

**U.S. DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT**

**INITIAL PRIVACY ASSESSMENT
(IPA)**

**FHA TOTAL 2502-0556
(Technology Open to Approved
Lenders) Mortgage Scorecard**

**Office of Single Family Program
Development**

Initial Privacy Assessment

Date Submitted for Review: 03/07/2013

**Project Name/Acronym: Technology Open to Approved Lenders (TOTAL)
Mortgage Scorecard**

System Owner/Contact information: Brenda Boldridge/202-402-5216

Project Leader/Contact Information: Theresa Herrity/202-402-6652

Which of the following describes the type of records in the system:

- Paper-Only
- Combination of Paper and Electronic
- System
- Other:** Please describe below the type of project or system, including paper based Privacy Act System of Records, Rules, or Technologies'. Also, indicate whether this is a revision/update for an existing system or project.

Note: For this form purpose, there is no distinction made between technologies/systems managed by contractors. All technologies/systems should be initially reviewed for potential privacy impact.

Section I: The Entire IPA (Sections I and II) Should be Completed for New Systems or Projects. If this is an Existing System or Project Skip to Section II. Unless requested by the Office of Privacy, this section should not be completed for an existing System or Project.

Question 1: Provide a general description of the system of Project. The following questions are intended to define the scope of the information in the system, information collection, or project, specifically the nature of the information and the sources from which it is obtained.

- a. From whom is the information collected (i.e., government employees,

contractors, or consultants, state, local government entities, or general public)? N/A

- b. What is the functionality of the system, information collection, or project and the purpose that the records and/or system serve? N/A
- c. How is information transmitted to and from the system, information collection, or project? N/A
- d. What are the interconnections with other systems or projects? N/A

QUESTION 2: Have the IPA been reviewed and approved by the Chief Privacy Officer

QUESTION 3: What is the Status of system, information collection, or project

- a. If this is a new system, information collection, or project, specifies expected production date.

N/A

- b. If an existing system, information collection, or project, specify date of production.

System was released to the industry 11/2003.

QUESTION 4: Does this system, information collection, or project collect personal identifiers/sensitive information

YES	NO	Does the system, information collection, or project collect personal/sensitive information? (e.g. name, address, personal email address, gender/sex, race/ethnicity, income/financial data, employment history, medical history, Social Security Number, Tax Identification Number, Employee Identification Number, FHA Case Number). Includes PII that may be part of a registration process?
<input type="checkbox"/>	<input type="checkbox"/>	

If yes, specific data sets collected or provided, and the legal authorities, arrangement, and/or agreement authorize the collection of information (i.e.

must include authorities that cover all information collection activities, including Social Security Numbers)?

QUESTION 5: Does the information about individuals identify particular individuals (i.e., is the information linked or linkable to specific individuals, often referred to as personally identifiable information?)

QUESTION 6: What type of Notice(s) are provided to the individual on the scope of information collected, the opportunity to consent to uses of said information, the opportunity to decline to provide information. (A notice may include a posted privacy policy, a Privacy Act notice on form(s), and/or a system of records notice published in the Federal Register.)

- a. Was any form of notice provided to the individual prior to collection of information? If yes, please provide a copy of the notice as an appendix. (A notice may include a posted privacy policy, a Privacy Act notice on form(s), and/or a system of records notice published in the Federal Register.) If notice was not published, why not?
- b. Do individuals have an opportunity and/or right to decline to provide information?
- c. Do individuals have an opportunity to consent to particular uses of the information, and if so, what is the procedure by which an individual would provide such consent?

QUESTION 7: Is there a Certification & Accreditation record for your system? (This question does not apply to Information Collection Requests)

Specify below the systems categorization. If not available identify the FISMA-reported system whose Certification and Accreditation covers this system.

Confidentiality	<input type="checkbox"/>	Low	<input type="checkbox"/>	Moderate	<input type="checkbox"/>	High	<input type="checkbox"/>	Undefined
Integrity	<input type="checkbox"/>	Low	<input type="checkbox"/>	Moderate	<input type="checkbox"/>	High	<input type="checkbox"/>	Undefined

Availability	<input type="checkbox"/>	Low	<input type="checkbox"/>	Moderate	<input type="checkbox"/>	High	<input type="checkbox"/>	Undefined
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SECTION II - The Entire IPA should be completed for New Systems or Projects. If this is an Existing System or Project Complete Only Complete This Section.

QUESTION 1: When was the system, information collection, or project developed? FHA’s TOTAL Mortgage Scorecard was released to the industry November, 2003.

QUESTION 2: If an existing system, information collection, or project, has the system or project undergone any changes since April 17, 2003?

Yes.

QUESTION 3: If an existing system, information collection, or project, has the system or project, explain the changes the system or project will be undergoing as part of this renewal/update process.

TOTAL Scorecard – Update to Version 2.1 - Released September 1, 2009

August 3, 2009 published updated documentation for this implementation. Modified allowable values for the “refinance_type” field. Added the following allowable values:
 “H” - HOPE For Homeowners
 “S” - Streamline Refinance
 Removed “14 - Nonprofit/Religious/Community - Seller Funded” as an allowable value for the “gift_source” field.

TOTAL Scorecard – Update to Version 2.3 - Released September 24, 2010

Modified definition for error codes 001 and 999. No functionality with TOTAL Scorecard was modified.
 The definitions for two error codes were modified. Please see Appendix B.
 The old definitions were:
 001 - Data in AUS system to calculate score is not complete
 999 - AUS system unable to score loan with data provided
 The new definitions are:
 001 - The TOTAL Scorecard server was not set up correctly
 999 - The TOTAL Scorecard experienced an unexpected error while processing. One example that would cause this to occur is if the Web server was unable to open a connection to the database server. This should be very rare.

TOTAL Scorecard – Release of Version 2.2 - Released October 4, 2010

May 12, 2010 published updated documentation for this implementation.
 Modified to reference Version 2.2 which was implemented on April 3, 2010 to support MIP Factor changes described in Mortgagee Letter 2010-02.
 No interface changes were made as part of this modification

TOTAL Scorecard – Release of Version 2.4 - Implemented April 16, 2011

February 17, 2011 published updated documentation for this implementation.
 Modified to reference TOTAL Scorecard Version 2.4 which will be implemented on April 16, 2011 to support Annual MIP Factor increases as described in Mortgagee Letter 2011-10.
 No interface changes were made as part of this modification.

TOTAL Scorecard – Release of Version 2.5 - Implemented March 4, 2012

December 1, 2011 published updated documentation for this implementation.

The scoreable criteria	65	borr_clsg_costs
was changed on nine fields. These fields are currently optional. They will be required beginning July 21, 2012. These fields are:		
Borrower Paid Closing Costs		
Current Housing Expenses	67	monthly_expense
Gift Letter Amount	70	gift_amt
Gift Letter Source	71	gift_source
Required Investment	73	req_invest
Total Closing Costs	78	clsg_costs
Total Fixed Payment	82	total_fixed
Seller Concessions	90	seller_concessions
Down Payment	96	down_payment
The Source column in Appendix A was changed on the following six fields to remove all references to form 92900-WS.	3	assets_after_clsg
Assets After Closing		
Loan-To-Value Ratio	17	ltv
Front-End Ratio	18	front_end_ratio
Back-End Ratio	19	back_end_ratio
Borrower Paid Closing Costs	65	borr_clsg_costs
Total Closing Costs	78	clsg_costs

One new input field was added. This field is currently optional. It will be required beginning July 21, 2012.

Condominium Indicator 104 condo_ind

Three new Review Rules were added (Output data item #3). These review rules will be implemented beginning July 21, 2012.

- 09 – Current Housing Expense exceeds Monthly Income.
- 10 – Gift Amount exceeds 150% of Required Investment.
- 11 – Seller Concession Amount exceeds 6% of Sale Price.

Four new Output fields were added.

County Limits (1 Unit)	26	limit1
County Limits (2 Unit)	27	limit2
County Limits (3 Unit)	28	limit3
County Limits (4 Unit)	29	limit4

Added 12 Scorecard Error Codes in Appendix B

Error Code	Error Message
425	Current Housing Expense must be between \$0 and \$99,999.99
430	Gift Letter Amount must be between \$0 and \$999,999
435	Gift Letter Source must be “00”, “01”, “03”, “06”, or “15”
440	Required Investment must be greater than the Negative Loan Amount
445	Required Investment must be less than: 120% (lesser of Sale Price or Appraised Value) – Mortgage Amount
450	Down Payment is required
455	Down Payment cannot be less than zero
460	Down Payment must be less than 150% (Sales Price – (Mortgage Amount – MIP))
465	Total Fixed Payment must be between \$0 and Monthly Income
470	Condo Indicator must be “Y” or “N”
475	Total Closing Costs cannot exceed 20% of Sale Price on a purchase. Total Closing Costs cannot exceed 20% of Appraised Value on a

480	refinance Seller Concession Amount must be between \$0 and 20% of Sales Price
485	Borrower Closing Costs cannot exceed 20% of Sale Price on a purchase. Borrower Closing Costs cannot exceed 20% of Appraised Value on a refinance

TOTAL Scorecard – Release of Version 2.6 - Implemented April 8, 2012

March 15, 2012 published updated documentation for this implementation. Modified to reference TOTAL Scorecard Version 2.6 which will be implemented on April 8, 2012 to support MIP Factor increases as described in Mortgagee Letter 2012-04. No interface changes were made as part of this modification. The message for error code 372 was modified to be consistent with the actual edit. The message was changed from “Back End Ratio must be greater than Front End Ratio” to “Back End Ratio must be greater than or equal to Front End Ratio”

TOTAL Scorecard – Release of Version 2.7- Implemented June 11, 2012

April 19, 2012 published updated documentation for this implementation. Modified to reference TOTAL Scorecard Version 2.7 which will be implemented on June 11, 2012 to support MIP Factor changes as described in Mortgagee Letter 2012-04. No interface changes were made as part of this modification.

Error codes 455 and 460 were removed.

They had been defined as 455 and 460

Down Payment cannot be less than zero
Down Payment must be less than 150% (Sales Price – (Mortgage Amount – MIP))

Error code 445 was modified. The old definition was

445	Required Investment must be less than: 120% (lesser of Sale Price or Appraised Value) – Mortgage Amount
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The new definition is:

445	For a purchase Required Investment must be less than 120% (Sale Price) – Mortgage Amount. For a refinance Required Investment must be less than or equal to \$999,999.
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E.16 TOTAL Scorecard – Release of Version 3.0 - Implemented July 21, 2012

May 18, 2012 published updated documentation for this implementation.

Modified to reference TOTAL Scorecard Version 3.0 which will be implemented on July 21, 2012

These fields are:

Borrower Paid	65	borr_clsg_costs
Closing Costs		
Current Housing Expenses	67	monthly_expense
Gift Letter Amount	70	gift_amt
Gift Letter Source Required	71	gift_source
Investment	73	req_invest
Total Closing Costs	78	clsg_costs
Total Fixed Payment	82	total_fixed
Seller Concessions	90	seller_concessions
Down Payment	96	down_payment
Condominium Indicator	104	condo_ind

Version 3.0 will return four new Review Rules and two new Error Codes.

A new Appendix C has been added to list all current Review Rules.

The new Review Rules are:

09	Current Housing Expense exceeds Monthly Income
10	Gift Amount exceeds 150% of Required Investment Please note: This review rule was never implemented.
11	Seller Concession Amount exceeds 6% of Sale Price
12	At least one 30-day late Mortgage Payment in the last 12 months – Applies to only Cash Out Refinance
13	At least one borrower with no available credit score

Two Scorecard Error Codes were removed from Appendix B

235: A zero FICO Score is only permitted for one applicant

240: One FICO Score is required when only one applicant

E.17 TOTAL Scorecard – Release of Version 3.1 - Implemented March 2, 2013

February 11, 2013 published updated documentation for this implementation. Modified to reference TOTAL Scorecard Version 3.1 which will be implemented on March 2, 2013. No interface changes were made as part of this modification.

E.18 TOTAL Scorecard – Release of Version 3.2 - Implemented March 30, 2013

March 04, 2013 published updated documentation for this implementation. Two new Review Rules are added for version 3.2:

- | | |
|----|--|
| 14 | The lowest median FICO score is less than 620 and the Back-End Ratio (DTI) is greater than 43.00. Please see ML 2013-05. |
| 15 | Required Investment is less than zero and the loan is a purchase transaction. |

The MIP Factors were modified to support MIP Factor changes described in Mortgagee Letter 2013-04.

QUESTION 4: Do the changes to the system, information collection, or project involve a change in the type of records maintained, the individuals on whom records are maintained, or the use or dissemination of information from the system? No

QUESTION 5: Please indicate if any of the following changes to the system or project have occurred: (Mark all boxes that apply.)

- A conversion from paper-based records to an electronic system.
- A change from information in a format that is anonymous or non-identifiable to a format that is identifiable to particular individuals.
- A new use of an IT system, including application of a new technology that changes how information in identifiable form is managed. (For example, a change that would create a more open environment and /or avenue for exposure of data that previously did not exist.)
- A change that results in information in identifiable form being merged, centralized, or matched with other databases.
- A new method of authenticating the use of an access to information in the identifiable form by members of the public.

- A systematic incorporation of databases of information in identifiable form purchased or obtained from commercial or public sources.
- A new interagency use of shared agency function that results in new uses or exchanges of information in identifiable form.
- A change that results in a new use of disclosure of information in identifiable form.
- A change that results in new items of information in identifiable form being added into the system.

QUESTION 6: Does a PIA for the system or project already exist? If yes, please provide a copy of the notice as an appendix.

Yes

PRIVACY OFFICE DETERMINATION

(To be completed by the Privacy Office)

<input type="checkbox"/>	This is <u>NOT</u> a privacy sensitive system, information collection or project – the system, information collection, or project contains no personal identifiers/sensitive information
<input type="checkbox"/>	This <u>IS</u> a Privacy Sensitive Project
<input type="checkbox"/>	IPA sufficient at this time
<input type="checkbox"/>	A PIA is required
<input type="checkbox"/>	The existing PIA requires an update/deletion
<input type="checkbox"/>	A SORN is required
<input type="checkbox"/>	The existing SORN requires an update or should be deleted
<input type="checkbox"/>	Other
COMMENTS:	

DOCUMENT ENDORSMENT

DATE REVIEWED:
PRIVACY REVIEWING OFFICIALS NAME:

By Signing below you attest that the content captured in this document is accurate and complete and meet the requirements of applicable federal regulations and HUD internal policies.

Lisa Ellis/Senior Credit Policy Specialist

Office of Single Family Program Development
Home Mortgage Insurance Division

Date

Arlene Nunes /Director
Office of Single Family Program Development
Home Mortgage Insurance Division

Date

CHIEF PRIVACY OFFICER,

<<INSERT NAME>>
Office of the Chief Information Officer
U. S. Department of Housing and Urban Development

Date