

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

Docket No. 11-0017

In re: James Shealey,

Petitioner

**DECISION AND ORDER**

This matter is before me upon the request of James Shealey 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 October 28, 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.

The Respondent complied with that Order and a Narrative was filed, together with supporting documentation on November 5, 2010. Mr. Shealey objected to the debt in his Petition but did not file any documentation.

On December 7, 2010 at the scheduled time, RD was available for the conference call. RD was sworn.

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 February 20, 2004, James Shealey, the Petitioner received a home mortgage loan in the amount of \$59,934.00 from JP Morgan Chase Manhattan Mortgage for property located at 1## Wil\*\*\* Street, Dadeville, AL 36####.<sup>1</sup> The Petitioner signed a Housing Loan Guarantee on January 20, 2004 which acknowledged that if (FmHA), United States Department of Agriculture (USDA), now Rural Development paid a loss claim on the loan to the lender, Petitioners would reimburse the Agency (USDA) for that amount. (RD) RX-1.
2. The borrower defaulted on the loan on February 1, 2007 and the property was sold on December 4, 2008 for \$28,900.00. Narrative.
3. A loss claim was submitted to RD based on a liquidation appraisal, accrued interest, protective advances, attorney fees, appraisal and property inspections. RX-2.
4. RD paid a loss claim to JP Morgan Chase in the amount of \$31,250.86. RX-2.
5. USDA (RD) received one net payment from US Treasury totaling \$4,335.00 exclusive of Treasury. RX-6.
6. The remaining unpaid debt is in the amount of \$26,915.86 (\$31,250.86 - \$4,335.00) exclusive of potential Treasury fees. RX-3.
7. The remaining potential treasury fees are \$7,536.45. RX-6
8. Mr. Shealey's employment status is unknown.
9. Mr. Shealey did not submit any financial statements under oath.
10. I am unable to perform a Financial Hardship calculation.

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<sup>1</sup> Complete address maintained in USDA files.

### **Conclusions of Law**

1. James Shealey is indebted to USDA Rural Development in the amount of \$26,915.86 for the mortgage loan extended to him.
2. James Shealey is indebted to the US Treasury for potential fees in the amount of \$7,536.45.
3. All procedural requirements for administrative wage offset set forth in 31 C.F.R. §285.11 have been met.
4. The Respondent is entitled to administratively garnish the wages of the Petitioner.

### **Order**

For the foregoing reasons, the wages of James Shealey shall be subjected to administrative wage garnishment.

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

Done at Washington, D.C.  
January 10, 2011

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**JAMES P. HURT**  
**Hearing Officer**

Copies to:

Mary Kimball  
Dale Theurer

Hearing Clerk's Office  
U.S. Department of Agriculture  
1400 Independence Avenue SW  
Room 1031, South Building  
Washington, D.C. 20250-9203  
202-720-4443  
Fax: 202-720-9776