



**Privacy Impact Assessment  
for the**

***Portfolio and Debt Management Architecture  
(PADMA)***

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**System Owner**

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## **Abstract**

This Privacy Impact Assessment (PIA) is being published by FMS Investment Corp. (FMS) for the Portfolio and Debt Management Architecture (PADMA). PADMA is a multi-faceted system, where one of its functions is to provide a platform and the tools for FMS to collect defaulted student loans placed for collections by the U.S. Department of Education (ED). This PIA is being conducted because PADMA collects personally identifiable information from multiple sources, stores the information, and serves as a system of record for ED. This PIA is required under Federal Information Security Management Act (FISMA) requirements for ED and its contractors.

## **Overview**

PADMA is a secure system consisting of hardware, applications, and operating systems, owned and operated by FMS. It supports FMS employees in locating and contacting defaulted student loan borrowers and effect collections. The system is set up to ensure that all Statement of Work (SOW) and other operational requirements under the ED task order contract are met consistently and that FMS performance is satisfactory to ED.

All PADMA users are entered into the system and assigned rights associated with their respective job functions. Among the roles assigned are those of Collector, clerk, Skip Tracer, Supervisor, Unit manager, Manager, and Director. System rights are assigned relative to the employee's role by PADMA Administrators during user registration. Users of PADMA first authenticate to their personal computer, then to a Windows domain, and finally to PADMA. Upon accessing the system, users follow pre-defined methods and procedures to begin their collection efforts under the guidance of management staff.

PADMA contains information provided via data transmission, information obtained by FMS through public and proprietary resources, and notes and summaries of all FMS activity related to each individual and FMS collection efforts. Data containing payments, reconciliations, rehabilitations, wage garnishments, activity, and related information are securely transmitted to ED in accordance with protocols established by ED.



## 1. What information is collected in the system?

PADMA contains records related to debtor backgrounds and demographics including:

a) Full Name b) Address c) Social Security Number d) Telephone e) Email f) Employment Information g) Borrower Information to include; disbursement amount, principal

balance, interest accrual, loan status, repayment plan, repayment amount, forbearance status, deferment status, separation date, grace period and delinquency

h) Borrower Reference information (Parent's name, address, phone) i) School they attended j) Checking account information k) Credit Card Info l) Banking information m) Collected correspondence

## 2. Why is the information being collected?

The information collected in PADMA is collected for the following purposes, which are specifically contained in the Routine Disclosures allowed under ED's Privacy Rule provided to contractors:

a) To aid in the collection efforts and resolving defaulted Federal Student Aid accounts. b) Portfolio and Debt Management Architecture (PADMA) provides a vehicle for the storage, retrieval, and editing of borrower information. c) Correspondence to the borrowers from FMS is provided by this system and on behalf of ED.



### **3. How will the information be used?**

The information is used specifically and solely for the purpose of effecting resolution on the defaulted student loan. Information on ED borrowers is not used for any other purpose, including collecting debts for other FMS clients to whom the same ED borrower may owe another debt. Information for those clients is developed and stored completely separately. FMS does not have any programs, which match files or data on ED borrowers for other purposes.

### **4. Will this information be shared with any other agency or entity? If so, with which agency or agencies/entities?**

Information on ED borrowers will not be shared with any other agency or entity for any other purpose other than those allowed under Routine Disclosures.

Personally Identifiable Information (PII) is shared only to the extent that the information allows FMS to develop additional information to help collect the defaulted debt(s). In general, the only information disclosed are the SSN, Name, and Address of the defaulted borrower in order to develop new address, telephone number, employment, or asset information.

The information is currently shared with the following vendors, each of whom has executed a Gramm-Leach-Bliley Security Agreement with FMS along with subcontracting agreements, where appropriate:

- National Credit Bureaus
- Central Research Inc
- Locator Associates
- First Data Corporation
- Lexis Nexis, a Reed Elsevier Company
- DBR
- CBC Innovis, Inc.



**5. Describe the notices or opportunities for consent that would be or are provided to individuals about what information is collected and how that information is shared with other organizations.**

A Privacy Notice is sent to every customer with the initial demand letter. The notice states the following:

**PRIVACY NOTICE**

This privacy notice is being given on behalf of FMS Investment Corp. (FMS). It describes general policy of FMS Investment Corp. regarding the personal information of customers and former customers.

**Information We May Collect**

FMS Investment Corp. may collect the following personal information: (1) information that we receive from your account file at the time we purchase or begin to service your account, such as your name, address, social security number, and assets; (2) information that you may give us through discussion with you or that we may obtain through your transactions with us, such as your income and payment history; (3) information that we received from consumer reporting agencies, such as your credit worthiness and credit history, and (4) information that we obtain from other third party information providers, such as public records and databases that contain publicly available data about you, such as bankruptcy and mortgage filings. All of the personal information that we collect is referred to in this notice as “collected information”

**Confidentiality and Security of Collected Information**

At FMS Investment Corp., we restrict access to collected information about you to individuals who need to know such collected information in order to perform services in connection with your account. We maintain physical safeguards (like restricted access), electronic safeguards (like encryption and password protection), and procedural safeguards (such as authentication procedures) to protect collection information about you.

## **Sharing Collected Information with Affiliates and Third Parties**

### **Sharing with Affiliates**

From time to time, FMS Investment Corp., and our affiliates and employees, may share collected information about customers and former customers with each other and with their affiliated financial service companies in connection with administering and collecting accounts.

### **Sharing with Third Parties**

FMS Investment Corp. does not share collected information about customers or former customers with third parties, except as permitted by applicable law. For example, collected information may be shared in certain circumstances (A) with third parties, to service or enforce accounts, (B) with credit reporting agencies, and (C) with law enforcement officials, to protect against identity theft, fraud, or other crimes.

### **Special Notice Regarding Collected Information Subject to the Fair Debt Collection Practices Act**

The FMS Investment Corp receives information from the Department of Education, Federal Student Aid Debt Management and Collection System (DMCS). As DCMS is the parent system from where FMS Investment Corp receives privacy information, the DCMS warning and privacy disclosure statement below is used:

DISCLOSURE STATEMENT: "The user understands that the Department of Education, its agents and sub-contractors have signed up to meet the requirements of the "PRIVACY ACT of 1974" (as amended). As such, by entering this system, the user hereby verifies that he/she has read the "PRIVACY ACT of 1974" (as amended), that the user understands the requirements of the act, and that the user has no remaining unanswered questions."

The FMS Investment Corp will not further disclose the information except as defined by the System of Records Notice in the interest of the U.S. Government and the Department of Education. FMS Investment Corp company privacy policy also restricts the sharing of information.

## 6. How will the information be secured?

PADMA has been secured at the physical security, operating system, database, and network infrastructure levels. The network complies with the security controls and procedures described in the Federal Information Security Management Act (FISMA), National Institute of Standards and Technology (NIST) Special Publications, and Federal Information Processing Standards(FIPS). Please refer to the PADMA System Security Plan for the specific Management, Operational, and Technical security controls deployed on the system. The System Security Plan details how the following security control families are implemented on the system:

- **Risk assessment**
- **Planning**
- **System and services acquisition**
- **Certification, accreditation, and security assessments**
- **Personnel security**
- **Physical and environmental security**
- **Contingency planning**
- **Configuration management**
- **Maintenance**
- **System and information integrity**
- **Media protection**
- **Incident response**
- **Awareness and training**
- **Identification and authentication**
- **Access control**
- **Audit and accountability**
- **System and communications protection.**

Some specific security controls in place include:

- Operating systems and infrastructure devices are hardened in accordance with NIST moderate confidentiality controls.
- Vulnerability scans are conducted periodically to ensure supporting systems and all applications are at the highest state of security and are patched accordingly.
- Redundant firewalls are placed at entry points to the network with hardened access control lists
- Intrusion detection systems are in place to spot any malicious activity

- Least privilege policy is practiced throughout the organization.

In addition, FMS identifies authorized users of the information system and specifies access rights/privileges. FMS grants access to the information system based on: (i) a valid need-to-know that is determined by assigned official duties and satisfying all personnel security criteria; and (ii) intended system usage. FMS requires proper identification for requests to establish information system accounts and approves all such requests. The organization specifically authorizes and monitors the use of guest/anonymous accounts and removes, disables, or otherwise secures unnecessary accounts. PADMA ensures that account managers are notified when information system users are terminated or transferred and associated accounts are removed, disabled, or otherwise secured. Account managers are also notified when users' information system usage or need to-know changes.

**7. Is a system of records being created or updated with the collection of this information?**

A "System of Records" was created for the Common Services for Borrowers (CSB) Contract. FMS Investment Corp. is working under this "System of Records."

The "System of Records" was published in the Federal Register (Volume 71, Number 14/Monday, January 23, 2006/Notices).

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