

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

Docket No. 12-0412

In re: NOREEN CROPPER-LEWIS,

Petitioner

DECISION AND ORDER

This matter is before the Office of Administrative Law Judges (“OALJ”) upon the request of Noreen Cropper-Lewis (“Petitioner”) for a hearing to address the existence or amount of a debt alleged to be due, and if established, the propriety of imposing administrative wage garnishment. A telephonic hearing was set to commence on July 10, 2012 and the parties were directed to provide information and documentation concerning the existence of the debt to the Hearing Clerk for the Office of Administrative Law Judges for the United States Department of Agriculture. The Respondent filed a Narrative, together with supporting documentation, identified as RX-1 through RX-11. Petitioner filed a Consumer Debtor Financial Statement, identified as PX-1.

Hearing commenced as scheduled. Petitioner represented herself, and Respondent was represented by Ms. Leopardi of Rural Development, USDA, Saint Louis, Missouri. Both representatives testified.

On the basis of the entire record before me, the following Findings of Fact, Conclusions of Law and Order will be entered:

FINDINGS OF FACT

1. On May 21, 2007 Petitioner received a home mortgage loan in the amount of \$164,209.00 from DHI Mortgage Company, Ltd. for the purchase of real property located in Providence Village, Texas, evidenced by Promissory Note and Deed of Trust. RX -2.
2. Before closing on the real property purchase, Petitioner signed a Request for USDA-RD to guarantee the loan, thereby certifying that she would reimburse Respondent for any loss claim paid to the lender. RX-1.
3. The loan note was sold to Chase MMC on September 20, 2007. RX-3.
4. The Petitioner subsequently defaulted on the loan, and on April 6, 2010, the property was sold to Chase MMC at a foreclosure sale for the amount of \$139,000.00. RX-4; RX-5.
5. The property was sold to a third party on August 6, 2010 for \$125,000.00. RX-5.
6. Petitioner's loan balance at the time of foreclosure was \$195,502.65. RX-6.
7. USDA-RD paid a loss claim to Chase MMC in the amount of \$68,551.69. RX-7.
8. The balance on Petitioner's loan after sale proceeds, credits and fees were applied was \$68,551.69. RX-*
9. The loan was forwarded to the U.S. Department of Treasury ("Treasury") for collection, as mandated by law.
10. After application of additional credits and Treasury refund offset, Petitioner's debt as of the date of the hearing is \$67,823. 97, with potential additional fees of \$18,990.68. RX-10.
11. Petitioner was advised of intent to garnish her wages to satisfy the indebtedness.
12. Petitioner's request for a hearing was not timely and garnishment of her wages has been ongoing.

14. Petitioner works a flexible schedule for an hourly rate; she usually works thirty hours a week, but sometimes works a full-time schedule.

15. Petitioner contended that wage garnishment against her salary would represent a substantial financial hardship.

16. Petitioner's wages are the sole source of income for her and one dependent.

17. Petitioner's income is almost exhausted by her monthly expenses.

18. Petitioner's income can withstand garnishment only by reducing the amount of garnishment to 10% of her disposable income.

CONCLUSIONS OF LAW

1. The Secretary has jurisdiction in this matter.

2. Petitioner is indebted to USDA Rural Development in the amount of \$67,823.97 exclusive of potential Treasury fees for the mortgage loan extended to her.

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

4. The Respondent is entitled to administratively garnish the wages of the Petitioner but may not garnish more than 10% of Petitioner's wage.

5. Treasury shall remain authorized to undertake any and all other appropriate collection action.

ORDER

For the foregoing reasons, the wages of Petitioner shall be subjected to administrative wage garnishment up to 10% of Petitioner's disposable pay. 31 C.F.R. §285.11.

Petitioner is encouraged to negotiate repayment of the debt with the representatives of Treasury. The toll free number for Treasury's agent is **1-888-826-3127**.

Petitioner is advised that this Decision and Order does not prevent payment of the debt through offset of any federal money payable to Petitioner.

Petitioner is further advised that a debtor who is considered delinquent on debt to the United States may be barred from obtaining other federal loans, insurance, or guarantees. See, 31 C.F.R. § 285.13.

Until the debt is satisfied, Petitioner shall give to USDA RD or those collecting on its behalf, notice of any change in his address, phone numbers, or other means of contact.

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

So Ordered this 12th day of July, 2012 in Washington, D.C.

Janice K. Bullard
Administrative Law Judge