

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

Re: Matthew Hart,
nka Matthew Armstrong

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AWG Docket No. 13 – 0095

Final Decision and Order

This matter is before me upon the request of Petitioner Matthew (Hart) Armstrong for a hearing in response to the efforts of Respondent to institute a federal administrative wage garnishment against him. On December 12, 2012, I issued a Prehearing Order requiring the parties to exchange information concerning the amount of debt.

On December 14, 2012, Rural Development (RD) filed its narrative and exhibits RX-1 through RX-12. RD filed an exhibit an additional exhibit on January 25, 2013 which I will now mark as exhibit RX-13. Petitioner filed some financial information along with the narrative previously filed on November 12, 2012. On January 17, 2013 at the time set for the hearing, both parties were present. Michelle Tanner represented RD. Mr. Hart represented himself. The parties were sworn.

Finding of Facts

1. On October 12, 2007 Petitioner Matthew Hart obtained a USDA FMHA Home Mortgage Loan for a property in Gaylord Michigan. RX-2.
2. Prior to signing the loan, Petitioner also signed RD Form 1980 – 21, the Housing Loan Guarantee, on September 17, 2007. RX-1.
3. Petitioner defaulted on the Mortgage Loan and the loan was subsequently accelerated for foreclosure.
4. A foreclosure sale was scheduled and held on February 5, 2009. The Trustee acquired the property at the highest bid price of \$36,125.00. RX-3.
5. At the time of the foreclosure sale, the amount due on the loan was \$86,029.18. RX-7, RX-8.
6. After the application of the liquidation appraised value (\$28,700.00) and additional reductions (\$4,688.70), and because of the poor housing market, the lender was paid a lost claim of \$52,640.48. RX-8.
7. An additional \$18.70 was reduced from the amount owed by Petitioner. RX-8.
8. As a result of the Tax Offset Program (TOP) and wage garnishments through January 22, 2013, the amount owed by Petitioner has been reduced to \$50,879.09. RX-13.
9. In addition, Petitioner owes the US Treasury \$14,246.14 as potential collection fees for a total

due of \$65,125.23. RX-13

10. Petitioner has stated that he has a financial hardship, but has not filed a statement of Income and Expenses within the time allowed following the oral hearing.

11. Petitioner has been employed for more than one year.

12. He has child support garnishments from a prior marriage as well as a temporary garnishment for child support arrearages. He supports a family of four and his current spouse is not employed. He also has outstanding legal fees relating to the prior marriage.

13. Petitioner was given one week to file his income and expense forms, but has not done so and therefore I cannot perform a financial hardship calculation.

Conclusions of Law

1. Petitioner Matthew (Hart) Armstrong is indebted to USDA's Rural Development program in the amount of \$50,879.09.
2. In addition, Petitioner is also liable for \$14,246.14 as remaining potential collection fees to the US treasury.
3. All procedural requirements for the administrative wage garnishment set forth in 31 CFR § 285.11 have been met.
4. Petitioner is under a duty to inform USDA Rural Development of his current address, employment circumstances, and living expenses.
5. Petitioner would likely suffer financial hardship if he were to incur additional garnishments at this time; however I am unable to perform a definitive evaluation without his financial statement.

ORDER

For the foregoing reasons, the wages of Petitioner shall not be subjected to administrative wage garnishment at this time. After 3 months, RD may re-assess the Petitioner's financial position.

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

January 30, 2012.

James P. Hurt
Hearing Officer

Matthew (Hart) Armstrong
Michelle Tanner
Dale Thurer