

**UNITED STATES DEPARTMENT OF AGRICULTURE**  
**BEFORE THE SECRETARY OF AGRICULTURE**

In re:	)	AWG Docket No. 09-0054
	)	
Lee French	)	
	)	
Petitioner	)	<b>Decision</b>

On August 12, 2009, I held a hearing on a Petition to Dismiss the administrative wage garnishment proceeding to collect the debt allegedly owed to Respondent, USDA, Rural Development for a loss it incurred under a Single Family Housing Loan Guarantee. Petitioner and Mary Kimball, who testified for Respondent, were both duly sworn. Respondent proved the existence of the debt owed by Petitioner Lee French and his wife, Candice French, to Respondent for its payment of a loss sustained by JP Morgan Chase Bank, N.A., Loan number 1082681762, on the \$67,300.00 home mortgage loan the bank had made to Petitioner, on April 3, 2006, for property located at 103 Godfrey, Howard City, MI 49329. There were foreclosure proceedings and the property was resold after the eviction of Petitioner and his family. The present amount owed is \$55,421.23. The house was sold for considerably less than Petitioner had paid for it due to diminished economic conditions in the State of Michigan. Those conditions continue to prevail and Petitioner who has a wife and three children is unemployed. He presently receives monthly unemployment benefits of \$ [REDACTED], or \$ [REDACTED]0 after taxes. Though he was able to secure one week of work out of State, he had to return home because his mother was found to have cancer. Since his return, he was employed for only six days and has no employment

prospects in the foreseeable future. Obviously, the present collection of any part of the debt would cause Petitioner undue, financial hardship within the meaning and intent of the provisions of 31 C.F.R. § 285.11.

Accordingly, the Petition is granted and the pending wage garnishment proceedings are hereby dismissed. Though this decision does not preclude the debt's collection by the offset of Federal payments, such as tax refunds, through the action of the Treasury Department, it is recommended that the Treasury Department withhold such action and undertake to settle the claim in a manner that recognizes Petitioner's financial circumstances.

Dated: August 17, 2009

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**Victor W. Palmer**  
Administrative Law Judge