

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

In re:)	AWG Docket No. 10-0291
)	
Robin Lampley,)	
)	
Petitioner)	Decision and Order

On August 21, 2010, I held a hearing by telephone 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 loan it gave to Petitioner, Robin Lampley and Archie Lampley. Petitioner represented herself and Respondent, USDA Rural Development, was represented by Mary Kimball. Petitioner, Robin Lampley, and Mary Kimball who testified for Respondent, were each duly sworn.

Respondent proved the existence of the debt owed by Petitioner for payment of the losses Respondent sustained on the loans assumed and given to Petitioner, Robin Lampley and Archie Lampley to purchase a home located at 402 N. Goldheimer, Benton, IL 62812. The loan was evidenced by a Promissory Note in the amount of \$29,000 dated April 13, 1988 (RX-1). Loan payments were not made and a foreclosure sale was held on October 18, 1997. USDA, Rural Development received \$20,346.49 from the sale. Prior to the sale, the amount owed on the loan to Respondent, USDA, Rural Development, was \$38,085.46 for principal, interest, and other expenses. After the sale, Petitioner owed \$17,738.97 plus \$228.45 pre-foreclosure fees and refund to Treasury of \$2,097.44 for a total of \$20,124.86 owed. Since the sale, \$3,940.09 has been collected by the U. S. Treasury Department in offsets from income tax refunds that Petitioner otherwise would

have received. The amount that is presently owed on the debt is \$16,184.77 plus potential fees to Treasury of \$4,531.74, or \$20,716.51 total (RX-4). Petitioner is separated from Archie Lampley and resides with the youngest of her three children. Petitioner is employed as a Pharmacy Technician earning [REDACTED] per hour. Her monthly net income is [REDACTED]. Her monthly expenses are: rent-[REDACTED] gasoline-[REDACTED]; car insurance-[REDACTED] gas and electric-[REDACTED] cell-phone-[REDACTED] water-[REDACTED] and food-[REDACTED]. At present there is no disposable income that may be subject to wage garnishment.

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 has no present disposable income. She is seeking legal counsel on whether she should file for bankruptcy or perhaps settle the debt by obtaining a loan for a smaller amount than the debt presently claimed. At any rate, she has no disposable income at present and it appears unlikely she will have any disposable income during the next six (6) months. Accordingly, federal administrative garnishment proceedings may not be reinstated at any time during the next six (6) months.

It is hereby so ordered.

Dated:

Victor W. Palmer
Administrative Law Judge