

**UNITED STATES DEPARTMENT OF AGRICULTURE**  
**BEFORE THE SECRETARY OF AGRICULTURE**

In re:	)	
	)	<b>AWG Docket No. 10-0307</b>
Jennifer Degenhardt,	)	
n/k/a Jennifer Lehman	)	
	)	
Petitioner	)	<b>Decision and Order</b>

1. The hearing by telephone was held on September 29, 2010. Ms. Jennifer Lehman, formerly known as Jennifer Degenhardt, the Petitioner (“Petitioner Lehman”), participated, representing herself (appearing *pro se*). Rural Development, an agency of the United States Department of Agriculture (USDA), is the Respondent (“USDA Rural Development”) and was represented by Mary E. Kimball. The record was held open through October 27, 2010 for Petitioner Lehman’s additional evidence, and none was filed.

2. The address for USDA Rural Development for this case is

Mary E. Kimball, Branch Accountant  
USDA / RD New Program Initiatives Branch  
Bldg 105 E, FC-22, Post D-2  
4300 Goodfellow Blvd  
St Louis MO 63120-1703

[mary.kimball@stl.usda.gov](mailto:mary.kimball@stl.usda.gov) 314.457.5592 phone  
314.457.4426 FAX

Summary of the Facts Presented

3. Petitioner Lehman owes to USDA Rural Development a balance of **\$55,842.52** (as of July 12, 2010) in repayment of a United States Department of Agriculture / Rural Housing Service **Guarantee** (see RX-1, esp. p. 2) for a loan made in 2006, the balance of which is now unsecured (“the debt”). Petitioner Lehman borrowed to buy a home in Illinois. See USDA Rural Development Exhibits, plus Narrative, Witness & Exhibit List (filed August 17, 2010), which are admitted into evidence, together with the testimony of Mary Kimball.

4. This *Guarantee* establishes an **independent** obligation of Petitioner Lehman, “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.

5. Potential Treasury fees in the amount of 28% (the collection agency keeps 25% of what it collects; Treasury keeps another 3%) on **\$55,842.52** would increase the current balance by \$15,635.91, to \$71,478.43. RX-5.

6. Petitioner Lehman’s Consumer Debtor Financial Statement (filed September 23, 2010), and her Hearing Request documents and statements, and Petitioner Lehman’s testimony, are admitted into evidence. Petitioner Lehman works as an assistant manager and files a joint tax return with her husband, who is **not** responsible to pay “the debt.” Petitioner Lehman’s disposable pay supports garnishment, up to 15% of Petitioner Lehman’s disposable pay (within the meaning of 31 C.F.R. § 285.11). The evidence does not show that Petitioner Lehman has any circumstances of financial hardship (within the meaning of 31 C.F.R. § 285.11).

7. Petitioner Lehman is responsible and willing and able to negotiate the repayment of the debt with Treasury’s collection agency.

#### Discussion

8. Garnishment is authorized, up to 15% of Petitioner Lehman’s disposable pay. *See* paragraph 6. I encourage **Petitioner Lehman and the collection agency to negotiate promptly** the repayment of the debt. Petitioner Lehman, this will require **you** to telephone the collection agency after you receive this Decision. Petitioner Lehman, 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. The toll-free number for you to call is **1-888-826-3127**.

#### Findings, Analysis and Conclusions

9. The Secretary of Agriculture has jurisdiction over the parties, Petitioner Lehman and USDA Rural Development; and over the subject matter, which is administrative wage garnishment.

10. Petitioner Lehman owes the debt described in paragraphs 3, 4 and 5.

11. **Garnishment is authorized**, up to 15% of Petitioner Lehman's disposable pay. 31 C.F.R. § 285.11.

12. This Decision does not prevent repayment of the debt through *offset* of Petitioner Lehman's **income tax refunds** or other **Federal monies** payable to the order of Ms. Lehman.

Order

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

14. USDA Rural Development, and those collecting on its behalf, are authorized to proceed with garnishment, up to 15% of Petitioner Lehman'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 18<sup>th</sup> day of November 2010

s/ Jill S. Clifton

Jill S. Clifton  
Administrative Law Judge

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