

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

In re:)	AWG Docket No. 11-0282
)	
Joseph Keith,)	
)	
)	
Petitioner)	Decision And Order

Pursuant to a Hearing Notice, I held a hearing in this proceeding by telephone, on July 27, 2011, at 2:30 PM Eastern Time. Petitioner, Joseph Keith, and Respondent, United States Department of Agriculture, Rural Development (USDA-RD), through its representative, Mary E. Kimball, participated and were sworn. USDA-RD introduced documents pertaining to a home mortgage it gave to Petitioner on March 25, 2002, when he signed a promissory note and a mortgage for a \$70,804.00 home mortgage to purchase a home at 100 Wall Street, North East, PA (RX-1 and RX-2).

The mortgage loan was not paid as required, and on November 29, 2010, the house that it was used to purchase, was sold at a short sale in which USDA-RD received \$20,000.00 when \$109,838.17 was owed by Mr. Keith for principal, accrued interest and fees. Since then, Treasury has collected \$507.00 through offsets against federal income tax refunds otherwise due to Mr. Keith. At present, \$93,140.92 is owed on the debt plus “Remaining potential fees” to Treasury of \$26,014.50, or \$118,923.42 total (RX-10).

Mr. Keith testified that he is single and, since last November, has been employed for less than one year as a security guard earning a minimum wage of \$ [REDACTED] per hour by

St. Moritz. He is paid every two weeks earning a monthly net income of [REDACTED] from which he pays monthly expenses of: [REDACTED]-rent; \$ [REDACTED]-food; [REDACTED]-cable TV; [REDACTED]-clothing; and [REDACTED]-cell phone, or [REDACTED] total. Under these circumstances, I have concluded that administrative garnishment of any part of Mr. Keith's wages "would cause a financial hardship to the debtor" within the meaning of the controlling regulation (31 CFR § 285.11(f)(8) (ii)). The evidence shows that Petitioner presently has no monthly disposable income. Accordingly, there is no disposable income that may be administratively garnished and therefore administrative wage garnishment may not be pursued.

Order

The relief sought in the petition is hereby granted, and the pending administrative wage garnishment to collect money from Petitioner's disposable pay to satisfy a nontax debt asserted by the Respondent, USDA-RD is hereby barred and dismissed.

This matter is stricken from the active docket.

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

Dated: _____

Victor W. Palmer
Administrative Law Judge