Privacy Impact Assessment

For

National Student Loan Data Systems (NSLDS)

Date:
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Department of Education

Office of Federal Student Aid
U.S. Department of Education
1. **System Information**

*Describe the system - include system name, system acronym, and a description of the system, to include scope, purpose and major functions.*

The National Student Loan Data System (NSLDS) is the first comprehensive national database of information about the Federal financial aid history of recipients of student financial assistance authorized under Title IV of the Higher Education Act of 1965, as amended. As the central database for Title IV student financial aid, the NSLDS stores information about loans, grants, students, borrowers, lenders, guaranty agencies (GAs), schools, and servicers. It provides an integrated view of Title IV loans and grants during all stages of their life cycle—from aid approval through disbursement, repayment, default, and closure.

2. **Legal Authority.**

*Cite the legal authority to collect and use this data. What specific legal authorities, arrangements, and/or agreements regulate the collection of information?*

Title IV of the Higher Education Act of 1965, as amended, and Executive Order 9397 as amended by Executive Order 13478.

3. **Characterization of the Information.**

*What elements of personally identifiable information (PII) are collected and maintained by the system (e.g., name, social security number, date of birth, address, phone number)? What are the sources of information (e.g., student, teacher, employee, university)? How is the information collected (website, paper form, on-line form)? Is the information used to link or cross-reference multiple databases?*

Records in NSLDS include, but are not limited to:

1. borrower identifier information including Social Security number (SSN), name, date of birth, and driver's license;

2. information on borrowers' loans covering from the origination of the loan through final payment, cancellation, consolidation, discharge or other final disposition including details such as loan amount, disbursements, balances, loan status, collections, claims, deferments, refunds and cancellations;

3. the student's enrollment information including school(s) attended, course of study, anticipated completion date, enrollment status and effective dates;
4. student demographic information such as dependency status, citizenship, veteran status, marital status, gender, income and asset information, expected family contribution, and address;

5. information provided by the parent(s) of a dependent recipient, including, but not limited to: name, date of birth, SSN, marital status, e-mail address, highest level of schooling completed, and income and asset information;

6. information about the spousal income and asset information of a married borrower who is repaying a Title IV loan under an income based repayment plan,

7. Federal Pell Grant, Academic Competitiveness Grant (ACG), National Science and Mathematics Access to Retain Talent (SMART) Grant, Teacher Education Assistance for College and Higher Education (TEACH) Grant, Iraq and Afghanistan Service Grant amounts and dates of disbursement;

8. Federal Pell Grant, ACG Grant, National SMART Grant, Iraq and Afghanistan Service Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), and Federal Perkins Loan Program overpayment amounts;

9. demographic and contact information on: the guaranty agency which guarantees the borrower's Federal Family Education Loan (FFEL) loan, and the lender, holder and servicer of the borrower's loans;

10. NSLDS user profiles that includes name, Social Security number, date of birth, employer, and NSLDS user name;

11. information concerning the date of any default on loans, the aggregated loan data to support cohort default rate calculations for educational institutions, financial institutions and guaranty agencies;

12. pre- and post- screening results used to determine a student or parent's aid eligibility; and,

13. information on financial institutions participating in the loan participation and sale programs established by the Department under the Ensured Continued Access to Student Loan Act (ECASLA) of 2008, including the collection of: ECASLA loan level funding amounts, dates of ECASLA participation for financial institutions, dates and amounts of loans sold to the Department under ECASLA, and the amount of loans funded by the Department's programs but repurchased by the lender.

4. **Why is the information collected?**
How is this information necessary to the mission of the program, or contributes to a necessary agency activity? Given the amount and any type of data collected, discuss the privacy risks (internally and/or externally) identified and how they were mitigated.

A. The information contained in this system is maintained for the following purposes relating to students and borrowers:

1. determining student/borrower eligibility for Title IV programs by NSLDS pre- and post-screening processes;
2. to report changes in student/borrower enrollment status via the Enrollment Reporting Process;
3. to track loan borrowers and students who owe grant overpayment amounts (debtors);
4. to provide an Exit Counseling tool for FFEL and Direct Loan programs that provides various calculators, requires students to complete a quiz to ensure understanding of their repayment obligations, and collects information to assist in the activity of skip-tracing for loan holders;
5. to provide Web-based access for borrowers/students to their loan, grant and enrollment data;
6. to maintain information on the status of student loans;
7. to maintain information on Federal Pell, ACG, National SMART, TEACH and Iraq and Afghanistan Service Grant awards to students; and
8. to provide borrowers and NSLDS users with loan refund/cancellation details.

B. The information maintained in this system is also maintained for the following purposes relating to institutions participating in and administering the Title IV programs:

1. to permit guaranty agencies, eligible lenders, and eligible institutions of higher education to verify the eligibility of a student, potential student or parent for loans;
2. to provide student aggregate loan calculations to educational institutions;
3. to track loan transfers from one entity to another;
4. to determine default rates for educational institutions, guaranty agencies and lenders;
5. to prepare electronic financial aid histories on students or borrowers for educational institutions, guaranty agencies, the Department's Office of the Ombudsman and the Department's Direct Loan Servicing office;

6. to alert educational institutions of changes in financial aid eligibility of students via the Transfer Student Monitoring process;

7. to assist guaranty agencies, educational institutions, lenders and servicers in collecting Title IV funds;

8. to assess Title IV program administration of guaranty agencies, educational institutions, lenders and servicers;

9. to display organization contact information provided by educational institutions, guaranty agencies, lenders and servicers;

10. to provide reporting capabilities for educational institutions, guaranty agencies, lenders and servicers for use in Title IV administrative functions and by the Department for use in oversight and compliance;

11. to provide financial institutions, servicers and the Department's Debt Collection office contact information on loan holders for use in the collection of loans;

12. to provide schools and servicers information to resolve overpayments of Pell, ACG, National SMART, TEACH, Iraq and Afghanistan Service Grants and FSEOG grants;

13. to assist Department staff, contractors, guaranty agencies, and the Department of Justice in the collection of debts owed to the Department under title IV of the HEA;

14. to obtain data on and to report on students in a gainful employment program and whether these students complete the program or matriculate to a higher credentialed program at the same institution or at another institution for the purposes of establishing whether a particular gainful employment program is successfully preparing students who complete the program to be gainfully employed and making this information available to the institution; and

15. to obtain information on and to report on the amounts that students who complete a gainful employment program borrow in private educational loans and receive from institutionally provided financing plans, as well as the total number of students enrolled in each gainful employment program at an institution at the end of the award year and the median loan debt incurred by students who complete a gainful employment program, for the purposes of establishing whether a particular gainful employment program is successfully preparing students who complete
the program to be gainfully employed and making this information available to the institution.

C. The information maintained in this system is also maintained for the following purposes relating to the Department's oversight of the Title IV, HEA programs:

1. to assist audit and program review planning;
2. to support research studies and policy development;
3. to conduct budget analysis and program review planning;
4. to provide information that supports the Department's compliance with the Credit Reform Act of 1992 (CRA);
5. to ensure only authorized users access the database and to maintain a history of the student/borrower information reviewed;
6. to track the Department's interest in loans funded through ECASLA;
7. to track TEACH grants that have been converted to loans;
8. to track eligibility for and participation in Public Service Loan Forgiveness;
9. to capture data to support compliance and to obtain and distribute performance metrics related to gainful employment programs; and
10. to provide data for program oversight and strategic decision-making in the administration of higher education programs.

Access to data is protected by userid and password. Primary method of accessing data is via integrated web site. Each access to web site requires user to completing a CAPTCHA (Completely Automated Public Turing test to tell Computers and Humans Apart) challenge. User has to confirm understanding of Privacy Act and NSLDS's Rules of Behavior prior to first use of web site each day. User must complete integrated security training once a year to retain access.

Computer System masks privacy data (e.g. first 5 positions of ssn) when displaying contents on web pages. Monitoring of appropriateness of access occurs nightly via automated scan. Scan may trigger emails reporting suspect behavior or suspend users access depending on access pattern recognized. Additionally, systems has multiple on request reports to support monitoring of system use.
External users may not access data directly, instead accessing data via programs that limit the access. Provisioning of external user access is controlled by an automated feed from Federal Student Aid (FSA’s) Student Aid Internet Gateway (SAIG)/Participation Management system. This system ensures that the correct authority with an entity is authoring access for specific user.

Internal users may access data directly and via programs. Provisioning of internal access is controlled directly by FSA System Security Officer (SSO). SSO sets a user’s access privileges via integrated web page that only SSO can access.

5. **Social Security Number (SSN).**

If an SSN is collected and used, describe the purpose of the collection, the type of use, and any disclosures. Also specify any alternatives that you considered, and why the alternative was not selected. If system collects SSN, the PIA will require a signature by the Assistant Secretary or designee. If no SSN is collected, no signature is required.

SSNs are collected and used to fulfill the functions listed in question 4.

Alternatives to using SSNs have been considered. The alternatives have not been selected because the NSLDS interfaces with multiple systems that rely on SSN to identify students, loans, grants, and overpayments.

The NSLDS relies on SSNs to match data provided by other systems.

6. **Uses of the Information.**

What is the intended use of the information? How will the information be used? Describe all internal and/or external uses of the information. What types of methods are used to analyze the data? Explain how the information is used, if the system uses commercial information, publicly available information, or information from other Federal agency databases.

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7. to assess Title IV program administration of guaranty agencies, educational institutions, lenders and servicers;

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5. to ensure only authorized users access the database and to maintain a history of the student/borrower information reviewed;
6. to track the Department’s interest in loans funded through ECASLA;
7. to track TEACH grants that have been converted to loans;
8. to track eligibility for and participation in Public Service Loan Forgiveness;
9. to capture data to support compliance and to obtain and distribute performance metrics related to gainful employment programs; and to provide data for program oversight and strategic decision-making in the administration of higher education programs.

7. **Internal Sharing and Disclosure.**

With which internal ED organizations will the information be shared? What information is shared? For what purpose is the information shared?

NSLDS shares information with the following Department of Education (ED organizations:

<table>
<thead>
<tr>
<th>Government Entity</th>
<th>Acronyms</th>
<th>Loan Eligibility</th>
<th>Default Rate</th>
<th>Monitoring GA &amp; Lender Billings</th>
<th>Support Research Studies &amp; Policy Development</th>
<th>ED Budget Analysis and Development</th>
<th>Audit and Program Review Planning</th>
<th>Assessment of FFEL Program Administration by GAs, Schools, Lenders</th>
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<td>Analysis &amp; Forecasting Div.</td>
<td>OPE/PTAS/ AFD</td>
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<td>Institutional Participation Div.</td>
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8. **External Sharing and Disclosure.**

*With what external entity will the information be shared (e.g., another agency for a specified programmatic purpose)? What information is shared? For what purpose is the information shared? How is the information shared outside of the Department? Is the sharing pursuant to a Computer Matching Agreement (CMA), Memorandum of Understanding or other type of approved sharing agreement with another agency?*

The Department may disclose information contained in a record in this system of records under the routine uses listed in this system of records notice without the consent of the individual if the disclosure is compatible with the purposes for which the record was collected. These disclosures may be made on a case-by-case basis or, if the Department has complied with the computer matching requirements of the Privacy Act, under a computer matching agreement:

- Program Disclosure
- Disclosure for Use by Other Law Enforcement Agencies
- Enforcement Disclosure
- Litigation and Alternative Dispute Resolution (ADR) Disclosure
- Freedom of Information Act (FOIA) or Privacy Act Advice Disclosure
- Contract Disclosure
- Congressional Member Disclosure
- Employment, Benefit. and Contracting Disclosure
- Employee Grievance, Complaint, or Conduct Disclosure
- Labor Organization Disclosure
- Disclosure to the DOJ
- Disclosure to the OMB for Federal Credit Reform Act (CRA) Support
- Disclosure in the Course of Responding to Breach of Data
- Disclosure to Consumer Reporting Agency
- Health and Human Services (HHS)
- Social Security Administration (SSA)

There will be no sharing of information for purposes outside of the above disclosure requirements or for anything other than the primary purpose(s) of collecting the information. Any contractor responsible for the operations of the NSLDS is held to the privacy and security requirements of the Department of Education in the handling of information collected through NSLDS.

9. **Notice.**

*Is notice provided to the individual prior to collection of their information (e.g., a posted Privacy Notice)? What opportunities do individuals have to decline to provide information (where providing the information is voluntary) or to consent to particular uses of the information (other than required or authorized uses), and how individuals can grant consent?*

Applicants for Title IV aid complete applications (Free Application for Federal Student Aid (FAFSA) or Loan applications), which contains the Privacy Notice regarding the collection and use of applicant data. Users of the NSLDS Website are required to adhere to the Privacy Act. Once a user logs on to NSLDS, the Privacy Act Reminder page displays. This page reminds the user of the Privacy Act responsibilities and requires user acknowledgment.

10. **Web Addresses.**

*List the web addresses (known or planned) that have a Privacy Notice. The Web Address is http://www.nsldsfap.ed.gov*

*Security. What administrative, technical, and physical security safeguards are in place to protect the PII? Examples include: monitoring, auditing, authentication, firewalls, etc. Has a C&A been completed? Is the system compliant with any federal security requirements?*
A. ED and the Virtual Data Center (VDC) Security Operations Center (SOC) employ tools and techniques to monitor events on the VDC, detect attacks, and provide identification of unauthorized use of the system.

B. The basis for all VDC Information System Monitoring Tools and Techniques is Perot Systems'

C. Information Systems Information Security – Symantec Intrusion Detection Service Procedures, which can be found at Appendix D of the VDC document.


E. The VDC Security Operations Center (SOC) employs automated tools to support near-real-time analysis of events.

F. The VDC Security Operations Center (SOC) monitors inbound and outbound communications for unusual or unauthorized activities or conditions (e.g., the presence of malicious code, the unauthorized export of data, or signaling to an external information system).

G. The VDC Security Operations Center (SOC) provides real-time alerts.

**Information Input Restrictions**

A. The NSLDS requires users to identify themselves uniquely before being allowed to perform any actions on the system. The NSLDS maintains the identity of all active users and is able to link actions to specific users. Specific conventions are used in the definition of User IDs to facilitate ease of control and management in Resource Access Control Facility (RACF). These conventions are designed to allow ED and the NSLDS Contractor Security Administrator to identify a user's general organizational type.

B. A group-based structure is used to control the majority of the user accesses to the NSLDS. Two group structures are used: (1) RACF groups to control all access to system resources, and (2) application functional groups used by the application to control access to details within the NSLDS application.

**Information Output Handling and Retention**

A. Only personnel who have a legitimate "need-to-know" and have signed the appropriate non-disclosure and Privacy Act forms, may gain access to ED proprietary and Privacy Act information. Only cleared Individuals may access security containers, cipher lock combinations, and exterior or vault door keys as required by their duties.
B. A Certification and Accreditation for NSLDS has been completed. The final authorization to operate (ATO) was completed September 8, 2011.

C. The system is compliant with the following federal security requirements:


E. Department of Education Handbook for Information Technology Security Policy (ITSP)

F. Public Law 100-235, Computer Security Act (CSA) of 1987


Is a system of records being created or altered under the Privacy Act, 5 U.S.C. 552a? Is this a Department-wide or Federal Government-wide SORN? If a SORN already exists, what is the SORN Number?

The authority for the Department to maintain these records is an existing system of records covered under SORN 18-11-06, the National Student Loan Data System, 76 FR 37095-37100, dated June 24, 2011.

12. Records Retention and Disposition.

Is there a records retention and disposition schedule approved by the National Archives and Records Administration (NARA) for the records created by the system development lifecycle AND for the data collected? If yes – provide records schedule number:

ED Records Schedule 051, National Student Loan Data System, covers records in the NSLDS. The disposition for these records is as follows: Cut off annually when account is paid in full. Destroy/delete 15 years after cut off.