

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

In re:)	AWG Docket No. 10-0128
)	
William Harris,)	
)	
Petitioner)	Decision and Order

On June 28, 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 Single Family Housing Loan. Petitioner, William Harris, and Mary Kimball and Gene Elkin, who represented and testified for Respondent, were each duly sworn. Respondent proved the existence of the debt owed by Petitioner for payment of the loss Respondent sustained on the \$ 50,000.00 loan that had been made to Petitioner and his wife, Melinda Harris to finance the purchase of a home located at 121 Knollwood Drive, Industry, PA. The loan was evidenced by a Promissory Note dated September 21, 1990. Mr. Harris and his wife defaulted on the loan and a short sale was held on November 12, 1998. The home was sold for \$61,500.00. Prior to the sale, the amount owed to Respondent, USDA, Rural Development, was \$75,250.48. After the sale of the property, USDA, Rural Development was still owed \$25,112.02. Since the sale, \$10,601.79 has been collected by the U. S. Treasury Department in offsets from income tax refunds that Petitioner otherwise would have received. The amount that is presently owed on the debt is \$14,510.23 plus potential fees to Treasury of \$4,062.86, or \$18,573.09 total. Mr. Harris was employed through April of this year by a real estate company managing the cleaning of swimming pools and hot tubs. He is presently self-

employed in the business of cleaning swimming pools and hot tubs. He has no employees and presently has no earnings. He has been separated from his wife for 10 years. She now lives in Texas. He has no disposal income that may be subject to wage garnishment. 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.

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. On the other hand, Petitioner showed that he would suffer undue financial hardship if any amount of money is garnished from his disposable income at any time during the next six (6) months. During that time, Mr. Harris shall either make efforts to file for the protections of the bankruptcy laws, or contact Treasury to discuss a settlement plan to pay the debt.

Under these circumstances, the proceedings to garnish Petitioner's wages are suspended and may not be resumed for six (6) months from the date of this Order.

Dated:

Victor W. Palmer
Administrative Law Judge