

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

In re:)
)
Greg C. Stephan,) AWG Docket No. 10-0280
)
Petitioner)

Final Decision and Order

This matter is before me upon the request of the Petitioner, Greg C. Stephan, for a hearing in response to efforts of Respondent, USDA’s Rural Development Agency, to institute a federal administrative wage garnishment against him. On June 10, 2010, I issued a Order requiring the parties to exchange information concerning the amount of the debt. This Order scheduled a telephone hearing on July 8, 2010.

Pursuant to this Order, Rural Development filed a copy of its Narrative along with exhibits RX-1 through RX-5 on June 25, 2010. Mr. Stephan did not file his Narrative or any documents to support his claim that he does not owe the balance of the debt.

Mr. Stephan did not participate in the telephone hearing on July 8, 2010. Subsequent efforts to reach him have been futile. The telephone number he provided in his hearing request is not a working number.

Because Mr. Stephan failed to appear at the hearing he requested and subsequent efforts to reach him have been futile, I deem that he has not “timely filed a request for a hearing.” 31 CFR §285.11(f) (13).

Based on the record before me, I conclude that Mr. Stephan owes \$21,099.19 because of a default on a USDA Farmers Home Administration loan. In addition, there are potential fees of \$5,907.77 due the US Treasury for the cost of collection. I encourage Mr. Stephan 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 Mr. Stephan's disposable pay.

Findings of Fact

1. On December 18, 1994, Greg C. Stephan received a USDA Farmers Home Administration in the amount of \$45,280.00. The loan was used to purchase a residence at 33 Third Ave. SE, Cut Bank, MT 59427. (Narrative; RX-1).

2. Mr. Stephan defaulted on the loan and a foreclosure sale was held on August 2, 2000. The amount owed on the loan at the time of the sale was \$44,412.51 in principal, \$15,566.61 in interest and \$8,190.29 in fees for a total amount due of \$68,169.41. (RX-3.)

3. USDA received \$40,500.00 from the sale of the house. There were \$485.00 in pre-foreclosure fees. Subsequent receipts from Treasury were \$7,055.22 leaving a balance due USDA on the loan from Mr. Stephan of \$21,099.19. Potential fees due to the U.S. Treasury pursuant to the Loan Agreement are \$5,907.77. (Narrative, RX-3, RX-4.)

Conclusions

1. The Secretary of Agriculture has jurisdiction over the parties, Mr. Stephan and USDA Rural Development Agency; and over the subject matter, which is administrative wage garnishment.

2. Petitioner Greg C. Stephan is indebted to USDA Rural Development Agency, in the amount of \$21,099.19.

3. In addition, Mr. Stephan is indebted for potential fees to the US Treasury in the amount of \$5,907.77.

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

Order

Until the debt is fully paid, Mr. Stephan shall give notice to USDA Rural Development Agency, Rural Housing Service 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).

USDA Rural Development Agency, and those collecting on its behalf, are authorized to proceed with garnishment, up to 15% of Mr. Stephan's disposable pay.

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

Done at Washington, D.C.
this 24th day of August 2010

STEPHEN M. REILLY
Hearing Official