

PRIVACY IMPACT ASSESSMENT

Communication, Capability, Challenge and Control (4C)

July 2016

FDIC Internal System

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System Overview

The Federal Deposit Insurance Corporation (FDIC) is an independent agency of the U.S. government charged with maintaining stability and public confidence in the nation's financial system by insuring deposits, examining and supervising financial institutions, and managing receiverships. Within FDIC, the Division of Resolutions and Receiverships (DRR) has primary responsibility for planning and efficiently handling the resolution of failed FDIC-insured financial institutions, including coordinating all efforts related to the analysis, valuation, marketing and sale of the institution and its assets. Assets may include a variety of loan products such as mortgage, commercial, and consumer loans.

Prior to closing a financial institution (FI), DRR's Franchise Marketing staff begins to market the failing FI and some or all of the assets for sale to prospective acquirers. Once a bank fails, and FDIC is named as the receiver, DRR's Asset Marketing personnel work to sell any remaining assets for the highest value as soon as possible after the closing. Meanwhile, DRR Asset Management assumes responsibility for managing and servicing the loans and other assets received from failed financial institutions until they are sold or otherwise disposed of. To assist with its servicing responsibilities, the FDIC/DRR contracts with third-party loan servicing companies ("Servicers"). Servicers are charged with safeguarding assets while providing loan services, such as general loan administration, debt restructuring, and collection services appropriate to the type of loan being serviced.

The 4C system provides the FDIC with an integrated, end-to-end web-based application that supports key FDIC/DRR Franchise Marketing, Asset Marketing, and Asset Management activities described above. Specifically, 4C houses all asset data received from failing and failed FIs beginning with pre-close activities, through asset disposition or ongoing management, as applicable. It manages data flow and updates from FIs, application service providers (ASPs), as well as internal and external servicers. 4C maintains data and transactions for centralized historical analysis that can be accessed through the data warehouse. 4C also stores information for non-interfacing assets¹ that are not included in the loan downloads and not processed on a loan system.

4C provides integrated solutions to meet the FDIC's current and future asset servicing and marketing needs. To this end, 4C consists of two separate operational data stores – "Institutional" and "Ongoing". The Institutional store is separated into "pre-close institutions" and "closed institutions" containing the pre-close, close and interim servicing data. The Ongoing store contains ongoing servicing data.

¹ Non-interfacing assets in this context refers to owned real estate (ORE), subsidiaries, securities and other assets such as cash or pre-paid accounts from the failed institution's general ledger (GL). Non-interfacing assets generally consist of non-loans assets that are not on the failed institution's servicing system.

Personally Identifiable Information (PII) in 4C

4C contains the following personally identifiable information on assets or customers/borrowers of failing and failed financial institutions: full names, Social Security numbers (SSNs), personal bank account or financial data, home addresses, and personal telephone numbers.

4C also contains restitution order information, which may include PII about defendants, such as their full names, addresses and loan numbers, as well as information collected from publically available court records as to the amount of the restitution ordered, any terms for payment of the restitution, whether interest is allowed on the restitution order, and the prison term (if any) imposed. The restitution order information in 4C may also include information derived from credit reports and publically available records about assets owned by the defendant, liens against these assets, and the estimated value of the assets.

Purpose & Use of Information in 4C

4C contains personal information pertaining to assets and borrowers/customers such as names, SSNs, personal bank account or financial data, street addresses and phone numbers. Use of this personal information is necessary for identification purposes and to perform the business functions supported by the 4C system described above. In addition, 4C contains restitution order information which may include PII about defendants and is necessary for tracking and attempting to collect on these restitution orders. This use is part of the system design and is documented in the system design document and the user's manual.

Sources of Information in 4C

4C receives data from the following sources:

- (a) FDIC systems and applications: (*specified in Table 1 below*);
- (b) Non-FDIC entities (*specified in Table 2 below*); and
- (c) Manual entry and other sources (*specified in Table 3 below*).

Table 1 – FDIC Systems/Applications That Provide Data to 4C

System/ Application Name	FDIC Division Sponsor	Description of Data Imported	Is PII Included ?
New Financial Environment (NFE)	Division of Finance (DOF)	4C receives non-PII data from NFE, including general ledger balances for subsidiary entities, as well as closed bank structure data.	No
Control Totals Module (CTM)	Division of Resolutions and Receiverships (DRR)	4C securely imports financial data from CTM. Data imported includes: FDIC location code (business unit), FDIC FIN Number (fund code), CTM servicer ID, FDIC asset type code (product code), Servicer asset ID, investor ID, investor cut-off date, last posting date, unpaid gross balance, unpaid participated balance, number of assets, asset disposition code and, asset servicer cut-off date.	No

System/ Application Name	FDIC Division Sponsor	Description of Data Imported	Is PII Included ?
Corporate Business Information System (CBIS)	Division of Finance (DOF)	4C receives non-PII data from CBIS, including top holder name, city and state. Top holders are institutions and the ultimate holding company for financial institutions.	No
Institution Directory System (ID-SYS)	Division of Finance (DOF)	4C receives non-PII data from ID-SYS, including top holder consolidated asset amount.	No
Virtual Supervisory Information on the Net (VISION)	Division of Risk Management Supervision (RMS)	4C receives non-PII data from ViSION, including examination data and the resulting calculations and ratings. Data includes fields derived from call reports as well as RFI/C(D) scores ² .	No
Structure Information Management System (SIMS)	Division of Insurance & Research (DIR)	4C receives non-PII data, including open bank structure data, from SIMS.	No
Research Information System (RIS)	Division of Insurance and Research (DIR)	4C receives non-PII data, including loss rate updates, as well as standard thrift financial report and call report data, from RIS.	No
Active Directory/Object Identifier (AD/OID)	Division of Information Technology (DIT)	4C pulls non-sensitive PII, including FDIC user names and Network IDs (NT ID), from AD/OID.	Yes
Securities Management, Accounting, Reconciliation and Tracking System (SMART)	Division of Resolutions and Receiverships (DRR)	4C receives non-PII data from SMART, including but not limited to fund ID, asset type, security description, subsidiary system of record (SSR) balance, acquisition event code, bank historical number, asset count, asset name ³ , balance and value, maturity date, and custodial information comments.	No
FDIC Automated Corporate Tracking System (FACTS)	Division of Resolutions and Receiverships (DRR)	FACTS provides non-PII data to 4C, such as the FACTS case number, action status, action date and 4C asset identifier.	No

Table 2 – Non-FDIC Entities That Provide Data to 4C

Name of Entity	Description of Data Imported	Is PII Included?
Failing and Failed Financial Institutions (pre-close and post-close)	The data obtained from failed and failing institutions includes bank financial data and bank customer deposit and loan data containing PII, such as borrower name, SSN, telephone number, address, account number, and loan amount.	Yes

² The specific rating components are: risk management (R); financial condition (F); potential negative impact (I) of the parent company and non-depository subsidiaries on bank and thrift subsidiaries; and depository institution (D), which mirrors the primary regulator's assessment of the subsidiary depository institutions.

³ Asset Name for SMART refers to names of the FI for the securities and not to a borrower's name.

Name of Entity	Description of Data Imported	Is PII Included?
Fidelity National Information Services (FIS)	FIS shares demographic information, such as borrower name, address, phone number, and participant information, as well as limited financial information, such as billing information and adjustable rate information.	Yes
External Servicers	The data provided by Servicers includes PII such as borrower name, address, telephone number, account number and cash amounts.	Yes
Financial Advisors	<p>The sales data provided by Financial Advisor includes:</p> <p>(1) Bidder information, such as party ID, full name, address, phone number, fax number, email, and tax identification number (TIN)/SSN.</p> <p>(2) Winning bidder contact information, such as full name, office phone number, home phone number, mobile phone number, fax number, email address, TIN/SSN.</p> <p>(3) Project information (non-PII), including the project ID and general information about the sale, such as the number of customers notified of the sale, the start date and end date of the sale, the bid deadline, etc.</p> <p>(4) General bid and pool information (non-PII), such as party ID, pool ID, bid percentage, etc.</p>	Yes

Table 3 – FDIC Manual Entry and Other Sources That Provide Data to 4C

Data Source	FDIC Division Sponsor	Description of Data Imported	Is PII Included ?
Manual Entry	Division of Resolutions and Receiverships (DRR)	Authorized FDIC/DRR personnel manually enter or update information into editable data fields in 4C.	Yes

Data Source	FDIC Division Sponsor	Description of Data Imported	Is PII Included ?
DRR Restitution Form (Electronic Upload)	Division of Resolutions and Receiverships (DRR)	DRR is responsible for attempting to collect criminal restitution orders related to assets of failed bank receiverships and attempting to locate assets that have equity that can be a source of payment for the restitution orders. Information about the restitution orders are obtained from the failed banks and publically available court records and collected in an FDIC/DRR restitution form. FDIC/DRR restitution specialists pull a credit report, a CLEAR report, and any other data they can locate to review assets owned by the defendant or indications that the defendant is making payments on a regular basis, which suggests there is a source of income. Whether or not they find an asset or source of income, they will complete the restitution form, make a recommendation that a judgment debtor examination be conducted, an asset levied, the file be deferred for a period of time, the order be written down or off, and email it to their manager. Once the restitution form is finalized ⁴ , authorized FDIC/DRR personnel electronically upload the form to 4C as evidence on action taken on the restitution order. The restitution form contains information on restitution orders including the defendant's name and address, and information collected from publically available court records as to the amount of restitution ordered, any terms for payment of restitution, whether interest is allowed on the restitution order, and the prison term (if any) imposed. The form also may include information derived from credit reports and publically available records about assets owned by a defendant, liens against these assets, and the estimated value of the assets.	Yes

Notice & Consent

Individuals cannot “opt out” by declining to provide personal information or by consenting only to a particular use. Personal information in 4C is obtained from FIs, Servicers, and other sources specified above, not directly from individual borrowers. All information on borrowers is needed to track loan payments processed and assist DRR with the resolution process.

⁴ The FDIC/DRR restitution specialist's manager will review each restitution form and concur with the specialist's recommendation or request additional information as needed to make a determination. If a deferral is recommended and the manager approves, the restitution form will be mailed back to the specialist and marked complete. Any other action, except a non-discretionary write-off requires concurrence from the Financial Crimes Unit (FCU) in FDIC's Legal Division and the restitution form is mailed to the FCU attorney for consideration. If the FCU attorney agrees with the recommendation, he/she will forward the restitution form to the United States Attorney's office, who is charged with collecting criminal restitution orders, state agencies that collect state criminal restitution orders for victims, or state law enforcement officials who execute against assets on behalf of the receivership to enforce a state restitution order. The connection method is through secure email or overnight delivery requiring a signature. The data exported includes the defendant's name, address, and SSN, a description of the asset, lien, and estimated value that could be a source of recovery for the restitution order.

Access to Data in 4C

Users of the system include: authorized FDIC/DRR staff, supervisory personnel, management officials, system administrators, other employees and FDIC contractors who have a “need to know” the information contained in this system in order to carry out their duties. In addition, authorized developers have access to the data in the non-production environment for the purpose of supporting the hardware, communication, database, etc.

Table 4 – Non-FDIC Entities that Receive 4C Data

Name of Entity	Connection Method	Description of Data Exported	PII Included in Data?
Fidelity National Information Services (FIS) IBS	Application Programming Interface (API)	4C exports account/officer name and the identifying number associated with a particular loan/account to FIS IBS. This information is necessary in order to update the asset data in IBS. An IBS account is used by the 4C system to securely export this information. 4C also exports borrower demographic information, including borrower name, address, telephone number, and fax number, to IBS.	Yes
Various Assuming Institutions (AIs)	Excel workbook via secure file transfer protocol (SFTP) site	4C exports loss share data to the assuming institution (AI), such as the asset identifier (ID), bank historical number, asset/borrower name, asset type, asset sub type, gross balance, participations sold balance, net balance, unfunded amount, accrued interest, etc. This export contains PII, in instances where an asset name is a borrower name.	Yes
Various External Servicers	Secure email	The following 4C data is securely provided to External Servicers during the conversion process (i.e., when transferring from one servicer to another): (1) BIS download information, including but not limited to: fund identifier, servicer identifier, asset identifier, bank historical number, asset/borrower name, customer state, asset type, asset sub type code, marketing pool number, sale type code, sale type description, SSR balances, rate type, etc. (2) Bank site input information, including but not limited to final pool code, case in process, maturity date, foreclosure filing completed, date of filing, whether asset is government guaranteed, government guarantee type, escrow (no or amount), cross collateralized, litigation, attorney name, attorney telephone number, comments, etc.	Yes

Data Sharing

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

Table 5 – FDIC Systems/Applications that Receive 4C Data

Application Name & Acronym	FDIC Division Sponsor	Description of Data Exported	PII Included in Data?
Franchise Marketing System (FMS)	DRR	4C provides bidding institution data, including the contact name and phone number for the bidding institution, to FMS. DRR/Franchise Marketing uses the data provided by 4C to FMS in order to create the bid list. PII data elements provided by 4C to FMS may include full name, home address, personal email address, and home phone number.	Yes
Integrated Compliance Engine (ICE)	DRR	4C provides ICE with acquiring institutions data which is used by RSAM to monitor the health of the financial institution. There is no PII included in this data.	No
Qualified Financial Contracts Compliance Tracking (QFC-CT)	DRR	4C provides QFC-CT with FI identification information and Vision CAMELS rating information, which is used by the QFC-CT application to determine which institutions are in danger of failure and the projected timeframe for said failure.	No
Control Totals Module (CTM)	DRR	4C provides updated asset balances (non-PII) to CTM for interim serviced assets, as well as one-time files to reclassify in-house serviced asset balances from the proforma servicer to the in-house servicer. Specifically, 4C securely exports the following data elements to CTM for interim serviced assets and in-house serviced assets: FDIC location code (business unit), FDIC FIN number (fund code), CTM servicer ID, FDIC asset type code (product), servicer asset ID, investor ID, investor cut-off date, last posting date, unpaid gross balance, unpaid participated balance, and number of assets. It is necessary to provide this information because CTM serves as the FDIC's primary receivership and subsidiary financial processing, research and reporting system for assets and contingent liabilities. An ad hoc extract of asset names from both the 4C institutional and ongoing data stores is generated via business objects once weekly and is made available for CTM processing. In some cases, asset names are individual borrower names. This data is used to add/update the asset name for assets associated with the in-house servicer.	No Yes
FDIC Automated Corporate Tracking System (FACTS)	DRR	4C provides FACTS with fund, asset, and subsidiary IDs and names; and institution status/close date. In some cases, asset names are individual borrower names. The data provided to FACTS is used in support of business cases related to resolution and receivership activities for failed financial institutions.	Yes
Contractor Interim Performance Evaluation (CIPE)	DRR	4C provides CIPE with fund/institution details (non-PII). The CIPE application provides DRR contract oversight personnel with the ability to perform contractor performance evaluations on an interim basis.	No

Application Name & Acronym	FDIC Division Sponsor	Description of Data Exported	PII Included in Data?
DRR Locating and Reporting System (DOLLARS)	DRR	4C provides DOLLARS with fund/asset ID/names, asset managing/marketing account officer names, asset balances and dates. Information in DOLLARS is used primarily to track investigation and restitution information pertaining to professional liability claims.	Yes
Investigations Restitution Tracking Utility (IRTU)	DRR	Investigations asset details, asset participant (co-defendant) information, and asset financial transaction data are transferred from 4C to the IRTU staging tables within the database. This includes: restitution order; failed FI; restitution order comments; write down compromise; assuming FI; FDIC attorney lookup; asset type lookup; asset status; fund type lookup; and criminal referral. The IRTU database is used to consolidate data from 4C and DOLLARS, produce a data quality critical data field comparison report, produce a daily tickler report, and afford the account officers the ability to track the restitution collection effort using data from both systems in a centralized database.	Yes
Advanced Legal Information System (LIMS/ALIS)	Legal	4C provides LIMS/ALIS with fund/asset details, such as asset IDs/names, pool IDs, Servicer, managing/marketing account officer ID/names, ORE details, and asset balances. The data provided by 4C is used to support receivership litigation matters.	Yes
SailPoint	DIT	4C provides SailPoint with user network ID (NT ID), name, supervisor name, and user access details. SailPoint is an automated enterprise access control certification solution that is used to review access authorizations by information asset owners to ensure they are still valid.	Yes

Data Accuracy in 4C

Data presented to FDIC for loading into the 4C system is verified by the data specialist and software controls. In addition, data provided from external entities is verified by software controls. The FDIC has controls in place to ensure that the data is free from viruses, and the software controls ensure that the data complies with processing requirements before it is introduced into the 4C system.

The system is designed to require that specific information for each asset or loan be completed. Data entry screens and load modules include edit checks to ensure that business rules and data relationships are maintained. Data validation has been incorporated within the application (front-end) and the database (back-end) to ensure data is entered in the required format. There are validations at the data field level (e.g., monetary fields must be numeric). There are calculated fields to avoid manual entry errors.

Data Security for 4C

All users who have access to the data must have the approval of their Manager/Supervisor and the Program Manager/Data Owner of the requested capability in order to be granted access. Additionally, 4C's functional security limits a user's access to specific data and restricts the user's ability to update data based on the specific functions assigned to his/her level of access. All access granted is determined on a "need to know" basis. Guidelines established in the Corporation's Access Control policies and procedures are also followed. Controls are documented in the official FDIC system documentation. A user's access is tracked in the Corporation's access control tracking system.

The Program Managers/Data Owners of 4C and the respective systems sharing data with 4C are responsible for the management and decision authority over their specific area of corporate data. The Program Managers/Data Owners and DRR Information Security Manager serve as the source of information for data definition and data protection requirements and are collectively responsible for supporting a corporate-wide view of data sharing. In addition, it is every user's responsibility to abide by FDIC data protection rules which are outlined in the DRR Security and Privacy Awareness Course and the annual Corporate Information Security and Privacy Awareness training which all employees must take and certify that they will abide by the Corporation's Rules of Behavior for data protection. This makes it the responsibility of every user to ensure the proper use of corporate data.

Contractors are employed to provide maintenance support and development for new requirements in the 4C system. Each contractor (who has access to data) is required to complete the DRR Security and Privacy Awareness Course and the Corporate Information Security and Privacy Awareness training, which includes the Corporate Rules of Behavior. Additionally, they are required to sign the Contractor Confidentiality and Non-Disclosure Agreement. Programmers are restricted to the development and quality assurance environment using test data. They do not have access to operate in the production environment.

The system is operated at more than one site as an on-line intranet site so all application maintenance and administrative controls apply at each site.

System of Records Notice (SORN)

4C operates under the FDIC Privacy Act SORNs 30-64-0013, *Insured Financial Institution Liquidation Records*, and 30-64-0019, *Potential Bidders List*.

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.

