

PRIVACY IMPACT ASSESSMENT

Examination Tools Suite (ETS)

March 2015

FDIC Internal System

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System Overview

The Federal Deposit Insurance Corporation (FDIC) is an independent agency of the U.S. government that protects the funds depositors place in banks and savings associations, also known as "insured banks" or "insured depository institutions." The FDIC's Division of Risk Management Supervision (RMS) has primary responsibility for examining and supervising State-chartered, non-Federal Reserve member banks to ensure they operate in a safe and sound manner. (As deposit insurer, the FDIC has back-up regulatory authority for other charter types.) During its examinations, RMS examiners devote significant attention to reviewing the quality of a bank's loan portfolio in order to determine risk to the FDIC insurance fund. Assessing loan portfolio quality puts examination staff into contact with personally identifiable information (PII) for both individual and commercial borrowers. The Examination Tools Suite (ETS), which was deployed in the second quarter of 2015, is the primary examination tool used by RMS to produce the FDIC's Report of Examination (ROE). ETS enables examiners to more efficiently create, process and share examination work papers and the final ROE, while providing the proper security controls to assure and protect sensitive examination data. ETS combines functionality and data of existing FDIC examination applications including the General Examination System (GENESYS) and Examination Tools Suite —Automated Loan and Examination Review Tool (ETS ALERT).

During an examination, sensitive data about an institution's past performance, as well as current records of business transactions and assets/loans, are made available to examiners to perform their examination duties.

The examiner in charge (EIC), asset manager (AM) and operations manager (OM) distribute this information among examiners performing capital, asset, management, earnings, liquidity and sensitivity to market risk analyses. Examiners use this information to complete their analyses and provide their comments and classifications to the EIC, OM and AM. Depending on the type of examination, this information may include financial data and PII pertaining to bank customers/borrowers, as well as minimal PII about bank officers, directors, trustees, and employees. This data is provided by financial institutions via FDICConnect (a secure electronic file exchange), or in some cases via secure email or encrypted media.

Personally Identifiable Information (PII) in ETS

PII that is contained in the asset customer records provided by banks and required by RMS examiners using ETS includes: Full name, bank account numbers/ Borrower Identification number (i.e., a Customer Information File (CIF) number assigned by the bank), Loan/note number(s) and Outstanding balance(s), interest rates, and payment information.

Some records may also contain additional borrower/customer information such as: Social Security Number (SSN) (used by some banks as the CIF), Tax Identification Number (TIN) (occasionally used by some banks as the CIF for commercial borrowers; in some instances, this may be a SSN); and Home or business mailing address.

Purpose & Use of Information in ETS

ETS is used by FDIC, the Federal Reserve System (FRS), and State bank examiners to plan the examination, analyze the financial condition of the financial institution, review management's involvement in the financial institution operations, and develop the ROE. Specifically, ETS supports financial institution examiners in performing the following supervisory activities:

- Safety and Soundness Examinations (also known as Risk Management Examinations)
- Bank Secrecy Act/Anti Money Laundering (BSA/AML) Examinations
- Visitations
- Report of Investigations
- Specialty Examinations, such as:
 - Information Technology Examinations
 - Trust Examinations
 - Government Security Dealer Examinations
 - Municipal Security Dealer Examinations
 - Registered Transfer Agent Examinations

Sources of Information in ETS

The following are sources of information for ETS:

- **Financial Institutions**—Authorized RMS staff request electronic asset data from the targeted financial institutions during the examination planning stage. The financial institution or its servicer provides the data via FDICconnect Electronic File Exchange, encrypted CD, e-mail attached file (encrypted), or encrypted memory stick (i.e., USB drive). At the examiner's discretion, the financial institution provides RMS staff with either a full download or subset of the bank's asset portfolio. In addition, the examiner collects electronic or hardcopy documents of securities owned by the bank, other real estate owned by the bank or other asset types of records. This data is loaded into ETS by authorized RMS examination staff.
- **RMS Bank Examiners** —Examiners review and may edit or add information to the asset record received from the financial institution, in order to meet the scope and requirements of the examination.
- **Central Data Repository (CDR)** —The Federal Financial Institutions Examination Council's (FFIEC's) CDR is a central repository for the collection, storage, and distributions of Call Report data. The Call Report data is prepared quarterly by each insured financial institution and uploaded to the CDR. CDR provides Call Reports and Uniform Bank Performance Reports (UBPRs) to the ETS via UBPR¹ service
- **Corporate Business Information System —Federal Reserve Board (CBIS-FRB)** - CBIS is a data warehouse facility that provides end users with an integrated view of the FDIC's financial data from commercial banks, savings and loan associations, and bank holding companies. The CBIS-FRB module receives and stores bank holding company data from the FRB, and provides this data to ETS via UBPR service. The data stored in CBIS-FRB is

¹ The UBPR Service is a SOAP web service that provides UBPR report search and download capabilities.

- derived from the Call Report information that the insured financial institution submitted through the CDR.
- **DSC Hours** — DSC Hours is an internal FDIC application that provides FDIC examiners' work hours via ETS Historical Risk services from VISION. This information is derived by the FDIC.
 - **Interagency Examination Repository (IER)** - IER provides previous bank examination data, such as bank management and classification information to ETS via Report of Examination (ROE) service. This information consists of management/shareholder data (i.e. names, addresses, dates of birth, titles, occupations, attendance, ownerships, and committee memberships) that comes from IER-SQL database and signed copies of Reports of Examinations (ROEs) from IER-Documentum. The ETS Service downloads historical exam data and active exam data from VISION. This information does not include previous ROEs, only associated exam data (e.g. ratings, dates, and violations). This information is derived by the FDIC.
 - **Structure Information Management System (SIMS)** — SIMS provides publically available financial institution data (name, certificate number, address, branches, CEO, web address, etc.) to ETS Institution Search Service via SIMS Org Data web service.
 - **Virtual Supervisory Information on the Net (VISION)** —VISION provides ETS with statistical data and offsite analysis and metrics of insured financial institution, as well as examination-related information. This information is derived by the FDIC.

Before, during and after the examination process, the examination staff manually enters a variety of data obtained from or generated from the financial institution records and systems into ETS. Additionally, other data, including a performance evaluation of the financial institution, statistical and rating data with related supporting comments are entered into ETS by the authorized examination staff after the evaluation.

Notice & Consent

Financial institutions provide examiners with commercial and consumer loan data pursuant to the supervisory and regulatory authority granted to the FDIC by the Federal Deposit Insurance Act. As data is not collected directly from individual borrowers, there is no opportunity to opt-out of providing such data to the FDIC. This also applies when financial institutions provide such data to any of the other financial institution regulatory bodies at the State or Federal level who also use the ETS application in their examination process.

Access to Data in ETS

ETS data is restricted to authorized end users which include the members of an examination team of the financial institution regulatory agencies involved (e.g. FDIC, FRS and/or State Bank Agency staff). Access is required to fulfill each agency's statutory and regulatory obligations to evaluate the asset portfolio as part of insuring the safe and sound operation of the banking system. The FDIC requires access to asset data in another capacity as the insurer of the deposits of all financial

institutions. Specifically, for the FDIC, the following internal and external users will have access to PII that is processed by ETS;

- **RMS Examiner-In-Charge (EIC):** At the start of an examination, the EIC obtains asset records from the bank and provides the data to the examination's AM. At the conclusion of the on-site asset review, the EIC receives a summary of findings from the AM. At the conclusion of the overall examination, the EIC is responsible for compiling and entering all significant findings into the final ROE for the bank. The ROE may include the names of customers whose assets pose a significant risk of exposure for the bank.
- **RMS Asset Manager (AM):** Upon receiving the data from the EIC, the AM imports the bank data into ETS and uses ETS to receive and sort through the data from the institution, perform an analysis of the institution's asset portfolio, and generate the examiner's electronic line sheets/line cards and other work papers for use at the on-site asset review process during the examination. The line sheets/line cards represent a subset of assets to be included in the on-site review. The AM also provides a loan listing to the bank, so that relevant loan files may be retrieved and provided to the on-site examination team. The AM oversees the examination team reviewing the assets and is responsible for collecting and compiling the examination findings for forwarding to the EIC.
- **RMS Bank Examiners:** Upon receiving the data from the AM, the examiners use the electronic or hard copy asset line sheets and work papers, as well as the bank's actual asset files provided to them while on site to perform the asset review. The on-site examiners use ETS to identify and assess assets posing the greatest risk and identify lending abnormalities in the bank's overall loan portfolio. Their analysis results in the findings that are provided to the AM and ultimately to the EIC and that are summarized in the ROE.
- **FDIC Division of Information Technology (DIT) Examiner Help Desk:** At times, Federal and State examiners require technical assistance while using the ETS application. As the licensor of the ETS software, FDIC has established a Help Desk to provide such assistance. For example, on occasion, a RMS AM may require assistance with importing a bank's loan file. In those instances, the loan file may be sent via secure email to the Help Desk staff. The file is downloaded and securely stored until the issue is resolved. The Help Desk staff returns the file via secure email to the examiner and retains the data for a short period of time, in the event further assistance is required.
- **Federal Reserve System (FRS)** and State Banking examination teams have similar roles and team structure of an EIC, AM, and Examiners performing the examination functions using ETS applications or a portion of capabilities.

Data Sharing

Other Systems that Share or Have Access to Data in the System:

| System Name | System Description | Type of Information Processed |
|-----------------------------------|---|-------------------------------|
| Interagency Exam Repository (IER) | ETS exports examination data for use in follow-on exams, including CAMELS, as well as holding company and management information. | Examination data |

| System Name | System Description | Type of Information Processed |
|--|---|-------------------------------|
| Virtual Supervisory Information on the Net (VISION) | ETS exports Summary Analysis of Examination Reports | Examination Report |

Data Accuracy in ETS

All data used by this system/application is obtained from the financial institution under examination and FDIC-owned systems. Financial institutions are responsible for providing FDIC RMS examiners with data that is accurate and complete. The EIC has overall responsibility for ensuring the accuracy and completeness of the data acquired and processed by ETS application through his/her examination team. The EIC assigns various parts of the examination to individuals assigned to the examination to ensure that the examination's scope is completed. The EIC checks the data for completion by reviewing the assignments made to each team member and the information prepared within the application.

Additionally, paper records of reconciliation are obtained from financial institution to compare and validate the completeness of electronic data that may have been provided directly by such institution.

Data Security for ETS

ETS leverages multiple administrative and technical controls to protect the data from unauthorized access and misuse;

- ETS application/system will only be installed on laptops/desktops that are compliant with FDIC IT security policies (e.g. be password-protected, regularly patched, encrypted, etc.).
- ETS servers will reside in the FDIC Federal Information Processing Standards (PIPS)-compliant datacenter.
- ETS will be required to regularly pass vulnerability/penetration testing assessments.
- ETS data will be encrypted at rest and in transit.
- All examiners are required to pass background investigations and comply with FDIC security and privacy policies and procedures,
- Examiners will only have access to data on a "need to know" basis,
- Access to examination data is removed automatically as soon as "Mail Date" information is entered into the VISION. For offline exams, which are not connected

to VISION, each examiner is responsible for removing exam from his/her machine. Once the exam is deleted on local machines, ETS Central Peer² will automatically delete the data from its database. An exam can be created offline and connected to VISION later in order to take advantage of the automatic purge of data.

System of Records Notice (SORN)

ETS does not operate under FDIC SORN

Contact Us

To learn more about the FDIC's Privacy Program, please visit:
<http://www.fdic.gov/about/privacy/>.

If you have a privacy-related question or request, email Privacy@fdic.gov or one of the [FDIC Privacy Program Contacts](#). You may also mail your privacy question or request to the FDIC Privacy Program at the following address: 3501 Fairfax Drive, Arlington, VA 22226.



² ETS Central Peer (CP) supports remote collaboration and acts as the examination data exchange point. ETS collaboration beyond the local subnet among examination team members requires the use of the ETS CP. During collaboration, FDIC examination team members only exchange data through the CP if they are connected to the FDIC's secure network.