

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

In re:)	AWG Docket No. 11-0056
)	
Willie Woods Daniels,)	
)	
Petitioner)	Decision and Order

Pursuant to a Hearing Notice, I held a hearing by telephone, on February 22, 2011, at 10:30 AM Eastern Time, in consideration of a Petition seeking to dispute Petitioner's obligation to pay a debt that Petitioner incurred under a single family mortgage loan that was given to Petitioner, Willie Woods (now Willie Daniels) by Respondent, USDA, Rural Development. The loan in the amount of \$34,700.00 was made to facilitate the purchase of a primary residence located in Edgewood, Texas. However the loan was not paid and was re-amortized on December 12, 1987 when the principal amount was raised to \$38,944.58 to cover unpaid interest. In 1996, a Chapter 13 proceeding was filed that was subsequently dismissed, on May 14, 1998, for failure to make ordered payments. On July 6, 2009, a foreclosure sale was held that resulted in USDA receiving \$27,045.00 when Petitioner owed \$64,544.11 for principal, interest and fees respecting the unpaid loan. After application of the sale proceeds, Petitioner still owed \$37,499.11. Subsequent offsets from Petitioner's income tax refunds were made. She presently owes \$34,667.71 plus \$9,706.96 in fees to Treasury, or \$44,374.67 total. Respondent has initiated administrative garnishment of Petitioner's wages for the nonpayment of the amount still owed. At the hearing, Petitioner was represented by her

attorney, Jane Horta, Tyler, Texas, and Mary Kimball, represented Respondent. Both Petitioner and Ms. Kimball were sworn.

Petitioner as instructed by the Hearing Notice filed: 1. completed forms respecting her current employment, general financial information, assets and liabilities, and monthly income and expenses; 2. a narrative of events or reasons concerning the existence of the alleged debt and her ability to repay all or part of it; 3. supporting exhibits with a list of the exhibits and a list of witnesses who would testify in support of his petition. Petitioner is 61 years of age, divorced and employed as a Home Health Care Aide earning a gross monthly income of [REDACTED]. Her monthly expenses are: car payments-[REDACTED] gasoline-[REDACTED] electricity-[REDACTED] natural gas-[REDACTED] food-[REDACTED]0; cable TV-[REDACTED]; health insurance-[REDACTED] clothing-[REDACTED]; property tax-[REDACTED]; water-[REDACTED] phone-[REDACTED]; car insurance-[REDACTED]; home owners insurance-[REDACTED] medicine-[REDACTED] Church-[REDACTED]. Total monthly expenses are \$[REDACTED] The monthly expenses nearly equal her monthly gross income. Respondent's representative, Mary Kimball, Accountant for the New Initiatives Branch, USDA Rural Development, filed supporting documents and gave testimony showing that the debt owed to it by Petitioner has a present balance of \$34,667.71 plus \$9,706.96 in fees that are being assessed by Treasury for its collection efforts, or \$44,374.67 total.

Under these circumstances, there is no present disposable monthly income available for garnishment and the proceedings to garnish Petitioner's wages are hereby suspended and shall not be resumed for six (6) months from the date of this Order.

Dated: _____

Victor W. Palmer
Administrative Law Judge