

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

In re:)
) **AWG Docket No. 11-0146**
Ray E. Ford)
)
Petitioner) **Decision and Order**

1. The hearing was held on April 14, 2011, as scheduled. Ray E. Ford, the Petitioner (“Petitioner Ford”) failed to appear. [Petitioner Ford failed to appear by telephone. He could not be reached at the telephone number he provided on his Hearing Request (which yielded “Message No. 21: the Cricket phone is no longer in service”), and he provided no other phone number.]

2. Rural Development, an agency of the United States Department of Agriculture (USDA), is the Respondent (“USDA Rural Development”) and was represented by Ms. Mary E. Kimball. The address for USDA Rural Development for this case is

Mary E. Kimball, Branch Accountant
USDA / RD New Program Initiatives Branch
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4300 Goodfellow Blvd
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3. I encourage **Petitioner Ford and the collection agency** to work together to **establish a repayment schedule** rather than immediately proceeding with garnishment, even though this Decision authorizes garnishment, up to 15% of Petitioner Ford’s disposable pay. Petitioner Ford, obviously, will have to make himself available to the collection agency if he wants to negotiate. *See* paragraphs 10 and 11.

4. This is Petitioner Ford’s case (he filed the Petition), and in addition to failing to be available for the hearing, Petitioner Ford failed to file with the Hearing Clerk any

information in response to my Order issued March 8, 2011. Petitioner Ford's deadline for that was April 1, 2011.

Summary of the Facts Presented

5. Petitioner Ford owes to USDA Rural Development a balance of **\$25,085.14** (as of March 10, 2011), in repayment of a United States Department of Agriculture / Farmers Home Administration loan made in 1996, the balance of which is now unsecured ("the debt"). Petitioner Ford borrowed to buy a home in Texas. *See* USDA Rural Development Exhibits, plus Narrative, Witness & Exhibit List (filed March 21, 2011), which are admitted into evidence, together with the testimony of Mary Kimball.

6. Potential Treasury fees in the amount of 28% (the collection agency keeps 25% of what it collects; Treasury keeps another 3%) on **\$25,085.14** would increase the current balance by \$7,023.84, to \$32,108.98. *See* USDA Rural Development Exhibits, esp. RX 8.

7. The amount Petitioner Ford borrowed was \$59,780.00 in 1996. By the time of the foreclosure sale in 2001, that debt had grown to \$80,132.88. Petitioner Ford was credited with \$46,336.00 in sale proceeds. RX 7.

8. Petitioner Ford has paid the balance down to **\$25,085.14**, as of March 10, 2011 (not including "Remaining potential fees" which are the collection fees). RX 7 and RX 8.

9. Petitioner Ford failed to file a Consumer Debtor Financial Statement or any other financial information or anything in response to my Order dated March 8, 2011; consequently there is no evidence before me regarding Petitioner Ford's disposable pay or any 31 C.F.R. § 285.11 factors. I must presume that Petitioner Ford's disposable pay supports garnishment, up to 15% of Petitioner Ford's disposable pay.

10. Petitioner Ford is responsible and capable of negotiating the repayment of the debt with Treasury's collection agency.

Discussion

11. I encourage **Petitioner Ford and the collection agency to negotiate promptly** the repayment of the debt. Petitioner Ford, this will require **you** to telephone the collection agency after you receive this Decision. The toll-free number for you to call is **1-888-826-3127**. Petitioner Ford, you may choose to offer to compromise the debt for an amount you are able to pay, to settle the claim for less.

Findings, Analysis and Conclusions

12. The Secretary of Agriculture has jurisdiction over the parties, Petitioner Ford and USDA Rural Development; and over the subject matter, which is administrative wage garnishment.
13. Petitioner Ford owes the debt described in paragraphs 5, 6, 7 and 8.
14. Garnishment is authorized, up to 15% of Petitioner Ford's disposable pay. 31 C.F.R. § 285.11.
15. Repayment of the debt may also occur through *offset* of Petitioner Ford's **income tax refunds** or other **Federal monies** payable to the order of Mr. Ford.

Order

16. Until the debt is fully paid, Petitioner Ford shall give notice to USDA Rural Development or those collecting on its behalf, of any changes in his mailing address; delivery address for commercial carriers such as FedEx or UPS; FAX number(s); phone number(s); or e-mail address(es).
17. USDA Rural Development, and those collecting on its behalf, are authorized to proceed with garnishment, up to 15% of Petitioner Ford's disposable pay.

Copies of this Decision shall be served by the Hearing Clerk upon each of the parties.

Done at Washington, D.C.
this 19th day of April 2011

s/ Jill S. Clifton

Jill S. Clifton
Administrative Law Judge

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