

UNITED STATES DEPARTMENT OF AGRICULTURE  
BEFORE THE SECRETARY OF AGRICULTURE

AWG Docket No. 10-0346

In re: Chandra Smith,  
Petitioner

**Decision and Order**

This matter is before the Administrative Law Judge upon the request of Chandra Smith for a hearing to address the existence or amount of a debt alleged to be due, and if established, the terms of any repayment prior to imposition of an administrative wage garnishment. On August 30, 2010, 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 the debt, and setting the matter for a telephonic hearing on November 10, 2010.

The Respondent previously filed a Narrative together with supporting documentation on October 14, 2010. The Petitioner filed her documentation including information concerning her financial condition with the Hearing Clerk on October 13, 2010. At the hearing, Ms. Smith indicated that she did not know what she was signing when she signed the note and mortgage and volunteered the information that she had been in drug rehabilitation programs on several occasions.

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 10, 2001, the Petitioner received a home mortgage loan in the amount of \$60,780.00 from Farmers Home Administration (FmHA), United States Department of Agriculture (USDA), now Rural Development (RD) for property located in Forsyth, Georgia. RX-1, 2.
2. The property was sold at a foreclosure sale on October 7, 2003. After deducting expenses the application of the proceeds realized from that sale left a balance of 28,488.64. RX-5.
3. Treasury offset payments in the amount of \$1,557.57, exclusive of Treasury fees have been received from Treasury. RX-6.
4. The remaining unpaid debt is in the amount of \$29,303.23 exclusive of potential Treasury fees. RX-4.

### **Conclusions of Law**

1. Chandra Smith is indebted to USDA Rural Development in the amount of \$29,303.23 exclusive of potential Treasury fees for the mortgage loan extended to her.
2. All procedural requirements for administrative wage offset set forth in 31 C.F.R. §285.11 have been met.
3. The Respondent is entitled to administratively garnish the wages of the Petitioner.

### **Order**

For the foregoing reasons, the wages of Chandra Smith shall be subjected to administrative wage garnishment at the rate of 15% of disposable pay, or such lesser amount as might be specified in 31 C.F.R. § 285.11(i).

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

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Peter M. Davenport  
Chief Administrative Law Judge

Date: November 10, 2010

Copies to: Chandra Smith  
Mary Kimball  
Dale Theurer

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