

PRIVACY IMPACT ASSESSMENT

Property Owner Association Due Diligence, Monitoring and Advisory Services Neighborhood Management, Inc. (Neighborhood Management)

March 2016

FDIC External Services

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System Overview

The Federal Deposit Insurance Corporation (FDIC) Division of Resolutions and Receiverships (DRR) assumes ownership of real property assets from failed financial institutions (FIs). These FDIC-owned real property assets are defined as Owned Real Estate (ORE) Assets. The ORE Assets may lie within a residential or commercial planned community development project that varies in status from early development to completion. These planned community developments are typically governed by an incorporated property owners association (Association). Protection of the FDIC's ownership interest in ORE Assets residing within such communities requires an understanding of the Association's governing structure and ongoing monitoring of the Association's activities.

The mission of FDIC/DRR is to protect and maintain ORE Asset values in Receivership and liquidate the ORE Assets. In preparing an ORE Asset for sale, the FDIC has contracted the services of Neighborhood Management, Inc. (Neighborhood Management) to provide due diligence on the Association and its functions, and monitoring of the Association's overall impact on the ORE Assets within that Association. The documents and information used as the basis for the due diligence services are provided by the FDIC, which include PII such as Association property owners' full names and home addresses. This data is gathered by the FDIC to distribute information to the FDIC ORE Marketing and Management (M&M) contractor on changes in management of the Association and/or marketing information on FDIC properties available for sale. Neighborhood Management is required to comply with: applicable federal, state and local statutes; Association declarations, by-laws, and rules; and all FDIC rules, regulations, and policies and procedures pertaining to the specific Association and the ORE Assets. An ORE Asset within a community governed by an Association requires Neighborhood Management to perform one or more of following tasks: Property Owner Association due diligence, monitoring ORE Assets for Association impacts, and advisory services supporting management of Association functions.

Personally Identifiable Information (PII) - Neighborhood Management

Neighborhood Management collects personally identifiable information (PII) that may include: full name and home address.

Purpose & Use of Information - Neighborhood Management

The intended purpose of the data received by Neighborhood Management is to provide due diligence reports about the assigned Community and the Association, and their respective impacts on the FDIC ORE assets. Neighborhood Management personnel prepare and provide a business plan which identifies all known potential risks to the FDIC, and recommends courses of action with specific timelines. The due diligence reports and business plans are collectively referred to as Work Order Concept Packages (WOCs).

Sources of Information - Neighborhood Management

FDIC Technical Monitor: Neighborhood Management personnel receive due diligence requests as well as Association documentation from the FDIC TM via FDIC secure email. The data provided for due diligence work may include information such as annual budgets, board meeting minutes, legal documents of the Association, and a list of the names and home addresses of the Association property owners. Neighborhood Management personnel prepare and provide WOCPs to the FDIC TM via secure email.

FDIC ORE Marketing & Management (M&M) Contractor: In addition to the data provided by the FDIC, Neighborhood Management may receive public records data from an FDIC ORE M&M contractor. The data provided by the ORE M&M contractor may include a list of the names and addresses of Association property owners which is received via secure email.

Notice & Consent

Individuals do not have the opportunity to “opt out” of providing their data and/or consenting to particular uses of their information. Individuals may not opt out as the FDIC, acting in its Receivership capacity, is required to convert, service, sell, and liquidate all assets acquired from failed FIs. To assist in executing this mission, Neighborhood Management must utilize ORE property owner information to provide due diligence reports and business plans to the FDIC concerning ORE assets and their respective impacts to the FDIC.

Access to Data - Neighborhood Management

Neighborhood Management Staff, Subcontractors, and/or Systems: After the closing of a failed FI, Neighborhood Management personnel receive due diligence requests and Association documentation which may contain PII (ORE property owners' names and home addresses) from the FDIC TM via FDIC secure email. Neighborhood Management personnel have access to this data to generate WOCPs for the FDIC and recommend courses of action for the ORE Assets. The WOCPs are used by the FDIC to maintain visibility of ORE Assets, distribute notices, develop plans of action, and support marketing efforts for FDIC properties available for sale.

FDIC Personnel and/or FDIC Systems/Applications: The FDIC sends an FDIC representative to the Association meetings where discussions and decisions regarding ORE Assets are being made. The FDIC representative submits their meeting minutes from the Association meeting as well as other collected Association-related documentation to the FDIC TM. The TM forwards the Association documentation as well as due diligence requests to Neighborhood Management via secure email with a description of the neighborhood that requires due diligence. This may include ORE property owners' names and home addresses. All correspondence between Neighborhood Management and the FDIC are conducted via the FDIC Secure Email Message Center. Once the TM receives the WOCP, the TM forwards the WOCP to the ORE M&M contractor describing changes in management of the Association and/or marketing information on FDIC properties available for sale.

Data Sharing

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

System Name	System Description	Type of Information Processed
N/A	N/A	N/A

Data Accuracy – Neighborhood Management

Neighborhood Management works with FDIC to verify the integrity of the data before inputting it into the system or using it to support the project.

As necessary, an authorized user from Neighborhood Management checks the data for completeness by reviewing the information, verifying whether or not certain documents or data is missing, and as feasible, updating this data when required.

Data Security - Neighborhood Management

Neighborhood Management has gone through the security review required by the FDIC's Outsourced Information Service Provider Assessment Methodology to determine and/or verify their having appropriate physical, technical and administrative security measures to safeguard FDIC-provided PII and other sensitive data.

The FDIC conducts background investigations on key Neighborhood Management personnel and other applicable personnel prior to their beginning work on the contract.

Neighborhood Management is subject to periodic compliance reviews by FDIC. Per the contract, scheduled and unannounced inspections and assessments of Neighborhood Management's facilities, personnel, hardware, software and its security and privacy practices by either the FDIC information technology staff, the FDIC Inspector General, or the U.S. General Accountability Office (GAO). These inspections may be conducted either by phone, electronically or in-person, on both a pre-award basis and throughout the term of the contract or task order, to ensure and verify compliance with FDIC IT security and privacy requirements.

Within FDIC, the Neighborhood Management Program Manager/Data Owner, Technical Monitor(s), Oversight Manager, and Information Security Manager (ISM) are collectively responsible for assuring proper use of the data. In addition, it is every FDIC user's responsibility to abide by FDIC data protection rules which are outlined in the FDIC's Information Security and Privacy Awareness training course which all employees take annually and certify that they will abide by the corporation's Rules of Behavior for data protection.

Additionally, Neighborhood Management is responsible for assuring proper use of the data. Policies and procedures have been established to delineate this responsibility, and Neighborhood Management has designated their Senior Compliance Associate to

have overall accountability for ensuring the proper handling of data by Neighborhood Management personnel who have access to the data. All Neighborhood Management personnel with access to the data are responsible for protecting privacy and abiding by the terms of their FDIC Confidentiality and Non-Disclosure Agreements, as well as Neighborhood Management's corporate policies for data protection. Access to certain data may be limited, depending on the nature and type of data.

Neighborhood Management must comply with the Incident Response and Incident Monitoring contractual requirement.

System of Records Notice (SORN)

Neighborhood Management operates under the FDIC Privacy Act SORN 30-64-0013, *Insured Financial Institution Liquidation Records*.

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.

