

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

AWG Docket No. 09-0032

In re: ANNIE PALDO,

Petitioner

DECISION AND ORDER

This matter is before the Administrative Law Judge upon the request of the Petitioner, Annie Paldo, for a hearing to address the existence or amount of a debt alleged to be due, and if established, the terms of any repayment prior to imposition of an administrative wage garnishment. On November 20, 2008, a Prehearing Order was entered to facilitate a meaningful conference with the parties as to how the case will be resolved and to direct the exchange of information and documentation concerning the existence of the debt.

The Respondent complied with that Order and a Narrative was filed, together with supporting documentation. Ms. Paldo failed to file anything further with the Hearing Clerk and efforts to reach her by telephone were unsuccessful. At the time she requested a hearing, the Petitioner disputed only the amount of the garnishment, stating "I don't make [a] enough money for yall to take my income is low". In an effort to facilitate the Petitioner the hearing that she requested, the above Prehearing Order provided forms

upon which to list her financial information so that an informed decision might be made concerning her ability to pay the amount alleged to be due.

On the basis of the record before me, nothing further having been received from the Petitioner, the following Findings of Fact, Conclusions of Law and Order will be entered.

Findings of Fact

1. On July 29, 2005, the Petitioner, Annie Paldo, applied for and received a home mortgage loan guarantee from the United States Department of Agriculture (USDA) Rural Development (RD) and on September 28, 2005 obtained a home mortgage loan for property located at 611 Roosevelt Street, Navasota, Texas from J.P. Morgan Chase Bank, N.A. (Chase) for \$82,000.00 (Loan Number 1082576112). RX-1.

2. In 2006, the Petitioner defaulted on the mortgage loan and foreclosure proceedings were initiated. RX-2.

3. Chase purchased the secured property at the foreclosure sale on May 1, 2007 for \$76,500.00. Chase was not able to sell the residence by the marketing expiration date and submitted a loss claim in the amount of \$26,103.83 based upon a Liquidation Appraisal of \$75,000.00. The residence was subsequently sold for \$74,000.00 on February 22, 2008. No further recovery has been made. RX-2, 3 &4.

4. The Summary of Loss Claim Paid on the Loan Guarantee reflects that USDA paid Chase \$26,103.83 under the Loan Guarantee, including principal, accrued interest, the costs of foreclosure, maintenance, and subsequent sale, less the final sales proceeds. RX-2.

5. The Petitioner did file a Petitioner for Relief under Chapter 13 of the Bankruptcy Act on December 5, 2006 in the United States Bankruptcy Court for the Southern District of Texas (Petition No. 06-37005); however, on February 1, 2007, the Chapter 13 Trustee moved to dismiss the case. On March 13, 2007, the Motion to Dismiss was granted. As the Petitioner was not discharged in bankruptcy, the debt remains collectible.

Conclusions of Law

1. The Petitioner, Annie Paldo, is indebted to USDA RD in the amount of \$26,103.83 as of February 12, 2008 for the mortgage loan guarantee extended to her, further identified as Loan account number 1082576112.
2. All procedural requirements for administrative wage offset set forth in 31 C.F.R. §285.11 have been met.
3. The Respondent is entitled to administratively garnish the wages of the Petitioner.

Order

For the foregoing reasons, the wages of the Petitioner, Annie Paldo, shall be subjected to administrative wage garnishment at the rate of 15% of disposable pay, or such lesser amount as specified in 31 C.F.R. § 285.11(i).

Copies of this Decision and order shall be served upon the parties by the Hearing Clerk's Office.

Done at Washington, D.C.
January 6, 2009

PETER M. DAVENPORT
Administrative Law Judge

Copies to: Annie Paldo
Mary Kimball
Dale Theurer

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