



Steps to Protect Borrowers from Identity Theft: Step One, Take the Privacy Self-Assessment

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#144



NATIONAL NOTARY ASSOCIATION

Introduction

- "More than 700 million data records compromised last year . . . [2015]"
- Borrower's Non-public Personal Information (NPPI) is at risk of identity theft
- NSA is the guardian of borrower's mortgage documents



Introduction

- NSA bears the responsibility:
 - ❖ Accepting the role as guardian of mortgage documents
 - ❖ Understanding the connection between identity theft and NPPI
 - ❖ Keeping abreast of industry regulatory requirements
 - ❖ Identifying and minimizing data risks
 - ❖ Taking the NNA Privacy & Security Self-Assessment
 - ❖ Developing and implementing borrower NPPI protection plan



Identity Theft and NPPI

- What is Identity Theft?
- What is NPPI
 - Personally identifiable data
 - Data not available to general public
 - Information comprising NPPI
 - The threat of identity theft to borrowers' NPPI



Identity Theft and NPPI



Mortgage Documents Guardian 101

- **Lender Requirements**
 - Download documents from lender's secured website portal
 - If borrower wants electronic copy, advise lender



Mortgage Documents Guardian 101

▪ Lender Requirements

- If closing at a bank's branch get permission from borrower if:
 - a trainee attends
 - copies are made by other personnel
- If loan package is lost or misplaced, advise lender immediately



Mortgage Documents Guardian 101

▪ NSA Best Practices and Procedures for Handling NPPI [\[NNA Privacy Tips\]](#)

- Before Signing Appointment
- During Signing Appointment
- After Signing Appointment



Industry Regulatory Requirements

▪ The Gramm-Leach Bliley Act – 1999

- Handling "financial data" in a secure manner
- Three specific provisions
- Privacy Notice Requirement
- Title V—Privacy Subtitle A—Disclosure of NPPI
 - Privacy protections for "personal" information



Industry Regulatory Requirements

- **Federal Trade Commission (FTC) Announced Privacy “Safeguards” Rule – 2003**
 - Real estate settlement service providers must develop “written information security programs”
 - Designed to protect unauthorized access and misuse of customer NPPI



Industry Regulatory Requirements

- **The Consumer Financial Protection Bureau’s (CFPB) Bulletin 2012**
 - Financial institutions responsible for service providers
 - Financial institutions responsible for managing risks

APR 13 2012
CFPB to Hold Financial Institutions and their Service Providers Accountable
Banks and Nonbanks must Responsibly Manage their Service Provider Relationships



Industry Regulatory Requirements

- **American Land Title Association (ALTA) “Settlement Company Best Practices” – 2013**
- Enhancing existing business practices to:
 - Protect consumers
 - Ensure quality service
 - Provide ongoing employee training
 - Comply with legal and market requirements



Industry Regulatory Requirements

- **NNA NSA Code of Conduct – 2013**
 - Guiding Principle 6: Privacy and Confidentiality
"The Certified Signing Specialist will respect the privacy of each signer and protect closing documents from unauthorized disclosure."
- **Today's regulatory environment**



Identifying and Minimizing Risk

- **What is risk?**

$$A + T + V = R$$

Asset + Threat + Vulnerability = Risk



Identifying and Minimizing Risk

- **Asset** – People, property, information
 - An asset is what we're trying to protect
- **Threat** – Anything that can exploit a vulnerability, ..., and obtain, damage, or destroy an asset
 - A threat is what we're trying to protect against
- **Vulnerability** – Weaknesses or gaps in a security program that can be exploited by threats to gain unauthorized access to an asset
 - A vulnerability is a weakness or gap in protection efforts
- **Risk** – The potential for loss, damage or destruction of an asset as a result of a threat exploiting a vulnerability
 - Risk is the intersection of assets, threats, and vulnerabilities.

$$A + T + V = R$$



Identifying and Minimizing Data Risk

▪ Electronic Programs

SPYWARE

TROJAN HORSE

WORMS

VIRUSES



$$A + T + V = R$$



Identifying and Minimizing Data Risk

▪ Internet-Based Applications/Technology

E-MAIL

SPAM

WI-FI



$$A + T + V = R$$



Identifying and Minimizing Data Risk

▪ Physical Handling of Data

HOME

OFFICE

VEHICLES



$$A + T + V = R$$



Identifying and Minimizing Data Risk

- Adhere to strong password policy
- Install software updates immediately
- Use firewalls



Identifying and Minimizing Data Risks

- Encrypt everything
- Immediate disposal of borrowers' loan documents
- Handling a security breach



NNA Privacy & Security Self-Assessment



1. Go to: [NNA Signing Agent Tools](#)
2. Click on the Self-Assessment icon 
3. Download the Self-Assessment
4. Assess your privacy/security business practices twice a year





Borrower NPPI Protection Plan

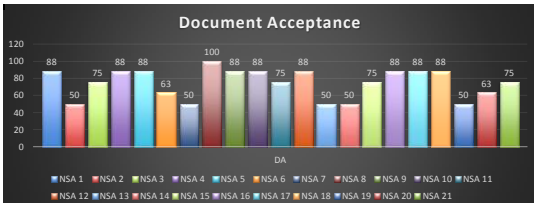
Take an honest risk assessment

- <https://www.nationalnotary.org/knowledge-center/signing-agent-resources/signing-agent-tool/self-assessment>



NNA Privacy Assessment Results

Document Acceptance

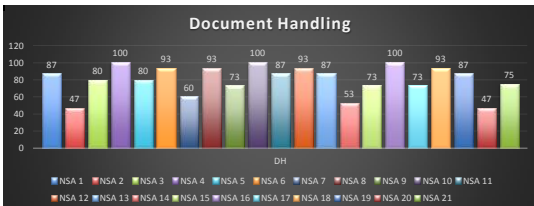


(90-100% Strong) (80-89% Pretty Good) (70-79% So-so) (60-69% Off the Mark) (59% & Under At Risk)



NNA Privacy Assessment Results

Document Handling



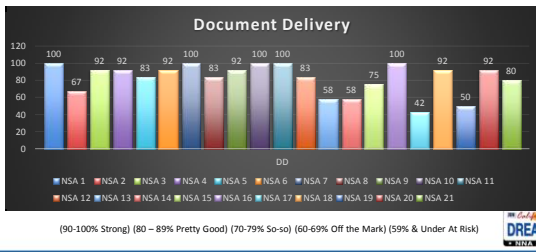
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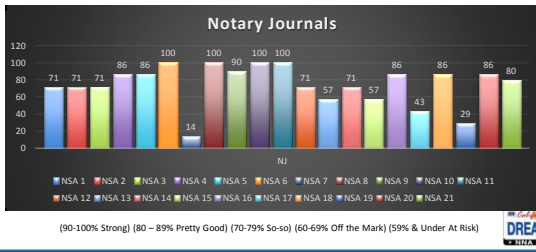
NNA Privacy Assessment Results



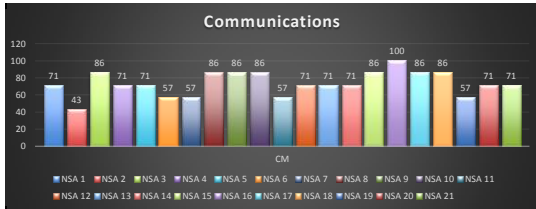
NNA Privacy Assessment Results



NNA Privacy Assessment Results



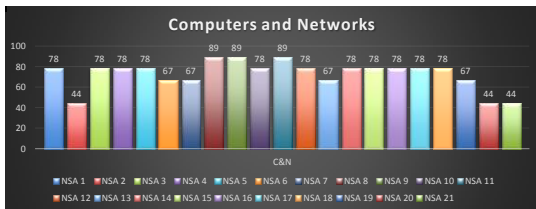
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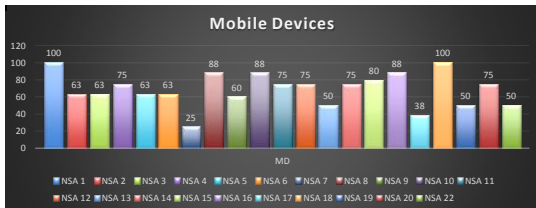
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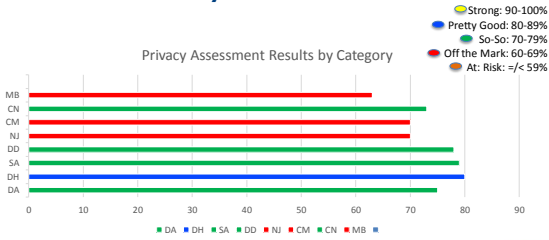
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NNA Privacy Assessment Results



Borrower NPPI Protection Plan

Step 2 - Ask yourself 7 basic questions:

1. What NPPI is accessible to me?
2. How do I receive this info?
3. How do I store this information?
4. How do I protect this information while in my possession?
5. How do I return this information safely to the lender?
6. How do I dispose of NPPI?
7. How do we notify lender of compromised information?



Borrower NPPI Protection Plan

Step 3 - Develop your NSA Borrower Protection Plan



Borrower NPPI Protection Plan

- Step 4 - Implement the NPPI Protection Plan



Summary

As the guardian of mortgage documents, the informed Notary Signing Agent minimizes the risk of borrower identity theft by keeping abreast of industry requirements, developing and implementing a NPPI protection plan for the borrower.



Acronyms

- Privacy Rights Clearing House (PRC)
- Federal Trade Commission (FTC)
- The Consumer Financial Protection Bureau's (CFPB)
- American Land Title Association (ALTA)
- National Notary Association (NNA)



Resources

- *Notary Bulletin* – January 15, 2014
- *TitleNews* - June 2014
- *The National Notary*, October 2015
- *Handling Loan Documents and Privileged Communications*, NNA 2014



THANK YOU to Participants in NNA's Privacy Self-Assessment Test

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