



Privacy Impact Assessment Of Banking Supervision and Regulation's Chain Banking Application

Program of Application Name:

Chain Banking Application

System owner:

Division of Banking Supervision and Regulation (BS&R)

Contact information:

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Description of the IT system

BS&R's chain banking application ("chain banking application") is a database that enables Federal Reserve staff to quickly determine the structure and ownership of banking chains located in the Eight District covered by the Federal Reserve Bank of St. Louis ("Reserve Bank") for purposes of determining whether a capital adequacy assessment is necessary to determine whether the banking chain is maintaining required capital levels. A banking chain is where one or more banks

or bank holding companies have common ownership by the same individual or family members. If the aggregate assets of the banking chain exceed \$400 million, then the banking chain is required to meet the Board's consolidated capital requirements. The chain banking application tracks each financial institution in the chain and lists the respective ownership percentage of each of the individual shareholders and their family members' common to the financial institutions comprising the banking chain, as well as the chain's aggregate total assets.

1. Information concerning individuals that is being collected and/or maintained

The chain banking application maintains the following information on the individual owners of each financial institution in the chain (which may be held either the name of the individual owners or as a beneficial interest in trusts, partnerships or companies):

- a. Individual shareholder's name;
- b. City, state and country address;
- c. Number and percentage of shares held in the reporting financial institution; and
- d. Employment status (for example, officer or director) in any related companies.

2. Source(s) of each category of information listed in item 1.

The personal information listed in item 1 is provided by supervised financial institutions during the course of the supervisory process. This information is usually generated from the ownership information reported by the financial institution in its FY Y-6 (Annual Report of Bank Holding Companies). This information can also be updated on a periodic basis from information gathered through the standard supervisory cycle.

3. Purpose for which the information is being collected.

The Federal Reserve uses the personal information maintained in the chain banking application to track individual ownership in financial institutions in the chain for purposes of both determining when a capital adequacy assessment is necessary and identifying significant changes in chain ownership over time.

4. Who will have access to the information.

The information maintained in the chain banking application is designated as confidential supervisory information and access is generally limited to authorized

Federal Reserve employees and contractors who have a need for the information for official business purposes. The information may also be shared as needed for conducting joint supervisory initiatives with other regulatory agencies, including the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, state banking regulators, and foreign banking regulators.

In addition, the information may also be disclosed for enforcement, statutory and regulatory purposes; to another agency or a Federal Reserve Bank, to a Member of Congress; to the Department of Justice, a court, an adjudicative body or administrative tribunal, or a party in litigation; to contractors, agents, and others; and persons who are reasonably necessary to assist in connection with the Board's efforts to respond to the suspected or confirmed compromise of security or confidentiality and prevent, minimize, or remedy such harm; or to other agencies, entities, and persons reasonably necessary to assist the Board's efforts to respond to a suspected or confirmed compromise of security or confidentiality to prevent, minimize or remedy such harm.

5. Whether the individuals to whom the information pertains will have an opportunity to decline to provide the information or to consent to particular uses of the information (other than required or authorized uses).

Individuals do not have an opportunity to decline to provide the information or consent to particular uses of the information since the information is not collected directly from the individual, but rather directly from the financial institutions in the banking chain during the bank examination or supervision process pursuant to the institution's statutory obligation to provide any and all financial records to its federal regulator.

6. Procedure(s) for ensuring that the information maintained is accurate, complete, and up-to-date.

This personal ownership information maintained in the chain banking application is verified at least once a year by Federal Reserve staff from information supplied by the bank or bank holding company (BHC) during the standard reporting process. Subsequent calculations also borrow from existing financial data. The examiner-in-charge, or a designee, may periodically check the accuracy and completeness of this information during the ongoing supervisory process.

In addition, the personal information maintained in the database may be updated throughout the year as a result of ownership changes reported through regulatory filings that may affect the ownership of a financial institution, such as the

consummation of a bank holding company acquisition or a change in bank control notification.

7. The length of time the PII will be retained, and how it will be purged.

If data from this application is printed and stored in examination work papers, the information is retained for the normal examination work paper retention period of a minimum of three years. If data from this application is printed and retained in banking applications work papers, it is retained for no less than 15 years.

8. The administrative and technological procedures used to secure the information against unauthorized access.

The Federal Reserve uses a combination of methods to secure the information contained in the chain banking application. For example, the chain banking application is: (1) maintained in Federal Reserve restricted-access facilities, (2) stored on access-controlled servers, (3) access-restricted, and (4) encrypted if it is downloaded to an examiner's workstation. Information security configurations for the chain banking application are regularly reviewed to ensure ongoing compliance with the requirements defined in the Board's Information Security Program.

9. Whether a new System of Records under the Privacy Act will be created. (If the information is retrieved by name, unique number, or other identifier assigned to an individual, then a Privacy Act System of Records may need to be created.)

The chain banking application does not require the publication of a system of records under the Privacy Act since it is indexed by financial institution name, not by reference to an individual's name or other personal identifier.

Reviewed:

Raymond Romero */signed/*

Chief Privacy Officer

03/11/2013

Date

Sharon Mowry */signed/*

Chief Information Officer

03/11/2013

Date