

**United States Department of Agriculture
Before The Secretary of Agriculture**

Docket No. AWG 12 – 0530

Yolanda Watkins
Petitioner

Decision and Order

This matter is before me upon the request of Petitioner for a hearing to address the existence or amount of debt alleged to be due, and if established, the terms of any repayment prior to the imposition of an administrative wage garnishment. On August 2, 2012, a prehearing order was entered to facilitate a meaningful conference with the parties as to how the case would be resolved, to direct the exchange of information and documentation concerning the existence of debt, and setting the matter for telephonic hearing. RD filed its Narrative and Exhibits RX-1 through RX-11 on August 8, 2012. After a series of mis-communications, the parties were finally available for the oral hearing on February 28, 2013.

At the time and place set for the hearing, both parties were present. Michelle Tanner represented Rural Development (RD) and Miss Watkins was self-represented. The parties were sworn.

In her petition for rehearing, Miss Watkins requested to be considered for a financial hardship calculation. She filed her Financial Statement on February 20, 2013. She did not directly challenge the amount of the debt.

Ms. Watkins has been employed more than one year, but has been officially informed that her job in a conveyor manufacturing company will be involuntarily terminated. She has one minor dependent. She has an outstanding orthodontist bill which she is retiring monthly. She has a monthly payment on her car. She contributes to her 20 year old daughter's food bill. She lives modestly.

Findings of Facts

1. On August 4, 2004, Petitioner Yolanda Watkins obtained a home mortgage loan directly

- from Chase Manhattan Mortgage in the amount of \$86,000. RX-2.
2. Prior to signing the mortgage agreement, Petitioner signed RD loan guarantee form 1980-21. RX-1.
 3. The Petitioner became delinquent and on/before January 7, 2009, the loan was accelerated due to monetary default. RX-3.
 4. At the foreclosure sale, the property sold for \$59,500 to a third party. RX-3, RX-5 @p. 2 of 6.
 5. The Petitioner owed \$110,909.15 prior to the foreclosure sale. RX-7.
 6. After complying with the Loan Guarantee agreement, RD paid to the lender a loss claim amount of \$47,086.83. RX-6 @ 6 of 16, RX-7.
 7. After a search of credit agency databases, RD utilized the best address available to notify Petitioner of the remaining debt on September 9, 2009. RX-9.
 8. The debt of \$ 47,086.83 was transferred to Treasury for further collection on July 28, 2012. RX-10 @ p. 5 of 11.
 9. Following the foreclosure, treasury has collected monies toward this account and Petitioner now owes \$34,495.50. RX-10 @ p. 9 of 11.
 10. In addition, the Petitioner owes \$9,658.74 in potential collection fees. RX-10 @ p. 5 of 11.

Conclusions of Law

Petitioner is liable to the USDA Rural Development in the amount of \$34,495.50 for the mortgage loan extended to her.

In addition, Petitioner is liable to the USDA Rural Development in the amount of \$9,658.74 for potential collection fees.

All procedural requirements for administrative wage garnishment set forth in 31 CFR § 285.11 have been met. Petitioner has been involuntarily terminated from her employment. Rural Development is not entitled to administratively garnish the wages of Petitioner at this time.

Order

For the foregoing reasons, the wages of Petitioner shall be not subjected to administrative wage garnishment at this time. After one year, RD may reconsider the Petitioner's financial position.

Copies of this decision and order shall be served upon the parties by the Hearing Clerk's office.

March 4, 2013.

James P Hurt
Hearing Officer
copies to:

Yolanda Watkins
Michelle Tanner
Dale Theurer