§1901.751 Purpose.

This Instruction prescribes the Rural Development procedure for issuing, safeguarding, and using security codes required for access of borrower information via computer terminals. Within limits set by the Privacy Act of 1974, controls must be instituted to provide certain safeguards for an individual against an invasion of personal privacy. To safeguard the confidentiality of borrower information, a security code is established by the Finance Office for each State, District, and County Office. The security code identifies a Rural Development office and the caseload that the office is authorized to request information from the Finance Office Inquiry Station or to request a subsequent loan check for authorized loan types by telephone from the Finance Office, the security code must be given in addition to the borrower identification for which information/subsequent loan check issuance is requested. The security code and borrower identification are verified by the computer system prior to generating requested information.

§1901.752 Security Code Issuance.

(a) The initial issuance of security codes was made in February 1977 on Form RD 389-435, "Notification of Security Code." This form is prepared in an original and one copy. The copy is signed by the addressee and returned to the Finance Office for verification. A heavy gauge pre-addressed envelope marked "To Be Opened By Addressee Only" is provided for returning the signed copy of Form RD 389-435 to the Finance Office. A listing of the security codes by office code is prepared and maintained in the Finance Office for verification purposes. The signed copy of Form RD 389-435 is retained in the Finance Office in a secured location until a subsequent security code is issued.

(b) Periodically, on an irregular schedule, the security codes for all offices will be changed. Form RD 389-435 will be used to notify all field offices of the new security codes. To allow for mailing, there will be approximately a 3-week lag between preparation of the new security code and the effective date for using the new security code. The effective date of the new security code will be indicated on Form RD 389-435.
(c) Prior to changing security codes, all field offices will be notified of the pending change. If Form RD 389-435 is not received as scheduled in any field office, the Finance Office should be notified immediately. Upon proper notification, a temporary security code may be issued under the procedure stated in §1901.753. If the signed verification copy of Form RD 389-435 is not received in the Finance Office prior to the effective date for using the new security code, all requests for information on that office's caseload will be refused.


(a) If for any reason a State Director, District Director, or County Supervisor feels the security code has become known by unauthorized personnel, the security code must be changed. A new security code will be requested via the Inquiry Station/Subsequent Loan Check Request Station of the Finance Office. The requesting official will provide the following information: servicing office code, current security code, type of office (State, District, County), reason for the change, and the name and telephone number of the person requesting the change.

(b) The Finance Office will prepare a new temporary security code and originate a telephone call to the requester. Upon satisfactory identification, the temporary security code will be given to the requester. The requester must be made aware that the security code is temporary until a new security code can be issued under the procedure stated in §1901.752.

§1901.754 Change in Office location.

(a) It is the responsibility of the State Office to notify the Business Services Branch of the Finance Office of a change in location so appropriate address and state/county code changes can be made for mailing purposes. With the advent of the security code system, added emphasis is now given to the prompt notification of the Finance Office when there is a change in location.

(b) When it becomes necessary to move, close, or establish field offices, the following procedure will be used:

(1) Office Moved - As long as the security code is not known by unauthorized personnel, the security code will not change and will be used at the new location.
§1901.754 (b) (Con.)

(2) Office Closed - The security code must no longer be used at the new location.

(3) New Office Established - A new security code must be obtained for the new location.

(c) If sufficient time is not available for issuing a security code using the normal procedure, a temporary security code may be issued by the Finance Office under the procedures stated in §1901.753.

§1901.755 Unauthorized Use of Security Codes.

(a) In the event the Finance Office becomes aware that a person, after gaining access to the computer system, was an unauthorized user, an attempt will be made to determine the source of the call.

(b) If the source of the call cannot be determined and the situation satisfactorily resolved, the information will be given to the State Director of the appropriate state for further investigation.

(c) To maintain the security of the system, the security code will be deleted from use and a new security code will be issued by the Finance Office under the procedures stated in §1901.753.

§1901.756 Invalid Security Codes.

(a) In the event an information/subsequent loan check request is received outside the jurisdiction of the requester, the caller will be requested to verify the information given. If a valid borrower identification and security code is not received, the caller will be requested to provide the following information: servicing office code, security code, borrower identification, and the name and telephone number of requester.

(b) The Finance Office will code the system so that any subsequent requests from that office will reject until the problem has been satisfactorily resolved.

(c) If necessary, to maintain the security of the system, the security code will be deleted from use and a new security code will be issued by the Finance Office under the procedures stated in §1901.753.

§1901.757 Organizational Responsibilities.

(10-19-77) PN 592
(a) Field Offices. It is the responsibility of the County Supervisor, District Director, and State Director to maintain the confidentiality of the security code. A unique security code is issued for each field office's use. The security code will only be known and used by authorized personnel normally dealing with the Inquiry Station/Subsequent Loan Check Request Station of the Finance Office. The Form RD 389-435 will be stored in a secure place under the custody of the County Supervisor, District Director, or State Director as appropriate. The security code will not be written on any other recording media.

(b) Finance Office. Security codes will be established and distributed as required by §1901.752. No information will be provided by the Inquiry Station/Subsequent Loan Check Request Station unless the appropriate security code is given. The security code will not be written on any recording media by Inquiry Station/Subsequent Loan Check Request Station employees.

§1901.758 Penalties.

The Privacy Act of 1974 establishes the following penalties for willful misuse of information prohibited from disclosure:

(a) Any officer or employee of Rural Development who has access to records which contain individually identifiable information and willfully discloses the material in any manner to any person or agency not entitled to receive it, will be subject to a fine not to exceed $5,000.

(b) Any person who knowingly and willfully requests or obtains any record concerning an individual from Rural Development under false pretenses will be subject to a fine not to exceed $5,000.

§§1901.759 - 1901.800 [Reserved]