

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

In re: ) AWG Docket No. 09-0154  
 )  
 Lisa Rickers, )  
 )  
 Petitioner )

**Decision and Order**

This matter is before me upon the request of the Petitioner, Lisa Rickers for a hearing in response to efforts of Respondent to institute a federal administrative wage garnishment against her. On July 23, 2009, I issued a Pre-hearing Order requiring the parties to exchange information concerning the amount of the debt.

I conducted a telephone hearing at the scheduled time on October 8, 2009. USDA Rural Development Agency (RD) was represented by Gene Elkin, Esq. and Mary Kimball testified on behalf of the RD agency. Mr. Don Weaver acted as an observer for RD, but did not testify.

Petitioner did not make herself available to be contacted via telephone on the date and time set for the hearing.

The witnesses were sworn in. Ms. Kimball stated that she had no alternate phone numbers and knew of no other address for Petitioner other than the ones given by Petitioner in her written request for hearing on July 9, 2009. Ms. Kimball stated that none of the properly addressed mail sent by RD to Petitioner was returned by the U.S. Postal Service as a “bad address.”

RD had filed a copy of a Narrative along with exhibits RX-1 through RX-6 on August 5, 2009 with the OALJ Hearing Clerk and certified that it mailed a copy of the same to Petitioner.

Petitioner submitted no documents or exhibits pursuant to the Pre-Hearing Order. Petitioner owes \$20,653.12 on the USDA RD loan as of August 3, 2009, and in addition, potential fees due the US Treasury of \$5,782.87 pursuant to the terms of the Promissory Note.

### **Findings of Fact**

1. On July 17, 2003, Petitioner Lisa Rickers obtained a USDA Rural Development home mortgage loan for property located at ##### Highland Drive Carroll, IA 514##.<sup>1</sup> Petitioner signed a promissory note for \$65,000 and a Rural Development Loan Guarantee RX-2.

2. On January 1, 2006 Petitioner was sent a Notice of Acceleration and Demand for Payment (Default) on the Promissory Note. Ms. Kimball's testimony. At the time of the Default Notice, the balance due on the note was \$62,274.98 plus unpaid interest.

3. The total debt attributed to Petitioner at the time of the foreclosure was \$73,981.85 which included the costs of sale. RX-3.

4. The lender (J. P. Morgan - Chase) acquired the property at the foreclosure sale on March 20, 2007 for a bid price of \$58,650.00. RX-2. P. 3 of 7.

5. The lender was unable to make final sale of the property within RD's six month marketing requirement, therefore on/about October 26, 2007, the lender engaged an R.H.S. appraiser who appraised the property for \$38,000. RX-2 P. 4 of 7.

6. An actual sale to a new purchaser did occur on December 28, 2007 for a price of \$40,000.<sup>2</sup> RX-2 P. 3 of 7.

7. Petitioner was credited the R.H.S. appraisal price of \$38,000 plus \$375.71 (RX-2 P. 5

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<sup>1</sup>Complete address maintained in USDA records.

<sup>2</sup>The property was sold "as is."

of 7) plus \$1803.60 (RX-2 P 7 of 7) plus \$1928.42 (RX-3)<sup>3</sup> for a net loss amount due of \$31,874.12. RX-3.

8 Because the marketing period was exceeded, Petitioner was given an additional credit of \$1,598.00. RX-3.

9. After the final sale, the Petitioner's debt is \$30,276.12. RX-3.

10. RD received \$9,623.00 in additional payments from U.S. Treasury after their fees were deducted. The balance due USDA RD as of October 8, 2009 is \$20,653.12. RX-3, RD Narrative.

11. The potential fees due U.S. Treasury pursuant to the Loan Guarantee Agreement is \$5,782.87. Ms. Kimball's testimony.

12. Although Petitioner's stated reason for her petition for hearing was that she did not receive a proper offset for the initial price of \$58,600.00 paid by the lender (J. P. Morgan Chase) at the foreclosure sale on March 20, 2007, she presented no evidence to that end even though she was afforded an opportunity to do so.

13. There was no evidence that Petitioner has not been continuously employed by her current employer for 12 continuous months or whether she had been involuntarily terminated from her prior employer. 31 C.F.R. § 285.11(j).

14. Lisa Rickers is liable for the debt under the terms of the Promissory Note.

### **Conclusions of Law**

1. Petitioner Lisa Rickers is indebted to USDA's Rural Development program in the amount of \$20,653.12.

2. In addition, Petitioner is indebted for potential fees to the US Treasury which are

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<sup>3</sup>Ms. Kimball's testimony was the \$1928.42 was derived by \$12,856.14 less \$10,927.72. See RX-2 P. 6 of 7.

currently \$5,782.87.

3. All procedural requirements for administrative wage garnishment set forth in 31 C.F.R. § 285.11 have been met.

4. The USDA Rural Development Agency (RD) is entitled to administratively garnish the wages of the Petitioner.

### **Order**

For the foregoing reasons, provided the requirements of 31 C.F.R. § 288.11(j) have been met, the wages of the Petitioner, Lisa Rickers, shall be subject 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.

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**JAMES P. HURT**  
Hearing Official

October 9, 2009