

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

In re:) AWG Docket No. 10-0340
)
Paula Hendon,)
Petitioner) **Decision and Order**

On October 19, 2010, 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 loan in the amount of \$66,995.00 to finance the purchase of a primary residence located at 2638 Poinsetta, Ingleside TX 78362. Petitioner, and Mary Kimball, who testified for Respondent, were duly sworn. Respondent proved the existence of the debt owed by Petitioner to Respondent for its payment of a loss it sustained in respect to the loan it made to Petitioner. The mortgage loan had been made on June 9, 2003 and is evidenced by a promissory note that Petitioner signed. Ms. Hendon defaulted on the loan and a foreclosure sale was held on April 7, 2009. After the sale proceeds were posted, Petitioner owed USDA, Rural Development \$7,432.50. Treasury has since collected \$1,529.57 from Petitioner that has been paid to USDA, Rural Development. The present amount of the debt is \$5,902.93 plus potential fees to Treasury of \$1,652.82 for a total of \$7,555.75.

Petitioner is single and earns [REDACTED] per year as a Customer Service Representative for the Apex Company, or [REDACTED]0 per month. Her monthly expenses are: rent-[REDACTED] natural gas-[REDACTED] electricity-[REDACTED] gasoline-[REDACTED] food-[REDACTED] auto payment-[REDACTED], cable TV-[REDACTED] and medical-[REDACTED] This leaves her with disposable income

of [REDACTED] a month. Inasmuch as only 15% of disposable income may be garnished, no more than [REDACTED] may be garnished each month to pay this debt. In these circumstances she should arrange a settlement with Treasury.

USDA, Rural Development has met its burden under 31 C.F.R. §285.11(f)(8) that governs administrative wage garnishment hearings, and has proved the existence and the amount of the debt owed by the Petitioner. The maximum, however, that may be garnished from Petitioner's wages is [REDACTED] per month.

Dated:

Victor W. Palmer
Administrative Law Judge