

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

In re:	)	AWG Docket No. 10-0447
	)	
Tiffany Tibbs,	)	
	)	
Petitioner	)	<b>Decision and Order</b>

On December 2, 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 losses it incurred under a mortgage given by the Respondent, USDA Rural Development to Petitioner, Tiffany Tibbs, and to her former husband, David Tibbs. Petitioner represented herself and USDA Rural Development was represented by Mary Kimball. Petitioner and Mary Kimball were each duly sworn.

Respondent sustained financial loss on the loan it gave to Petitioner and her former husband to finance the purchase of a home. The loan was in the amount of \$38,000.00, dated July 3, 1991. The payments on the loan were not met and a foreclosure sale was held on February 27, 2003. The house sold for \$28,850.00 when a balance of \$51,122.99 was still owed to USDA, Rural Development for principal, accrued interest, unpaid taxes and other expenses. Since the sale, \$16,361.81 has been collected by the United States Treasury Department. The amount that is presently owed on the debt is \$7,774.14 plus potential fees to Treasury of \$2,176.76, or \$9,950.90 total.

Petitioner and David Tibbs are divorced, and Petitioner has remarried and resides with her new husband, her 18 year old daughter who attends high school and her 20 year old son who attends college. Petitioner is employed as a Head Start Teacher earning

■■■■■ annually. Monthly household expenses are so divided that she is responsible for the monthly electric bills of ■■■■ and food bills of ■■■■. She shall also have large bills coming due during the next three months due to various seasonal family obligations. I have concluded that the collection of any part of the debt during the next three (3) months 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 she would suffer undue financial hardship if any amount of money is garnished from her disposable income at any time during the next three (3) months. During that time, Mrs. Tibbs should undertake to 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 three (3) months from the date of this Order.

Dated:

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Victor W. Palmer  
Administrative Law Judge