



**Privacy Impact Assessment (PIA)**  
for the

Postsecondary Education Participants System (PEPS)

Nov 8, 2018

This PIA was originally approved on Mar 17, 2008 and reviewed on Nov 8, 2018 by the system owner certifying the information contained here is current and up to date.

**Contact Point**

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**System Owner**

**Name/Title:** Michele Brown

**Program Office:** Federal Student Aid (FSA)

Please submit completed Privacy Impact Assessments to the Privacy Safeguards Division at [privacysafeguards@ed.gov](mailto:privacysafeguards@ed.gov).

Please complete this **Privacy Impact Assessment (PIA)** on how personally identifiable information (PII) is collected, stored, protected, shared, and managed electronically by your system. You may wish to consult with your ISSO in completing this document. **If a question does not apply to your system, please answer with N/A.**

**All text responses are limited to 1,500 characters. If you require more space, please contact the Privacy Safeguards Team.**

## **1. Introduction**

1.1 Describe the system including the system name, system acronym, and a brief description of the major functions.

The Postsecondary Education Participant System (PEPS) is Major Application within the Federal Student Aid (FSA). PEPS is categorized as a Moderate system and the data contained in the system is considered sensitive, but unclassified.

PEPS is an Oracle based client server application. It is primarily used by the Case Management team to manage and monitor school eligibility and certification for Title IV funds. The Financial Partners team uses PEPS to manage and monitor Lenders and Guarantors.

PEPS contains information regarding the eligibility, administrative capability, and financial responsibility of entities that participate in student aid programs administered by the Department. The data in PEPS is used for the purposes of determining initial and continuing eligibility, administrative capability and financial responsibility of postsecondary schools that participate in the student financial assistance programs, tracking school changes and maintaining history of this information regarding entities that has ever applied to participate or participated in these programs and documenting any need for any protective or corrective action against an entity or individual associated with that entity.

1.2 Describe the purpose for which the personally identifiable information (PII)<sup>1</sup> is collected, used, maintained or shared.

The personally identifiable information (PII) will enable FSA to effectively administer Title IV partner eligibility, certification, and regulatory compliance. Additionally, this information will enable PEPS to manage the partner enrollment, participation, and oversight processes. All the data collected by PEPS is secured within the boundary of the Federal Student Aid Next Generation Data Center (FSA NGDC); additionally, data is transmitted using Hypertext Transfer Protocol Secure (https); whether the data is collected using a browser or published or consumed via Windows Communication Foundation (WCF) web service.

<sup>1</sup> The term "personally identifiable information" refers to information which can be used to distinguish or trace an individual's identity, such as their 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. <https://www.whitehouse.gov/sites/default/files/omb/memoranda/fy2007/m07-16.pdf>

1.3 Is this a new system, or one that is currently in operation?

Currently Operating System

1.4 Is this PIA new, or is it updating a previous version? If this is an update, please include the publication date of the original.

Updated PIA

Original Publication Date: 03/17/2008

1.5 Is the system operated by the agency or by a contractor?

Contractor

## 2. Legal Authorities and Other Requirements

*If you are unsure of your legal authority, please contact your program attorney.*

2.1 What specific legal authorities and/or agreements permit and regulate the collection and use of data by the system?

Higher Education Act of 1965, Title IV, as amended, (20 U.S.C. 1088, 1094, 1099c); the Debt Collection Improvement Act of 1996 (31 U.S.C. 7701). PEPS was granted legal authority to operate in accordance with the Office of Management and Budget Circular A-130, appendix III, Security Federal Automated Information Resources; NIST Special Publication 800-37, Guide for the Security Certification and Accreditation of Federal Information System.

## SORN

2.2 Is the information in this system retrieved by an individual's name or personal identifier such as a Social Security Number or other identification? Please answer **YES** or **NO**.

Yes

2.2.1  N/A If the above answer is **YES** this system will need to be covered by a Privacy Act System of Records Notice(s) (SORN(s)).<sup>2</sup> Please provide the SORN name and number, or indicate that a SORN is in progress.

Postsecondary Education Participants System (PEPS) (18-11-09), as published in the Federal Register on September 11, 2018, 83 FR 45912-45916.

<https://www.federalregister.gov/documents/2018/09/11/2018-19688/privacy-act-of-1974-system-of-records>

## Records Management

*If you do not know your records schedule, please consult with your records liaison or send an email to [RMHelp@ed.gov](mailto:RMHelp@ed.gov).*

2.3 Does a records retention schedule, approved by the National Archives and Records Administration (NARA), exist for the records contained in this system? If yes, please provide the NARA schedule number.

ED Schedule Locator No.: 074

Approved Date: 1/5/2011

Title: FSA Guaranty Agency, Financial & Education Institution Eligibility, Compliance, Monitoring and Oversight Records.

NARA Disposition Authority: N1-441-09-15

<sup>2</sup> A System of Records Notice (SORN) is a formal notice to the public that identifies the purpose for which PII is collected, from whom and what type of PII is collected, how the PII is shared externally (routine uses), and how to access and correct any PII maintained by ED. <https://connected.ed.gov/om/Documents/SORN-Process.pdf>

2.4 Is the PII contained in this system disposed of appropriately, and in accordance with the timelines in the records disposition schedule? Please answer **YES** or **NO**.

Yes

### 3. Characterization and Use of Information

#### Collection

3.1 List the specific personal information data elements (e.g., name, email, address, phone number, date of birth, Social Security Number, etc.) that the system collects, uses, disseminates, or maintains.

The PEPS System contains information from individuals regarding the eligibility, administrative capability, and financial responsibility of postsecondary schools, lenders, guaranty agencies, or third-party servicers that participate in title IV, HEA student financial aid programs; such information includes, but is not limited to, the names, taxpayer identification numbers, bank account numbers, SSNs, personal identification numbers, personal addresses, personal phone numbers, and personal email addresses of the individuals with substantial ownership interests in, or control over, those entities.

The PEPS System also contains information about individuals affiliated with authorized entities (schools, lenders, guaranty agencies, and third-party servicers) that request electronic access to title IV, HEA Federal Student Aid systems. Such information includes, but is not limited to, the individual's name, SSN, date of birth, address, phone number, and authentication information (user ID, password, and security challenge questions and answers).

3.2 Does the system collect only the minimum amount required to achieve the purpose stated in Question 1.2? Please answer **YES** or **NO**.

No

3.3 What are the sources of information collected (e.g., individual, school, another agency, commercial sources, etc.)?

The information is collected from schools that submit application data through the eApp system web site. This information is transferred to the EZ-Audit system.

3.4 How is the information collected from stated sources (paper form, web page, database, etc.)?

Information is obtained from applications submitted to the webpage by institutions and entities that seek to participate in the student financial assistance programs and from components of the Department, from other Federal, State and non-governmental agencies and organizations that acquire information relevant to the purposes of the PEPS.

3.5 How is this information validated or confirmed?<sup>3</sup>

The postsecondary education institution information validated throughout the life cycle of the Title IV participation application (Dun and Bradstreet lookup, school eligibility review, certification, and financial Audit).

A postsecondary education institution must be approved by the Department of Education for Title IV participation. A school must be accredited by a nationally recognized accrediting agency and authorized by the state in which it is located to be eligible for title IV programs. When a school applies for Title IV eligibility, the school must provide information on their accrediting agencies and state authorizing agencies. The school must also provide information about the non degree vocational programs and additional locations that they wish to be eligible, as well as information about their officials and owners. If they do not offer degree programs, the nondegree programs they provide must meet the Department of Education's criteria for eligibility. The school must demonstrate that it is administratively capable and financially responsible. If the school meets the criteria, they are certified for appropriate Title IV FSA programs – Federal Pell Grant, Federal Perkins Loan, Federal Supplement Educational Opportunity grants, Federal Work-Study, and Federal Direct Loan.

<sup>3</sup> Examples include form filling, account verification, etc.

**Use**

3.6 Describe how and why the system uses the information to achieve the purpose stated in Question 1.2 above.

The information is used to check against a debarment list against the applicant(s).

3.7 Is the project using information for testing a system or for training/research purposes? Please answer YES or NO.

No

3.7.1  N/A If the above answer is **YES**, what controls are in place to minimize the risk and protect the data?

3.8 Does the system use "live" PII for the development or testing of another system? Please answer YES or NO.

No

3.8.1  N/A If the above answer is **YES**, please explain.

### Social Security Numbers

*It is the Department's Policy that, in order to collect Social Security Numbers, the System Owner must state the collection is: 1) authorized by law, 2) necessary for an agency purpose, and 3) there is no reasonable alternative.*

3.9 Does the system collect Social Security Numbers? Please answer **YES** or **NO**.

Yes

3.9.1  N/A If the above answer is **YES**, explain the purpose for its collection, and how the SSN will be used. \*Please note if the system collects SSNs, the PIA will require a signature by the Assistant Secretary or equivalent.\*

The Social Security Numbers are collected and used by PEPS to perform the debarment process by checking user data against the debarment. The SSNs are also used internally with Federal Student Aid's Access and Identity Management system to ensure user uniqueness across Federal Student Aid enterprise systems.



3.10  N/A Specify any alternatives considered in the collection of SSN and why the alternatives were not selected.

This is a business requirement and there are no other alternatives available to perform a debarment check without a SSN.

#### 4. Notice

4.1 How does the system provide individuals notice about the collection of PII prior to the collection of information (i.e. written Privacy Act notice, link to a privacy policy, etc.)? If notice is not provided, explain why not.

The Privacy Act (5 U.S.C. 552a(e)(4) and (11)) requires Federal agencies to publish in the Federal Register a system of records Notice. The Department's regulations implementing the Privacy Act are contained in the Code of Federal Regulations (CFR) in 34 CFR part 5b.

A Privacy Policy and Privacy Act Statement is provided to the user in the PEPS access form and agreed upon by the user prior to granting access to the application.

4.2  N/A Provide the text of the notice, or the link to the webpage where the notice is posted.

The PEPS Security Access Form which contains the Privacy Act notice can be found:  
<https://www2.ed.gov/offices/OSFAP/PEPS/connectivityinstructions.html>

4.3 What opportunities are available for individuals to consent to uses, decline to provide information, or opt out of the project?

A Privacy Policy and Privacy Act Statement is provided to the user in the PEPS access form and agreed upon by the user prior to granting access to the application.

The policy highlights the voluntary nature of information collected, and describes the purposes for which the information is collected. The Privacy Policy and Statement informs users that providing their information constitutes consent to all of its uses and that they are given no option to affirmatively consent to specific uses.

In addition, the policy notifies customers about the automatic recording and potential uses of any non-personal information about a visit (i.e., site management data). A link to the Privacy Act statement is provided in the PEPS access form.

## 5. Information Sharing

### Internal

5.1 Will information be shared internally with other ED organizations? Please answer **YES** or **NO**. If the answer is **NO**, please skip to Question 5.4.

Yes

5.2  N/A What information will be shared and with whom?

PEPS shares data with the following systems within FSA: National Student Loan Data System (NSLDS), Financial Management System (FMS), Central Processing System (CPS), ECampus Base, Direct Loan Servicing, Financial Partners Data Mart (FPDM), Common Origination and Disbursement (COD), and EZ-Audit. Additionally, PEPS shares data with Education's Central automated Processing System (EDCAPS) which is a system maintained in the Office of the Chief Information Officer (OCIO).

All the above listed systems which PEPS shares data with have their own PIA which can be found at: <https://www2.ed.gov/notices/pia/index.html>.

5.3  N/A What is the purpose for sharing the specified information with the specified internal organizations? Does this purpose align with the stated purpose in Question 1.2 above?

The purpose for sharing information with the specified internal organizations is to verify and assist with the determination of eligibility, administrative capability, and financial responsibility of postsecondary institutions that have applied to participate in the student financial assistance programs.

### External

5.4 Will the information contained in the system be shared with external entities (e.g. another agency, school district, etc.)? Please answer **YES** or **NO**. If the answer is **NO**, please skip to Question 5.8.

Yes

5.5  N/A What information will be shared and with whom? Note: If you are sharing Social Security Numbers, externally, please specify to whom and for what purpose.

The Department may disclose information contained in the PEPS, including SSNs, to appropriate guaranty agencies, educational and financial institutions, accrediting agencies, State agencies, and appropriate Federal, State, or local agencies, in order to verify and assist with the determination of eligibility, administrative capability, and financial responsibility of postsecondary institutions that have applied to participate in the student financial assistance programs.

The Department may also disclose information under routine uses found in the SORN on a case by case basis.

5.6  N/A What is the purpose for sharing the specified information with the specified external organizations? Does this purpose align with the stated purpose in Question 1.2 above?

The purpose for sharing the information with the specified external organizations is to verify and assist with the determination of eligibility, administrative capability, and financial responsibility of postsecondary institutions that have applied to participate in the student financial assistance programs. Information may also be shared on a case-by-case basis as described in detail in the systems of records notice under routine uses.

[https://www2.ed.gov/notices/sorn/18-11-09\\_060499.pdf](https://www2.ed.gov/notices/sorn/18-11-09_060499.pdf).

5.7  N/A How is the information shared and used by the external entity?

The information is shared for program purposes as these entities perform functions that are essential to the Department's operation and management of the federal student aid programs authorized under the HEA.

Refer to the SORN. [https://www2.ed.gov/notices/sorn/18-11-09\\_060499.pdf](https://www2.ed.gov/notices/sorn/18-11-09_060499.pdf).

5.8  N/A Is the sharing pursuant to a Computer Matching Agreement (CMA), Memorandum of Understanding (MOU) or other type of approved sharing agreement with another agency? Please answer **YES** or **NO**.

Yes

5.9  N/A Does the project place limitation on re-disclosure? Please answer **YES** or **NO**.

No

## 6. Redress<sup>4</sup>

6.1 What are the procedures that allow individuals to access their own information?

The individuals may request access to their own information by making a written formal request to the system manager.

<sup>4</sup> If the system has a System of Records Notice (SORN), please provide a link to the SORN in Question 6.1 and proceed to Section 7 - Safeguards.

6.2 What procedures are in place to allow the subject individual to correct inaccurate or erroneous information?

The individuals may contest the content of a record in the PEPS System pertaining to them by presenting to the system manager, either in writing or in person, a request to amend or correct that information. The request to amend, or for an appointment to present an oral request, must be made in writing mailed to the system manager at the address provided above. The request must identify the particular record within the PEPS System that they wish to have changed, state whether they wish to have the record amended, corrected, or deleted, and explain the reasons why they wish to have the record changed. The request must meet the requirements of the Department's Privacy Act regulations at 34 CFR 5b.7.

6.3 How does the project notify individuals about the procedures for correcting their information?

The procedures for correcting the individuals information is provided in the SORN, under the contesting record procedures.

## 7. Safeguards

*If you are unsure which safeguards will apply, please consult with your [ISSO](#).*

7.1 Does the principal office work with their CSO/ISSO to build privacy & security into the system and build privacy extensions to the extent feasible? Please answer **YES** or **NO**.

Yes

7.2 What procedures or access controls are in place to determine which users may access the information and how does the project determine who has access?

All users of this system are given a unique user ID with a personal identifier. Student and parent users are assigned an Electronic Access Code (EAC) through the Federal Student Aid Application Files Privacy Act system of records number 18-11-01 by which they can access their accounts.

The computer system employed by the Department offers a high degree of resistance to tampering and circumvention. This security system limits data access to the Department, agents of the Department (including schools and funding sources), and contract staff on a "need-to-know" basis, and controls individual users' ability to access and alter records within the system. All users of this system of records are given a unique user ID, passwords and token.

7.3 What administrative, technical, and physical safeguards are in place to protect the information?

Information contained within PEPS is protected from unauthorized access by numerous security controls implemented within the application and VDC\NGDC environment. PEPS security controls are fully described in the PEPS System Security Plan, and are compliant with all Federal and Department of Education requirements for security in Federally-owned information systems and the data stored within those systems.

The SSNs are stored in an encrypted format in the PEPS database ( Data at rest).

The information collected and maintained by PEPS, on behalf of the U.S. Department of Education, Office of Federal Student Aid, is secured using the requirements established by the Federal Information Security Management Act of 2002 (FISMA) and in accordance with NIST Special Publication (SP) 800-53, Recommended Security Controls for Federal Information Systems, Revision 4, and NIST SP 800-53A, Guide for Assessing the Security Controls in Federal Information Systems, OMB Circular A-A-130, "Management of Federal Information Resources, and describes the security controls that are in place to meet those requirements.

7.4 Is an Authority to Operate (ATO) required? Please answer **YES** or **NO**.

Yes

7.5 Is the system able to provide account of any disclosures made? Please answer **YES** or **NO**.

Yes

7.6 Is the information in the system appropriately secured in accordance with the IT security requirements and procedures as required by federal law and policy? Please answer YES or NO.

Yes

7.7 Has a risk assessment been conducted where appropriate security controls to protect against that risk been identified and implemented? Please answer YES or NO.

Yes

7.8 Please describe any monitoring, testing or evaluation conducted on a regular basis to ensure the controls continue to work properly at safeguarding the information.

Quarterly User Account Validation  
Clearance validation  
Security Scans  
Audit logs reviews

## 8. Auditing and Accountability

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

The system owner ensures that the information is used in accordance with stated practices in this PIA via the review, monitoring and approval process. The system owner is involved in all activities both internal and external.



8.2 What are the privacy risks associated with this system and how are those risks mitigated?

To further mitigate privacy risks, external users who are provisioned in PEPS are vetted through SAM.gov debarment service to ensure the users are not debarred or suspended from conducting business with the Federal Government. Internal Users are allowed into PEPS after they obtain clearance and approval from the ISSO during the provisioning process.