relies on its statutory authority to conduct research using Administrative 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 Administrative Data used for Market Research, 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.