

**UNITED STATES DEPARTMENT OF AGRICULTURE**

**BEFORE THE SECRETARY OF AGRICULTURE**

In re: ) AWG Docket No. 11-0046  
 )  
Christy Mason  
a/k/a Christy Bass )  
 )  
Petitioner )

**Final Decision and Order**

This matter is before me upon the request of the Petitioner (or “Debtor”), Christy Mason, a/k/a Christy Bass, for a hearing in response to efforts of Respondent to institute a federal administrative wage garnishment against her. On December 17, 2010, I issued a Pre-hearing Order requiring the parties to exchange information concerning the amount of the debt.

I conducted a telephone hearing at the revised scheduled time on April 12, 2011. USDA Rural Development Agency (RD) was represented by Mary Kimball who testified on behalf of the RD agency.

Ms. Mason/Bass was present and was represented by Heath R. Hasenbeck, Esq.

The witnesses were sworn in. RD had filed a copy of a Narrative along with exhibits RX-1 through RX-8 on January 10, 2011 with the OALJ Hearing Clerk and certified that it mailed a copy of the same to Petitioner. Petitioner filed her financial statement on March 9, 2011 and a pay stub on March 10, 2011 which I now label as RX-1 and 2. Ms. Mason’s attorney stated in his March 9, 2011 email (which I now label as RX-3) that Petitioner “does not contest the validity of the debt” but did raise the issue of financial hardship.

Ms. Mason/Bass stated that she split her household expenses with a roommate and as

such, the amounts stated on her financial statement were her share of the monthly expenses. Her pay stub from the Arkansas local school district includes a mandatory 6% deduction for a teachers retirement system.

Petitioner owes \$61,651.69 on the USDA RD FmHA loan, and in addition, potential fees of \$18,495.51 due the US Treasury pursuant to the terms of the Promissory Note and guarantee.

### **Findings of Fact**

1. On April 29, 2005, Petitioner Christy Mason and Terry Mason (her husband) obtained a USDA FmHA home mortgage loan for property located at 19\*\* SW Asp\*\* Street, Benton, AR 727\*\*. <sup>1</sup> Prior to obtaining this loan, borrowers signed a Single Housing Loan Guarantee. RX - 1, RX-2, and RX-3.

2. The Borrowers defaulted on the loans and a foreclosure sale was held on August 14, 2006. Narrative, RX-4 @ p. 3 of 8.

3. Prior to the sale, borrowers owed \$184,431.40 as principal and \$65,892.62 as interest. They also owed \$6,013.74 as Lenders Liquidation costs. Narrative, RX-4 @ p. 3-7 of 8.

4. The net proceeds received by RD from the foreclosure sale was \$129,987.26. RX- 4 @ p. 6 of 8.

5. After the application of the foreclosure sale proceeds, the borrowers jointly and severally owed \$65, 651.69. RX-4 @ p. 7 of 8.

6. USDA has received payments amounting to \$4,240.93 bringing the current amount owed to \$61,651.69.

7. Terry Mason has been discharged in Chapter 7 bankruptcy. Narrative.

8. The potential fees due U.S. Treasury pursuant to the Loan Agreement are \$18,495.51. Narrative, RX-8.

9. Ms. Mason/Bass is jointly and severally liable on the debt under the terms of the

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

Promissory and Guarantee Notes.

10. Ms. Mason stated that she has been gainfully employed for more than one year, but she raised issues of financial hardship.

11. Ms. Mason provided a financial schedule of expenses under oath and a monthly pay stub from her employer. PX-1 and PX-2.

12. Using the Financial Hardship Calculation program and data from her sworn testimony and financial statement (PX – 1,2), I made a calculation of the appropriate wage garnishment. The calculations are enclosed.<sup>2</sup>

### **Conclusions of Law**

1. Petitioner, Christy Mason/Bass, is indebted to USDA's Rural Development program in the amount of \$61,651.69.

2. In addition, Petitioner is indebted for potential fees to the US Treasury in the amount of \$18,495.51.

3. All procedural requirements for administrative wage garnishment set forth in 31 C.F.R. ¶ 285.11 have been met.

4. Petitioner is under a duty to inform USDA's Rural Development of her current address, employment circumstances, and living expenses.

5. RD may administratively **not** garnish Petitioner's wages.

6. After one year, RD may reassess Petitioner's financial hardship criteria.

### **Order**

1. The requirements of 31 C.F.R. ¶ 288.11(i) & (j) have been met.

2. The wages of Petitioner may **not** be garnished for one year.

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<sup>2</sup> The Financial Hardship Calculation is not posted on the OALJ website.

3. After one year, RD may reassess the Debtor's financial position and modify the garnishment percentage as circumstances dictate.

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

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JAMES P. HURT

Hearing Official

April 14, 2011