

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

In re:)	AWG Docket No. 11-0066
)	
Laura Hurst,)	
Petitioner)	Decision and Order

On February 22, 2011, 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 a loss it incurred under a loan in the amount of \$62,200.00 to finance the purchase of a primary residence located at 213 Melanie Lane, Pleasant Gap, PA 16823. Petitioner and Mary Kimball, who testified for Respondent, were duly sworn. Respondent proved the existence of the debt owed by Petitioner to Respondent for its payment of a loss it sustained in respect to the loan it made to Petitioner. The mortgage loan had been made in 1989 and is evidenced by a promissory note that Petitioner signed. Ms. Hurst had failed to make all of her payments on the loan when the property was sold on May 15, 2002. After the sale proceeds were posted, Petitioner owed USDA, Rural Development \$33,789.10. Treasury has since collected tax refunds and stimulus payments that Petitioner would have received and paid them to USDA, Rural Development. The present amount of the debt is \$21,515.81 plus potential fees to Treasury of \$6,152.43 for a total of \$27,668.24.

Petitioner is employed as the General Manager of a Red Roof Hotel and receives net earnings of [REDACTED] per month. Her present monthly expenses are too high to permit any sum to be presently garnished from her disposable income. Thidegree of

financial hardship shall continue for the next six months when she should then be able to have no more than [REDACTED] per month garnished from her wages. At some time in the future she should arrange a settlement with Treasury.

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. However, for reasons of financial hardship, nothing may be garnished from her salary for the next six months, and after then the maximum that may be garnished from Petitioner's wages is [REDACTED] per month.

Dated:

Victor W. Palmer
Administrative Law Judge