

UNITED STATES DEPARTMENT OF AGRICULTURE  
BEFORE THE SECRETARY OF AGRICULTURE

In re: )  
 ) [AWG]  
Gregory Snyder ) Docket No. **13-0099**  
 )  
Petitioner ) **Decision and Order**

Appearances:

Gregory Snyder (Petitioner Snyder), representing himself (appearing *pro se*), the Petitioner;  
and

Giovanna Leopardi, Appeals Coordinator, United States Department of Agriculture, Rural Development, Centralized Servicing Center, St. Louis, Missouri, for the Respondent (USDA Rural Development).

1. The Hearing by telephone was held as scheduled on January 23 and March 7, 2013. Gregory Snyder, the Petitioner (Petitioner Snyder), who represents himself (appears *pro se*), participated on January 23, 2013 but failed to participate on March 7, 2013.
2. Rural Development, an agency of the United States Department of Agriculture (USDA), the Respondent (“USDA Rural Development”), participated during both segments of the Hearing by telephone, represented by Giovanna Leopardi.

Summary of the Facts Presented

3. Admitted into evidence are Petitioner Snyder’s Hearing Request dated November 8, 2012 and his accompanying letter. During the January segment of the Hearing by telephone, Petitioner Snyder said he had been away from home (out-of-state) for more than a week and was driving back home; his wife had gotten a lawyer for him. He requested rescheduling and stated that when he arrived home, he would have his wife call to give us her phone number as a back-up for him and to identify the lawyer; neither Petitioner Snyder nor his wife phoned. The notice that “Hearing Will Resume 7 March 2013” was mailed to Petitioner Snyder on February 12, 2013. Petitioner Snyder failed to file a completed

“Consumer Debtor Financial Statement” or anything, and he failed to testify. On March 7, 2013, there was no answer at the phone number on Petitioner Snyder’s Hearing Request, which is the only phone number he provided. [The notice that “Hearing Will Resume . . .” instructed him to provide the number where he would be reached.]

4. USDA Rural Development’s Exhibits RX 1 through RX 10, plus Narrative, Witness & Exhibit List, were filed on December 19, 2012, and are admitted into evidence, together with the testimony of Giovanna Leopardi.

5. Petitioner Snyder bought a home in Tennessee in 2008, borrowing \$141,286.00 to pay for it. The loan was made by JP Morgan Chase Bank, N.A., with the servicing lender being Chase Home Finance, LLC. RX 2; RX 6, pp. 4-5. Frequently I refer to the lender as “Chase”.

6. USDA Rural Development’s position is that Petitioner Snyder owes to USDA Rural Development **\$56,763.76** (as of December 18, 2012), in repayment of the United States Department of Agriculture / Rural Development / Rural Housing Service *Guarantee* (see RX 1, esp. p. 2) for the loan made in 2008 (“the debt”). See USDA Rural Development’s Exhibits RX 1 through RX 10, plus Narrative.

7. The *Guarantee* (RX 1) establishes an **independent** obligation of Petitioner Snyder, “I certify and acknowledge that if the Agency pays a loss claim on the requested loan to the lender, I will reimburse the Agency for that amount. If I do not, the Agency will use all remedies available to it, including those under the Debt Collection Improvement Act, to recover on the Federal debt directly from me. The Agency’s right to collect is independent of the lender’s right to collect under the guaranteed note and will not be affected by any release by the lender of my obligation to repay the loan. Any Agency collection under this paragraph will not be shared with the lender.” RX 1, p. 2.

8. USDA Rural Development paid a loss claim of **\$56,763.76** to the lender Chase on July 1, 2011 (RX 6, p. 11). RX 7 details the loss claim paid. After careful review of all of the evidence, I agree with USDA Rural Development’s position.

9. The Due Date of the last payment made was April 1, 2009. RX 6, p. 6. The foreclosure sale date was May 26, 2010. RX 6, p. 6. RX 7 accurately shows that even after \$105,000.00 proceeds from the sale of the home were applied to reduce the debt, Petitioner Snyder still owed **\$56,763.76**.

10. The actions of the lender Chase were to buy the home at the foreclosure sale for \$140,250.00 (see Trustee’s Deed, RX 3) (the lender was not outbid); and thereafter, to market the home. Chase tried but failed to sell the REO (real estate owned) within six

months. The original list price was \$139,900.00 (RX 6, p. 7), and the final list price was \$109,900.00 (RX 6, p. 7).

11. After the six months, USDA Rural Development obtained a liquidation appraisal, \$105,000.00 as of March 9, 2011. RX 5. Based on the liquidation appraisal value, USDA Rural Development paid the loss claim to the lender Chase, **\$56,763.76**. Chase eventually sold the home, for \$85,000.00. *See* USDA Rural Development Narrative. That sale did not change anything with respect to Petitioner Snyder, because he had already been credited for more than that; he had been credited for \$105,000.00.

12. No interest has accrued since March 9, 2011, the date of the liquidation appraisal. No additional interest will accrue, which makes repaying the debt more manageable.

13. The amount of interest that accrued between April 1, 2009 (the due date of the last payment made) and March 9, 2011 (the date of the liquidation appraisal), nearly 2 years, was \$10,180.44. RX 7. Petitioner Snyder is responsible to repay that, as it is part of the loss claim. The amount of expenses incurred by the lender Chase to foreclose on, maintain, and market the home, was more than \$15,000.00. RX 7. Petitioner Snyder is responsible to repay that, as it is part of the loss claim.

14. The loss claim total, **\$56,763.76**, was referred to U.S. Treasury for collection in August 2012. RX 9, p. 1. That remained the balance, through December 18, 2012. RX 10. Petitioner Snyder still (as of December 18, 2012) owes the balance of **\$56,763.76** (excluding potential collection fees), and USDA Rural Development may collect that amount from him under the *Guarantee* (RX 1).

#### Discussion

15. Petitioner Snyder, you may want to telephone Treasury's collection agency to **negotiate** the repayment of the debt. Petitioner Snyder, this will require **you** to telephone the collection agency after you receive this Decision. The toll-free number for you to call is **1-888-826-3127**. Petitioner Snyder, you may choose to offer to the collection agency to compromise the debt for an amount you are able to pay, to settle the claim for less. Petitioner Snyder, you may wish to include someone else with you in the telephone call if you call to negotiate. Petitioner Snyder, you may want to consult with an attorney who has bankruptcy expertise.

#### Findings, Analysis and Conclusions

16. The Secretary of Agriculture has jurisdiction over the parties, Petitioner Snyder and USDA Rural Development; and over the subject matter (administrative wage garnishment,

which requires determining whether Petitioner Snyder owes a valid debt to USDA Rural Development).

17. Petitioner Snyder owes a valid debt to USDA Rural Development. USDA Rural Development paid a loss claim to the lender Chase, **\$56,763.76** on July 1, 2011 (RX 6, p. 11). RX 7 details the loss claim. That amount, **\$56,763.76**, is what USDA Rural Development recovers from Petitioner Snyder under the *Guarantee*. RX 1, RX 7; USDA Rural Development Narrative; and testimony.

18. USDA Rural Development may collect administratively pursuant to a *Guarantee*, even where NO judgment has been entered against a borrower and NO personal deficiency has been established. Petitioner Snyder owes to USDA Rural Development **\$56,763.76** as of December 18, 2012 [plus potential Treasury collection fees in the amount of 28% (the collection agency keeps 25% of what it collects; Treasury keeps another 3%), which would increase the balance by \$15,893.85, to \$72,657.61.] See RX 10, p. 2.

19. Garnishment **up to 15%** of Petitioner Snyder's disposable pay is authorized. There is no evidence that financial hardship will be created by the garnishment. 31 C.F.R. § 285.11.

20. Repayment of the debt may also occur through *offset* of Petitioner Snyder's **income tax refunds** or other **Federal monies** payable to the order of Mr. Snyder.

21. I am **not** ordering any amounts already collected prior to implementation of this Decision, whether through *offset* or garnishment of Petitioner Snyder's pay, to be returned to Petitioner Snyder.

#### Order

22. Until the debt is repaid, Petitioner Snyder shall give notice to USDA Rural Development or those collecting on its behalf, of any changes in his mailing address; delivery address for commercial carriers such as FedEx or UPS; FAX number(s); phone number(s); or e-mail address(es).

23. USDA Rural Development, and those collecting on its behalf, are authorized to proceed with garnishment **up to 15%** of Petitioner Snyder's disposable pay. 31 C.F.R. § 285.11.

Copies of this Decision shall be served by the Hearing Clerk upon each of the parties.

Done at Washington, D.C.  
this 7<sup>th</sup> day of March 2013

s/ Jill S. Clifton

Jill S. Clifton  
Administrative Law Judge

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