

**UNITED STATES DEPARTMENT OF AGRICULTURE  
BEFORE THE SECRETARY OF AGRICULTURE**

Docket No. 12-0196

In re: ZACHARIAH EASLEY,  
Petitioner

**Final Decision and Order**

This matter is before the Office of Administrative Law Judges (“OALJ”) upon the request of Zachariah Easley (“Petitioner”) for a hearing to address the existence or amount of a debt alleged to be due to the United States Department of Treasury (“Treasury”) through the United States Department of Agriculture, Rural Development Agency (“Respondent”; “USDA-RD”), and, if established, the propriety of imposing administrative wage garnishment. By Order issued on February 6, 2012, the parties were directed to exchange and file submissions and a telephonic hearing was scheduled to commence on March 6, 2012. The Respondent filed a Narrative, together with supporting documentation on February 14, 2012.

I conducted a telephone hearing at the scheduled time on March 6, 2012. Respondent was represented by Michelle Tanner who testified on behalf of the RD agency. Petitioner did not participate in the hearing, though my staff attempted to contact him at the telephone number that he provided.

On the basis of the entire record before me, the following Findings of Fact, Conclusions of Law and Order will be entered:

**Findings of Fact**

1. On July 17, 2007, Petitioner obtained a home loan mortgage from Homestead

Mortgage Services in the amount of \$130,000.00 for the purchase of real property in Shady Point, OK, evidenced by an executed promissory note. RX-2.

2. Subsequently, the loan was assigned to JP Morgan Chase Bank. RX-2.

3. Prior to executing the loan documents, on June 3, 2003, Petitioner signed a request for Respondent USDA-RD to guarantee the loan, thereby agreeing to pay for any loss paid by Respondent to the lender or its assigns. RX-1.

4. Petitioner defaulted on the loan, and foreclosure action ended with sale of the property to the lender on June 9, 2009. RX-3; RX-4.

6. The lender paid protective advances, which together with the principal balance and interest accrued, resulted in a balance due on the loan in the amount of \$166,487.21, of which \$17,496.12 constituted the cost of liquidation of the property in the form of fees, advances and maintenance. RX-3; RX-6; RX-7.

7. The foreclosed property was sold to a third party on December 2, 2009 for the sum of \$93,100.00. RX-5; RX-6.

8. USDA RD paid the lender a loss claim of \$68,056.88 under the guarantee agreement. RX-7.

9. The amount of the claim was established as a debt on Petitioner's account, and Respondent offered to compromise the debt in correspondence dated June 30, 2010. RX-9.

10. On November 8, 2010, the account was referred to the Department of Treasury ("Treasury") for collection, pursuant to prevailing law. RX-9.

10. Potential fees due to Treasury for debt collection pursuant to the Loan Guarantee Agreement are \$17,452.37. RX-9.

### **Conclusions of Law**

1. Petitioner is indebted to USDA's Rural Development program in the amount of \$79,782.26 including potential fees due to Treasury.

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

3. There is no evidence that wage garnishment at the legally permissible amount would constitute a hardship.

4. USDA-RD may administratively garnish Petitioner's wages in the amount of 15% percent of his monthly disposable income.

5. Petitioner is advised that if he acquires the ability to negotiate a lump sum payment, he may be able to enter into a compromise settlement of the debt with the representatives of Treasury. Petitioner is further advised that such an agreement may lower anticipated fees for collecting the debt. In addition, Petitioner may inquire about whether he may enter into an arrangement to make installment payments to Treasury in lieu of garnishment. The toll free number for Treasury's agent is **1-888-826-3127**.

6. Petitioner is advised that this Decision and Order does not prevent payment of the debt through offset of any federal money payable to Petitioner, including income tax refunds.

7. Petitioner is further advised that a debtor who is considered delinquent on debt to the United States may be barred from obtaining other federal loans, insurance, or guarantees. See, 31 C.F.R. § 285.13.

### **Order**

1. Administrative Wage Garnishment may proceed at this time at the rate of 15.0% of

Petitioner's Monthly Disposable Income.

2. Until the debt is satisfied, Petitioner shall give to USDA RD or those collecting on its behalf, notice of any change in his address, phone numbers, or other means of contact.

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

So Ordered this \_\_\_\_\_ day of March, 2012 in Washington, D.C.

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Janice K. Bullard  
Administrative Law Judge