

UNITED STATES DEPARTMENT OF AGRICULTURE  
BEFORE THE SECRETARY OF AGRICULTURE

In re:	)	
	)	[AWG]
Paula Hendon,	)	Docket No. <b>13-0076</b>
	)	
Petitioner	)	<b>Decision and Order</b>

Appearances:

Paula Hendon, representing herself (appearing *pro se*), the Petitioner; and

Michelle Tanner, Appeals Coordinator, United States Department of Agriculture, Rural Development, Centralized Servicing Center, St. Louis, Missouri, for the Respondent (USDA Rural Development).

1. The hearing by telephone was held on January 22, 2013. Paula Hendon, full name Paula Kay Hendon, the Petitioner (“Petitioner Hendon”) participated, representing herself (appearing *pro se*).

2. Rural Development, an agency of the United States Department of Agriculture (USDA), the Respondent (“USDA Rural Development”), participated, represented by Michelle Tanner.

Summary of the Facts Presented

3. Petitioner Hendon’s Hearing Request dated October 25, 2012 is admitted into evidence, together with the testimony of Petitioner Hendon. The record was held open through February 15 (Friday) 2013, for Petitioner Hendon to file with the Hearing Clerk and copy to Michelle Tanner, records from her current employer and her previous employer that document the amounts taken from her pay by garnishment, but Petitioner Hendon filed nothing.

4. USDA Rural Development's Exhibits RX 1 through RX 6 (filed on November 23, 2012 and on January 30, 2013), plus Narrative, Witness & Exhibit List, are admitted into evidence, together with the testimony of Michelle Tanner.
5. Judge Victor W. Palmer's Decision and Order filed October 20, 2010 (RX 4) determined Petitioner Hendon's indebtedness to USDA Rural Development. Judge Palmer also determined that the maximum "that may be garnished from Petitioner's wages is \$49.50 per month." RX 4, p. 2. Petitioner Hendon changed jobs, and the garnishment amounts increased.
6. Petitioner Hendon owes to USDA Rural Development **\$971.29** (as of January 29, 2013) in repayment of a USDA Rural Housing Service loan borrowed in 2003 for a home in Texas, the balance of which is now unsecured ("the debt"). *See* USDA Rural Development Exhibits, esp. RX 1 and RX 6.
7. Potential Treasury fees in the amount of 28% (the collection agency keeps 25% of what it collects; Treasury keeps another 3%) on **\$971.29** would increase the balance by \$271.97, to \$1,243.26. RX 6, p. 3.
8. To prevent financial hardship, potential garnishment to repay "the debt" (*see* paragraph 6) must be limited to **up to 7%** of Petitioner Hendon's disposable pay through September 2014; then, beginning October 2014, **up to 10%** of Petitioner Hendon's disposable pay. 31 C.F.R. § 285.11.
9. Petitioner Hendon has nearly paid the debt in full but may still want to negotiate the disposition of the remaining balance with Treasury's collection agency.

#### Discussion

10. Garnishment is authorized in limited amount. *See* paragraph 8. Petitioner Hendon, you may want to telephone Treasury's collection agency to **negotiate** the repayment of the remaining debt. Petitioner Hendon, 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 Hendon, you may choose to offer to the collection agency to compromise the debt for an amount you are able to pay, to settle the claim for less. Petitioner Hendon, you may choose to offer to pay through solely **offset** of **income tax refunds**, perhaps with a specified amount for a specified number of years. Petitioner Hendon, you may wish to include someone else with you in the telephone call if you call to negotiate.

Findings, Analysis and Conclusions

11. The Secretary of Agriculture has jurisdiction over the parties, Petitioner Hendon and USDA Rural Development; and over the subject matter, which is administrative wage garnishment.
12. Garnishment **up to 7%** of Petitioner Hendon's disposable pay is authorized through September 2014; thereafter, garnishment **up to 10%** of Petitioner Hendon's disposable pay is authorized. 31 C.F.R. § 285.11.
13. I am **not** ordering any amounts already collected prior to implementation of this Decision, whether through *offset* or garnishment of Petitioner Hendon's pay, to be returned to Petitioner Hendon.
14. Repayment of the debt may occur through *offset* of Petitioner Hendon's **income tax refunds** or other **Federal monies** payable to the order of Ms. Hendon.

Order

15. Until the debt is repaid, Petitioner Hendon shall give notice to USDA Rural Development or those collecting on its behalf, of any changes in her mailing address; delivery address for commercial carriers such as FedEx or UPS; FAX number(s); phone number(s); or e-mail address(es).
16. USDA Rural Development, and those collecting on its behalf, are authorized to proceed with garnishment **up to 7%** of Petitioner Hendon's disposable pay through September 2014. Beginning October 2014, garnishment **up to 10%** of Petitioner Hendon's disposable pay is authorized. 31 C.F.R. § 285.11.

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

Done at Washington, D.C.  
this 22<sup>nd</sup> day of February 2013

s/ Jill S. Clifton

Jill S. Clifton  
Administrative Law Judge

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