

# Identifying & Safeguarding Personal Information

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# Early Legislation that Safeguarded Personal Information

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- May 23, 2003 (effective date)
  - » Gramm-Leach-Bliley Act
    - The Safeguards Rule, enforced by the FTC, requires financial institutions to have a security plan to protect the confidentiality and integrity of personal consumer information.
- July 1, 2003 (effective date)
  - » California Senate Bill 1386
    - Requires that an unauthorized disclosure of unencrypted, computerized personal information regarding a resident of California be disclosed to the resident.

# What is Personal Information?

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- In General Terms...
  - » Non-public information about a person that could be used by criminals to commit identity theft or identity fraud.
  
- Under the FTC Safeguards Rule...
  - » [Non-public personally identifiable financial information, as further] defined in 16 CFR 313.3(n), about a customer of a financial institution, whether in paper, electronic, or other form, that is handled or maintained by or on behalf of you or your affiliates.
  
- Under California Senate Bill 1386...
  - » An individual's first name or first initial and last name in combination with any one or more of the following data elements, when either the name or the data elements are not encrypted:
    - Social security number.
    - Driver's license number or California Identification Card number.
    - Account number, credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account.

# Safeguarding Personal Information Goes Public...*big time!*

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- 112 Incidents Disclosed Through Q3, 2005<sup>†</sup>
  - » 97 Incidents
    - 56.3 million consumers potentially impacted
  - » 2 Incidents
    - “Hundreds of thousands” of consumers potentially impacted
  - » 13 Incidents
    - “Unknown / unreported” number of consumers potentially impacted

<sup>†</sup>source: ChoicePoint

# More States Move to Safeguard Personal Information

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- 18 States have Legislation Similar to California's
  - » Idiosyncrasy of bills
    - Multiple bills vs. one bill
    - Computerized media vs. any media
    - Encrypted data vs. unencrypted data
    - Combinations of Personal Information
    - Expanding scope of Personal Information
    - Ownership of Personal Information
- 13 States and the Federal Government have Legislation Pending

# MISMO's Role in Safeguarding Personal Information

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- The Information Security Work Group has established three initiatives:
  - » Help identify Personal Information included in MISMO transactions.
  - » Provide the mortgage industry guidance on how to better safeguard Personal Information.
  - » Support continuing education of MISMO and its membership on information security for the mortgage industry.

# Help Identify Personal Information Included in MISMO Transactions

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- Continuously monitor proposed and enacted state & federal legislation.
- Identify data points defined as Personal Information in enacted legislation.
- Publish a matrix of Personal Information data points by state.
- Create a flag in the MISMO Logical Data Dictionary to label data points as Personal Information.
- MISMO work groups will label the data points in their transactions that are Personal Information.

# Provide Guidance on how to Better Safeguard Personal Information

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- Define 5 high-level computerized use cases:
  - » Collecting Personal Information
  - » Processing Personal Information
  - » Storing Personal Information
  - » Transferring Personal Information
  - » Disposing of Personal Information
- Provide examples when a use case can be generalized.
- Identify threats, vulnerabilities and risks associated with each use case.
- Cite authoritative IT best-practices for mitigating threats & vulnerabilities.
- Cite authoritative IT best-practices for incident response.

# Support Continuing Education of MISMO and its Membership

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- Publish information security white-papers targeted to the mortgage industry.
  - » Identifying & Safeguarding Personal Information: Guidelines and Best Practices
- Provide information security consulting and recommendations to other MISMO work groups.
- Disseminate information security news to members of the Information Security Work Group.