

OFFSET LETTERS

This appendix outlines the contents for and provides examples of offset letters to be sent to debtors. These include:

Letter Type	Sent By
Notice of Intent to Collect By Salary Offset -- Contents -- Example	CCO
Written Certification Requesting Commencement of Salary Offset -- Example	DCO
Notice of Intent to Collect by Administrative Offset -- Contents -- Example	CCO

Appendix 17

Notice of Intent to Collect by Salary Offset
CONTENTS

Debtor's Name
Debtor's Current
Address, ZIP Code

Dear Debtor's Name:

Subject: Notice of Intent to Collect by Salary Offset
Claim No. number
Social Security No.- number
Date of the Debt - date

Paragraph(s) re:

- o That the Claims Collection Officer (CCO) has reviewed the records relating to the claim and has determined that a debt is owed, its amount, and the facts giving rise to it;
- o The Department's intention to collect the debt by salary offset until the debt and all accumulated interest are paid in full;
- o The amount, frequency, approximate beginning date, and duration of the intended deductions;
- o The date when interest starts to accrue and the interest rate;

- o The employee's right to inspect and copy Departmental records related to the debt and instructions on how to exercise that right by contacting the Departmental Claims Officer;
- o The employee's right to enter into a written repayment agreement, so long as the terms of the agreement proposed by the employee are agreeable to the CCO;
- o The employee's right to a hearing by HUD's Administrative Law Judge on the CCO's determination of the debt, the amount of the debt, or percentage of disposable pay to be deducted each pay period, so long as a petition requesting a hearing is filed by the employee within 20 days from the date of the Notice of Intent;
- o The method for requesting a hearing;
- o That the timely filing of a petition for a hearing will stay the salary offset;

OCT 26 1987

Page 2 of 10

Appendix 17

Notice of Intent to Collect by Salary Offset
 CONTENTS (concluded)

- o That a final decision on the hearing will be issued within 60 calendar days after the filing of the petition for hearing unless there is a delay in the proceedings;
- o That any knowingly false or frivolous statements or evidence submitted by the employee may subject the employee to disciplinary proceedings and civil and criminal penalties;
- o Any other rights and remedies available to the employee under statutes or regulations governing the program for which offset is being made; and
- o That amounts deducted for the debt which are later waived or found not owed to the United States Government will be promptly refunded.

Closing statement including the name and phone number of a contact person (this should be the CCO).

Sincerely,
 Signed
 Claims Collection Officer

Enclosure an invoice should be sent with this letter

Page 3 of 10

OCT 26 1987

Appendix 17

Notice of Intent to Collect by Salary Offset
EXAMPLE

Ms. June Debtor
123 Any Street
Somewhere, USA 00000-0000

Dear Ms. Debtor:

Subject: Notice of Intent to Collect by Salary Offset
Claim No. - number
Social Security No. - number
Date of the Debt - date

By letters dated date , date , and date , you were notified that you must pay to the Department of Housing and Urban Development (HUD) the amount of money amount to satisfy an indebtedness described in a letter dated date , which is enclosed. We suggested monthly payments if you were unable to pay the indebtedness in full. You have not indicated your willingness to establish or continue to pay on a repayment plan; therefore, we now find it necessary to resort to other actions.

You are currently employed by the name of employee's agency and it is the Secretary's intention to collect the debt and all accumulated interest by offset not to exceed 15 percent of your disposable income per pay period until the delinquencies of amount as of date , with interest accruing at the rate of 7 percent per annum, and all accumulated interest are paid in full. Interest will continue to accrue until the obligation has been satisfied.

We will refer your account to our office name 30 days from the date of this letter, unless you request a hearing. You have the right to inspect and copy any or all Departmental records relating to this debt and to enter into a written agreement with the Secretary to repay this debt, so long as the terms of the repayment agreement proposed are agreeable to the Secretary. Any such proposal or request to inspect or copy records must be submitted within 20 days from the date of this letter to:

Departmental Claims Officer
Office of Finance and Accounting
Attention: Insurance Accounting Division
Department of Housing and Urban Development
451 7th Street, S.W., Room 3218
Washington, DC 20410

You have the right to a hearing on the determination by the Department concerning the existence or amount of this debt. If you

Appendix 17

Notice of Intent to Collect by Salary Offset
EXAMPLE (concluded)

desire a hearing, you must file a petition within 20 days of the date of this letter with the Clerk, Office of the Chief Administrative Law Judge, Room 2158, Department of Housing and Urban Development, 451 7th Street, S.W., Washington, DC 20410-0050. A copy of the petition should be sent to the Program Compliance and Enforcement Division, Room 10240, Department of Housing and Urban Development, 451 7th Street, S.W., Washington, DC 20410-0050. The petition should admit or deny the existence of the amount of the debt, briefly setting forth any basis for denial. Any petition for a hearing will stay collection proceedings.

A final decision on the hearing will be issued in approximately 60 days after the filing of the petition requesting the hearing.

Any false statements or representations you make may subject you to disciplinary procedures and/or civil or criminal penalties under the applicable statutory authority.

Any amounts paid on or deducted for the debt that are later waived or found not owed to the United States will be promptly refunded.

The above action is being taken pursuant to Title 5 USC 5514(a) and the implementing regulations at 24 CFR 17.125-17.140.

Should you have any questions, please contact me on phone number .

Sincerely,
Signed
Claims Collection Officer

Enclosure

Appendix 17

Written Certification Requesting Commencement of Salary Offset
EXAMPLE

Federal Government Agency
Address, ZIP Code

Dear Debtor's Name:

Subject: Salary Offset
Name of debtor

Claim No. - number
Social Security No. - number
Date of Debt - date

The employees whose name appears above has been identified as in default on repayment of a debt arising from his/her participation in program of the Department of Housing and Urban Development (HUD) and has also been identified as an employee of your agency. Please accept this document as certification that all steps indicated below have been taken, in accordance with the Debt Collection Act of 1982 and the Department's Salary Offset Regulations, 24 CFR Part 17, to assure that all due process rights have been accorded.

Name of debtor is indebted to the Department in the amount of money amount plus accrued interest, because he/she failed to satisfy the terms and conditions of a Service and Reimbursement Agreement with HUD. While an employee of this Department, name of debtor accepted a transfer to the office name and agreed to complete at least one year of service in that office. However, he/she resigned after approximately 5 months of service. In the meantime, he/she had been reimbursed for travel expenses in the amount of amount . Name of debtor entered into a repayment agreement and paid amount , but then failed to continue making payments, causing the associated Promissory Note Containing Agreement for Judgement to be defaulted on date . Interest has been accruing since this time.

Pursuant to 5 USC Section 5514 and in 24 CFR 17.128 name of debtor was provided with a Notice of Intent to Collect by Salary Offset on date which gave notice of the debt, the facts giving rise to the debt, and the Secretary's intention to collect the debt by means of deduction. The employee was informed of his/her right to inspect and copy Departmental records relating to the debt, the opportunity to enter into a repayment agreement with the Secretary, and the opportunity to request a hearing (Notice is enclosed). The employee did not notify the Department of his/her election of any of these procedures within the time period prescribed in the regulations.

OCT 26 1987

Page 6 of 10

Appendix 17

Therefore, per interim Salary Offset Regulations published on August 14, 1984 (effective October 10, 1984), I am requesting that you initiate the offset of the identified employee's disposable pay at the rate of 15 (fifteen) percent per pay period, starting with the next official pay period, until the total amount has been recovered. The total amount that is to be recovered via this offset is amount plus accrued interest at the rate of percent % per annum. When the debt has been paid in full, you will be notified by this Department.

Disposable pay, for purposes of this offset, has been identified as the amount that remains from an employee's federal pay after required deductions for Federal, State, and local income taxes;

Social Security taxes, including Medicare taxes; federal retirement programs; premiums for life and health insurance benefits; and such other deductions that are required by law to be withheld as per 24 CFR 17.60(b).

You should remit the withheld funds to:

Departmental Claims Officer
Office of Finance and Accounting
Attention: Insurance Accounting Division
Department of Housing and Urban Development
451 7th Street, S.W., Room 3218
Washington, DC 20410

In order that the payment be properly credited, please include the employee's name, Social Security number, and claim number (as referenced above). Note "Salary Offset" on the payment.

The Department's regulations implementing USC 5514 have been approved by the Office of Personnel Management.

Sincerely,
Signed
Departmental Claims Officer

Enclosure

Page 7 of 10

OCT 26 1987

Appendix 17

Notice of Intent to Collect by Administrative Offset
CONTENTS

Debtor's Name
Debtor's Current
Address, Zip Code

Subject: Notice of Intent to Collect by Administrative Offset
Claim No. - number
Social Security No. - number
Date of the Debt - date

Dear Debtor's Name :

Paragraph(s) re:

- o The nature and amount of the debt;
- o The Department's intention to collect the debt by administrative offset until the debt and all accumulated interest and other charges are paid in full;
- o The debtor's right to review of the Action Official's initial determination of indebtedness by the Deputy

Assistant Secretary for the program owned the debt, or his/her designee, and instructions on how to exercise that right by contracting the Regional Claims Collection Officer; (RCCO);

- o The debtor's right to inspect and copy Departmental records related to the debt and instructions on how to exercise that right by contacting the RCCO:
- o The debtor's right to enter into a written repayment agreement, so long as the terms of the agreement proposed by the debtor are agreeable to the Claims Collection Officer (CCO).

Closing statement including the name and phone number of a contact person (this should be the CCO).

Sincerely,
Signed
Claims Collection Officer

Enclosure an invoice should be sent with this letter

OCT 26 1987

Page 8 of 10

Appendix 17

Notice of Intent to Collect by Administrative Offset
EXAMPLE

Ms. June Debtor
123 Any Street
Somewhere, USA 00000-0000

Subject: Notice of Intent to Collect by Administrative Offset
Claim No. - number
Social Security No. - number
Date of the Debt - date

Dear Ms. Debtor:

By letters dated date , date , and date , you were notified that you must pay to Department of Housing and Urban Development (HUD) the amount of money amount to satisfy an indebtedness described in a letter dated date , which is enclosed. notwithstanding these demands, you have failed to make any payment on this obligation. Accordingly, it is necessary to notify you of our intent to seek collection through administrative offset against amounts payment to you from the Civil Service Retirement and Disability fund.

Please note the following:

1. The amount and nature of the debt are set forth in the enclosed letter of date , and enclosures thereto.

2. Interest on the amount due will be charged at the rate of 7 percent per annum beginning with the date the debt was established and terminating when payment is made or retirement account offset for the full amount due has occurred. Full payment within 30 days of the date of this letter with result in waiver of the interest payment to be accrued.
3. HUD intends to collect the debt by administrative offset until the debt and all accumulated interest are paid in full.
4. You have a right to obtain review of the determination of indebtedness. In accordance with 24 CFR 17.104, you may obtain such review by sending a letter within 20 days of this Notice to name , Regional Claims Collection Officer, Department of Housing and Urban Development, address . You should include all documentation you would like to have considered in review of this debt. Unless there is a basis for an oral hearing under 24 CFR 17.108, the review will be of the documentary evidence.

Appendix 17

Notice of Intent to Collect by Administrative Offset
EXAMPLE (concluded)

5. You have a right to inspect and copy HUD records related to the debt. If you would like to do so, you must notify the Regional Claims Collection Officer in writing within 20 days of this Notice. Upon receipt by this office of such a request, we will notify you as to the time and place for inspection and copying in accordance with 24 CFR 17.105.
6. You may enter into a written agreement with HUD to repay the debt, so long as the terms of the repayment agreement proposed by you are agreeable to HUD. Interest at the rate of 7 percent per annum will be assessed on the unpaid balance of any installment payment agreement. As provided in 24 CFR 17.106, a proposed agreement must be submitted to the Regional Administrator within 20 days of the date of this Notice.

This Notice is issued pursuant to HUD's administrative offset regulations which are in 24. CFR 17.100 through 17.117, a copy of which is enclosed; General Accounting Office regulations published at 24 CFR Part 102; 49 Federal Register 8889, March 9, 1984; and Office of Personnel Management regulations published at 5 CFR Part 831, Subpart R.

If you have any questions, please contact me on phone number .

Sincerely,
Signed
Regional Claims Collection Officer

Enclosure

OCT 26 1987

Page 10 of 10
