

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

AWG Docket No. 10-0203

In re: SUSAN G. KLOSS,

Petitioner

DECISION AND ORDER

This matter is before the Administrative Law Judge upon the request of Susan G. Kloss for a hearing to address the existence or amount of a debt alleged to be due, and if established, the terms of any repayment prior to imposition of an administrative wage garnishment. On May 14, 2010, a Prehearing Order was entered to facilitate a meaningful conference with the parties as to how the case would be resolved, to direct the exchange of information and documentation concerning the existence of the debt, and setting the matter for a telephonic hearing on July 23, 2010.

The Respondent partially complied with that Order and a Narrative was filed, together with supporting documentation on June 10, 2010.¹ The Petitioner filed her documentation with the Hearing Clerk on June 8, 2010.² In the materials provided, Ms. Kloss acknowledged receiving the loan which gave rise to the obligation being sought to be collected, but expressed the belief that the obligation had been satisfied. The file reflects that Farmers Home Administration (FmHA) filed a foreclosure action in the

¹ The Prehearing Order directed Rural Development to file the Narrative on or before May 26, 2010.

² A duplicate copy was received on June 10, 2010.

United States District Court for the Western District of Pennsylvania which was apparently settled. Rural Development as the successor in interest to FmHA was asked to produce any deficiency judgment that might have been entered in the foreclosure action, but was unable to do so.

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 December 4, 1980, the Petitioner and her then husband at the time Gregory L. Kloss received a home mortgage loan in the amount of \$36,500.00 from the Farmers Home Administration (FmHA), United States Department of Agriculture (USDA), now Rural Development (RD) for property located in Bradford, Pennsylvania . RX-1.
2. A foreclosure action was brought by FmHA in the United States District Court for the Western District of Pennsylvania, Case No. 00-148E which was subsequently dismissed.
3. No deficiency judgment has been produced.

Conclusions of Law

1. In absence of a deficiency judgment entered in the foreclosure action, Susan G. Kloss is not indebted to USDA Rural Development in any amount.
2. In absence of a proven indebtedness, the Respondent is NOT entitled to administratively garnish the wages of the Petitioner.

Order

For the foregoing reasons, the administrative wage garnishment proceedings against Susan G. Kloss shall be terminated and **DISMISSED**.

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

Done at Washington, D.C.
July 23, 2010

PETER M. DAVENPORT
Chief Administrative Law Judge

Copies to: Susan G. Kloss
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