

UNITED STATES OF AMERICA
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF HEARINGS AND APPEALS

In the Matter of:

CHRISTINA STARNINO,

Petitioner.

24-AF-0377-AG-224
(Claim No. 721023978)

June 17, 2026

DECISION AND ORDER

On September 17, 2024, Christina Starnino (“Petitioner”) filed a *Hearing Request* (“*Request*”) seeking a hearing concerning the amount, enforceability, or payment schedule of a debt allegedly owed to the U.S. Department of Housing and Urban Development (“HUD” or “the Secretary”). The Debt Collection Improvement Act of 1996, as amended (31 U.S.C. § 3720D), authorizes federal agencies to use administrative wage garnishments as a mechanism for the collection of debts allegedly owed to the United States government.

The Secretary of HUD has designated the judges of the Office of Hearings and Appeals to adjudicate contested cases where the Secretary seeks to collect debts by means of administrative wage garnishment. This hearing is conducted in accordance with procedures set forth at 31 C.F.R. § 285.111, as authorized by 24 C.F.R. § 17.81.¹

FINDINGS OF FACT

Petitioner executed and delivered two Promissory Notes, dated August 7, 2020 (“HUD Note 2020”) and February 12, 2022 (“HUD Note 2022”), in favor of the Secretary in the total principal amount of \$69,281.80. The funds secured by the HUD Note 2020 and HUD Note 2022 were paid by the Secretary to Petitioner’s primary mortgage lender to provide foreclosure relief.

The terms of HUD Note 2020 and HUD Note 2022 included Petitioner’s promise to pay, secured by a mortgage, deed of trust, or similar security instrument to protect the Secretary from losses if Petitioner defaulted on the HUD Notes. The HUD Notes required payment on or before July 1, 2050, or when the first of the following events occurs:

¹ Due to a lapse in appropriations resulting in the longest government shutdown in history, the Office of Hearings and Appeals (“OHA”) was closed, and its employees and judges were furloughed from October 1, 2025, to November 13, 2025. Due to this closure, a *Notice and Stay of Proceedings* was issued on October 1, 2025, staying all matters pending before this Court, including the instant matter. The Court has since reopened. Accordingly, the stay of this matter is hereby **LIFTED**.

- i. Borrower has paid in full all amounts due under the primary Note and related mortgage, deed of trust, or similar security instruments insured by the Secretary, or;
- ii. the maturity date of the primary Note has been accelerated, or;
- iii. the primary Note and related mortgage, deed of trust, or similar security instrument are no longer insured by the Secretary.

On or about March 21, 2023, the FHA mortgage insurance on Petitioner's primary note was terminated, as the primary lender indicated that the primary mortgage was paid in full. The total amount due now consists of:

- i. \$69,281.80 as the unpaid principal balance as of August 31, 2024;
- ii. \$1,847.36 as the unpaid interest on the principal balance at 4.0% per annum through August 31, 2024;
- iii. \$4,264.61 as the unpaid penalties and administrative costs through August 31, 2024; and
- iv. interest on said principal balance from September 1, 2024, at 4.0% per annum until paid.²

A "Notice of Intent to Initiate Administrative Wage Garnishment Proceedings" ("Notice"), dated August 28, 2024, was sent to Petitioner. In accordance with 31 C.F.R. § 285.11(e)(2)(ii), the Notice afforded Petitioner the opportunity to enter into a written repayment agreement with HUD under mutually agreeable terms.

HUD's attempt to obtain Petitioner's current income information was unsuccessful. Therefore, HUD proposes a wage garnishment repayment schedule of \$2,094.27 per month, which will liquidate the debt in approximately three years as recommended by the Federal Claims Collections Standards; or alternatively, a repayment schedule in an amount equal to 15% of Petitioner's disposable income.

DISCUSSION

The Secretary bears the initial burden of proof to show the existence and amount of the alleged debt. See 31 C.F.R. § 285.11(f)(8)(i). Petitioner, thereafter, must show by a preponderance of the evidence that no debt exists or that the amount of the debt is incorrect. See 31 C.F.R. § 285.11(f)(8)(ii). Additionally, Petitioner may present evidence that the terms of the proposed repayment schedule are unlawful, would cause an undue hardship to Petitioner, or that the alleged debt is legally unenforceable. Id.

As evidence of the Petitioner's indebtedness, the Secretary has filed the *Secretary's Statement that Petitioner's Debt is Past Due and Legally Enforceable and Proposed Repayment Schedule* together with copies of the HUD Notes signed by Petitioner, and the Declaration of Brian Dillon, Director, Asset Recovery Division, wherein Mr. Dillon, states the amount owed by

² If found liable for the debt, Petitioner may also be responsible for U.S. Department of Treasury debt collection fees pursuant to 31 U.S.C. § 3711(g)(6).

Petitioner. The express language of the HUD Notes, signed and agreed to by Petitioner, states under “Borrower’s Promise to Pay,” that “[i]n return for a loan received from Lender, Borrower promises to pay the principal sum... to the order of the Lender.” The HUD Notes further state that payment will be made at the Office of Housing FHA-Comptroller, Director of Mortgage Insurance Accounting and Servicing, Washington, DC. Accordingly, the copies of the HUD Notes submitted by HUD under oath are sufficient to establish the existence and the amount of the debt owed by Petitioner.

In her request, Petitioner contests the existence of the debt. However, Petitioner has not provided any documentary evidence in support to refute the existence or amount of the debt as claimed by the Secretary. It is axiomatic that assertions without evidence are not sufficient to show that the debt claimed by the Secretary is not past due or unenforceable. See *In re Hongmei Zhang*, HUDOHA No. 24-AF-0163-AG-093 (Dec. 3, 2024). Accordingly, the Court finds that Petitioner has not met her burden to prove, by a preponderance of evidence, that no debt exists.

Therefore, the Secretary may garnish the lesser of 15% of Petitioner’s disposable pay or \$2,094.27 per month. Petitioner is entitled to seek reassessment of the repayment schedule in the future in the event she experiences materially changed financial circumstances. See 31 C.F.R. § 285.11(k).

ORDER

For the reasons set forth above, the Court finds the subject debt to be legally enforceable against Petitioner in the amount claimed by the Secretary. It is:

ORDERED that the Secretary is authorized to seek administrative wage garnishment in the amount of 15% of Petitioner’s disposable pay (or \$2,094.27 per month, discussed above), or such other amount as determined by the Secretary, not to exceed 15% of Petitioner’s disposable pay. It is

FURTHER ORDERED that the Order imposing the *Stay of Referral* of this matter to the U.S. Department of the Treasury for administrative wage garnishment is **VACATED**.

SO ORDERED,



Digitally signed by: ALEXANDER
FERNANDEZ-PONS
Date: 2026.06.17 13:31:50
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Alexander Fernández-Pons
Administrative Law Judge

Finality of Decision. Pursuant to 31 C.F.R. § 285.11(f)(12), this constitutes the final agency action for the purposes of judicial review under the Administrative Procedure Act (5 U.S.C. § 701 et seq.).