

UNITED STATES DEPARTMENT OF AGRICULTURE  
BEFORE THE SECRETARY OF AGRICULTURE

AWG Docket No. 10-0311

In re: Megan McDonald,  
Petitioner

**Decision and Order**

This matter is before the Administrative Law Judge upon the request of Megan McDonald 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 August 27, 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 November 2, 2010.

A Narrative had previously been filed, together with supporting documentation on August 13, 2010. The Petitioner filed documentation relating to her financial condition which was filed with the Hearing Clerk on October 18, 2010.

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 July 31, 2006, the Petitioner obtained a home mortgage loan in the amount of \$61,150.00 from Farmers Home Administration (FmHA), United States Department of

Agriculture (USDA), now Rural Development (RD) for property located in Strawberry Point, Iowa. RX-1.

2. The property was sold at a short sale on May 16, 2008 with proceeds and an escrow balance realized in the amount of \$53,354.36, leaving a balance due of \$14,250.78. RX-3.

3. Treasury offsets totaling \$9,003.79 exclusive of Treasury fees have been received. RX-3.

4. The remaining unpaid debt is in the amount of \$5,246.99 exclusive of potential Treasury fees. RX-3, 4.

5. The Petitioner's disposable income roughly approximates her monthly expenses and she is under a financial hardship at the present time.

#### **Conclusions of Law**

1. Megan McDonald is indebted to USDA Rural Development in the amount of \$5,246.99 exclusive of potential Treasury fees for the mortgage loans extended to her.

2. All procedural requirements for administrative wage offset set forth in 31 C.F.R. §285.11 have been met; however, the Petitioner's current financial hardship makes administrative wage garnishment inappropriate at this time.

3. The Respondent is **NOT** entitled to administratively garnish the wages of the Petitioner.

#### **Order**

For the foregoing reasons, the wages of the Petitioner shall **NOT** be subjected to administrative wage garnishment at this time. The debt shall remain at Treasury for any other appropriate action by that agency.

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

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Peter M. Davenport  
Chief Administrative Law Judge

Date: November 2, 2010

Copies to: Megan McDonald  
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Dale Theurer

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