

FHFA-23

SYSTEM NAME AND NUMBER:

Suspended Counterparty Program System FHFA-23.

SECURITY CLASSIFICATION:

Sensitive but unclassified.

SYSTEM LOCATION:

Federal Housing Finance Agency, 400 Seventh Street SW., Washington, DC 20219, and any alternate work site utilized by employees of the Federal Housing Finance Agency (FHFA) or by individuals assisting such employees.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Information about individuals who are suspected of or have been found to have engaged in fraud or possible fraud or who are suspected of or have been found to have engaged in other financial misconduct.

CATEGORIES OF RECORDS IN THE SYSTEM:

Records may include name, address, Social Security number, date of birth, professional license number or other identifying information, type of sanction, date of sanction, court or agency responsible, description of misconduct, affiliate information (name, address, professional license number or other identifying information, description of how the affiliate is related to the subject), online profile or account information, and information pertaining to criminal prosecutions, civil actions, enforcement proceedings, and investigations resulting from or relating to fraud or suspected fraud or other financial misconduct. Such records may also include information on individuals: (a) Who have been referred to FHFA for possible suspension; (b) who are currently or have been engaged in a covered transaction with a regulated entity within three years of when the regulated entity becomes aware of the covered misconduct; or (c) who are affiliates of such persons or institutions.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

The system is established and maintained pursuant to 12 U.S.C. 4513(a)(2) and 12 CFR part 1227.

PURPOSE(S):

The information in this system of records will be used by FHFA to implement the Suspended Counterparty Program. Under the Suspended Counterparty Program the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the twelve Federal Home Loan Banks (Banks) (hereafter, collectively, "regulated entities" or individually, "regulated entity") are required to report to FHFA when they become aware that an individual or institution and any affiliates thereof, who are currently or have been engaged in a covered transaction with a regulated entity within three years of when the regulated entity becomes aware of the covered misconduct, have engaged in fraud or other financial misconduct. Such implementation includes reviewing the reports submitted and any additional information needed to make a determination of whether action is needed by FHFA to limit the risk of the regulated entities continuing to do business with the individual or an institution, or in order to protect the safe and sound operation of the regulated entities.

The purpose of the System is expanded to include collecting information from other organizations and entities that voluntarily submit reports to FHFA about counterparties that have engaged in covered misconduct as defined in the Suspended Counterparty Regulation at 12 CFR 1227.2.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSE OF SUCH USES:

In addition to those disclosures generally permitted under 5 U.S.C. 552a(b) of the Privacy Act, these records or information contained therein may specifically be disclosed outside FHFA as a routine use pursuant to 5 U.S.C. 552a(b)(3) as follows:

- (1) When (a) it is suspected or confirmed that the security or confidentiality of information in the system of records has been compromised; (b) FHFA has determined that as a result of the suspected or confirmed compromise there is a risk of harm to economic or property interests, identity theft or fraud, or harm to the security or integrity of this system or other systems or programs (whether maintained by FHFA or another agency or entity) that rely upon the compromised information; and (c) the disclosure is made to such agencies, entities, and persons who are reasonably necessary to assist in connection with FHFA's efforts to respond to the suspected or confirmed compromise and prevent, minimize, or remedy such harm.
- (2) Where there is an indication of a violation or potential violation of law, whether civil, criminal or regulatory in nature, and whether arising by general statute or particular program statute, or by regulation, rule or order issued pursuant thereto, the relevant records in the system of records may be referred, as a routine use, to the appropriate agency, whether federal, state, local, tribal, foreign or a financial regulatory organization charged with the responsibility of investigating or prosecuting such violation or charged with enforcing or implementing a statute, or rule, regulation or order issued pursuant thereto.
- (3) To any individual during the course of any inquiry or investigation conducted by FHFA, or in connection with civil litigation, if FHFA has reason to believe that the individual to whom the record is disclosed may have further information about the matters related therein, and those matters appeared to be relevant at the time to the subject matter of the inquiry.
- (4) To any individual with whom FHFA contracts to reproduce, by typing, photocopy or other means, any record within this system for use by FHFA and its employees in connection with their official duties or to any individual who is utilized by FHFA to perform clerical or stenographic functions relating to the official business of FHFA.
- (5) To members of advisory committees that are created by FHFA or by Congress to render advice and recommendations to FHFA or to Congress, to be used solely in connection with their official, designated functions.
- (6) To a Congressional office from the record of an individual in response to an inquiry from the Congressional office made at the request of that individual.
- (7) To contractor personnel, interns, and others performing or working on a contract, service, cooperative agreement, or project for FHFA.
- (8) To a court, magistrate, or administrative tribunal in the course of presenting evidence, including disclosures to opposing counsel or witnesses in the course of civil discovery, litigation, or settlement negotiations or in connection with criminal law proceedings or in response to a subpoena from a court of competent jurisdiction.

(9) To the Office of Management and Budget, Department of Justice (DOJ), Department of Labor, Office of Personnel Management, Equal Employment Opportunity Commission, Office of Special Counsel, Department of Homeland Security, or other Federal agencies to obtain advice regarding statutory, regulatory, policy, and other requirements related to the purpose for which FHFA collected the records.

(10) To DOJ, (including United States Attorney Offices), or other Federal agency conducting litigation or in proceedings before any court, adjudicative or administrative body, when it is necessary to the litigation and one of the following is a party to the litigation or has an interest in such litigation: 1. FHFA 2. Any employee of FHFA in his/her official capacity; 3. Any employee of FHFA in his/her individual capacity where DOJ or FHFA has agreed to represent the employee; or 4. The United States or any agency thereof, is a party to the litigation or has an interest in such litigation, and FHFA determines that the records are both relevant and necessary to the litigation and the use of such records is compatible with the purpose for which FHFA collected the records.

(11) To the National Archives and Records Administration or other Federal agencies pursuant to records management inspections being conducted under the authority of 44 U.S.C. 2904 and 2906.

(12) To an agency, organization, or individual for the purpose of performing audit or oversight operations as authorized by law, but only such information as is necessary and relevant to such audit or oversight function.

(13) To an FHFA regulated entity.

(14) To state and federal housing or financial regulators.

(15) To state or federal professional licensing agencies.

DISCLOSURE TO CONSUMER REPORTING AGENCIES: None. POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Records are maintained in electronic format, paper form, and magnetic disk or tape. Electronic records are stored in computerized databases. Paper and magnetic disk, or tape records are stored in locked file rooms, locked file cabinets, or locked safes.

RETRIEVABILITY:

Records may be retrieved by name, address, email address, telephone number, Social Security number, professional license number, type of sanction, court or agency responsible for sanction, person who referred the individual or entity to FHFA, or some other unique identifier.

SAFEGUARDS:

Records are safeguarded in a secured environment. Buildings where records are stored have security cameras and 24- hour security guard service. Computerized records are safeguarded through use of access codes and other information technology security measures. Paper records are safeguarded by locked file rooms, locked file cabinets, or locked safes. Access to the records is restricted to those who require the records in the performance of official duties related to the purposes for which the system is maintained and who have agreed to maintain the confidentiality and integrity of the information.

RETENTION AND DISPOSAL:

Records are retained and disposed of in accordance with the appropriate National Archives and Records Administration General Records Schedule and FHFA Records Retention and Disposition Schedule. Disposal is by shredding or other appropriate disposal methods.

SYSTEM MANAGER(S):

Office of General Counsel, Federal Housing Finance Agency, 400 Seventh Street SW., Washington, DC 20219.

NOTIFICATION PROCEDURES:

Direct inquiries as to whether this system contains a record pertaining to an individual to the Privacy Act Officer, Federal Housing Finance Agency, 400 Seventh Street SW., Washington, DC 20024, or privacy@fhfa.gov in accordance with the procedures set forth in 12 CFR part 1204.

RECORD ACCESS PROCEDURES:

Direct requests for access to a record to the Privacy Act Officer, Federal Housing Finance Agency, 400 Seventh Street SW., Washington, DC 20024, or privacy@fhfa.gov in accordance with the procedures set forth in 12 CFR part 1204.

CONTESTING RECORD PROCEDURES:

Direct requests to contest or appeal an adverse determination for a record to the Privacy Act Appeals Officer, Federal Housing Finance Agency, 400 Seventh Street SW., Washington, DC 20024, or privacy@fhfa.gov in accordance with the procedures set forth in 12 CFR part 1204.

RECORD SOURCE CATEGORIES:

Information is provided by the subject of the record, the Federal Home Loan Banks, Fannie Mae, Freddie Mac, the Office of Finance, FHFA and FHFA–OIG, Federal and State financial regulators, and members of the public.

EXEMPTIONS CLAIMED FOR THE SYSTEM:

None.

HISTORY:

The FHFA Suspended Counterparty System (FHFA–23) system of records was last published in the Federal Register on November 25, 2014 (79 FR 70181).