

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

AWG Docket No. 10-0305

In re: Vera Louise Reynolds,  
f/k/a Vera Wood,

Petitioner

**Decision and Order**

This matter is before the Administrative Law Judge upon the request of Vera Louise Reynolds, formerly Vera Wood 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.

The Respondent complied with that Order and a Narrative was filed, together with supporting documentation on October 1, 2010. The Petitioner filed her documentation which was filed with to the Hearing Clerk on October 7, 2010. In her request for the hearing, the Petitioner asserted that she did not owe the full amount of the debt because the debt should have been released when the residence was sold at foreclosure and that she should not owe the full amount because she was married at the time of foreclosure and that her spouse should have to bear part of the debt.

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 June 2, 1995, the Petitioner assumed a home mortgage loan in the amount of \$31,879.00 from Farmers Home Administration (FmHA), United States Department of Agriculture (USDA), now Rural Development (RD) for property located in Fort Meade, Florida and on the same date obtained an additional loan from FmHA in the amount of \$11,600.00. Both loans were secured by a mortgage on the property. RX-2.
2. The property was sold at a foreclosure sale on October 8, 1998 with proceeds realized from that sale in the amount of \$33,500.00, leaving a balance due of \$18,957.97. RX-4.
3. Treasury offsets totaling \$3,498.63 exclusive of Treasury fees have been received. RX-4.
4. The remaining unpaid debt is in the amount of \$15,459.34 exclusive of potential Treasury fees. RX-5.
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. Vera Louise Reynolds is indebted to USDA Rural Development in the amount of \$15,459.34 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; however, her financial condition may be subject to review after a period of twelve months. 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: Vera Louise Reynolds  
Mary Kimball  
Dale Theurer

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