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

In the Matter of: **James B. Nutter & Company,** Petitioner.	22-VH-0224-AO-017 7-21300259-0 August 13, 2024

DECISION AND ORDER

This proceeding is before the Office of Hearings and Appeals ("Tribunal") upon a *Hearing Request* filed on September 29, 2022, by James B. Nutter & Company ("Nutter" or "Petitioner") concerning the existence, amount, or enforceability of a debt allegedly owed to the U.S. Department of Housing and Urban Development ("HUD" or "the Secretary").

JURISDICTION

The Office of Hearings and Appeals has jurisdiction to determine whether Petitioner's debt is past due and legally enforceable pursuant to 24 C.F.R. §§ 17.61 *et. seq.* The administrative judges of this Tribunal, in accordance with the procedures set forth at 24 C.F.R. §§ 17.69 and 17.73, have been designated to conduct a hearing to determine, by preponderance of the evidence, whether the alleged debt is past due and legally enforceable.

PROCEDURAL HISTORY

Pursuant to 24 C.F.R. § 17.81(a), on October 3, 2022, the Tribunal stayed the issuance of an administrative offset of any federal payment due to Petitioner until the issuance of this written decision. Petitioner, on November 2, 2022, filed documentary evidence in support of its position. On February 22, 2023, the Secretary filed her *Statement*, along with documentary evidence, in support of her position. This case is now ripe for review.

FINDING OF FACTS

This is a debt collection action brought pursuant to Title 31 of the United States Code, sections 3716 and 3720A, because of a defaulted loan that was insured against non-payment by the Secretary.

According to the Secretary, Petitioner is an FHA-approved lender and participant in HUD's mortgage insurance program. FHA-insured lenders are regulated by HUD and must act in accordance with HUD's program requirements. 24 C.F.R. Part 203, et seq. The Federal Housing

Administration ("FHA") provides mortgage insurance on loans made by FHA-approved lenders (also referred to as "FHA-insured mortgagees") throughout the United States and its territories. FHA mortgage insurance provides lenders with protection against losses if a property owner defaults on their mortgage. In exchange for that protection against financial losses, FHA-approved lenders must abide by certain HUD regulations and program requirements.

When a borrower defaults on an FHA-insured mortgage, the FHA-insured lender may submit claims for insurance to HUD through various means proscribed by HUD. Exhibit 1, ¶ 2. Eligibility for and payment of FHA mortgage insurance benefits is governed by 24 C.F.R. § 203.365, HUD Handbook 4000.1, and HUD Handbook 4330.4. Further, under 24 C.F.R. 203.365 (c), FHA-approved lenders are entrusted to submit insurance claims along with a claim review file that includes complete and accurate records for each claim filed with HUD in accordance with HUD's rules and regulations. HUD's payment process depends largely upon the accuracy and reliability of data submitted by FHA-approved lenders. Since HUD pays claims automatically based on the lender's certification, HUD reserves the right to perform post-claim reviews to ensure the integrity and accuracy of claims, and to protect the FHA Insurance Fund. Should inaccuracies exist, the FHA-approved lender must reimburse the Secretary for any claim amounts that HUD paid based on incorrect, unsupported, or inappropriate information provided by the lender.

Consistent with 24 C.F.R. Part 203, post-claim reviews consist of a notification letter to the lender, an initial report, a follow-up report, and a final report. On January 13, 2020, HUD sent a Notification Letter to Petitioner stating HUD's intent to conduct an on-site Post-Claim Review of 566 FHA mortgage insurance claims paid by HUD to Nutter between April 1, 2017 and August 30, 2019, and requesting that Petitioner provide its files and records in accordance with program requirements. The Notification Letter to Petitioner detailed the specific documentation that HUD required to substantiate the accuracy of the identified insurance claims which would reduce the amount of any recapture of overpayments made by HUD. As permitted under 24 C.F.R. 203.365 (d), "[t]he Secretary may use statistical sampling in selecting claims to be reviewed and in determining the amount due the Secretary because of overpayment."

Dr. Albert Lee, the Founding Partner and Economist at Summit Consulting, LLC ("Summit"), a firm that specializes in economics, statistics, and analytics that is engaged by HUD as a contractor for statistical sampling relating to Post-Claim Reviews, was lead statistician for the statistical sampling done as part of the Post-Claim Review of Nutter's FHA insurance claims. On or about February 10, 2022 through February 14, 2022, HUD's Single Family Post-Insurance Division conducted an on-site Post-Claim Review of Single-Family insurance claims filed by Petitioner and paid by HUD between April 1, 2017 and August 30, 2019 (the "sample period"). Petitioner was reimbursed approximately $26.82 million for FHA insurance claims filed with HUD during the sample period. The review was conducted pursuant to 24 C.F.R. 203.655(d) and other HUD guidelines, to determine Petitioner's compliance with HUD regulations, policies and procedures.

Nutter was given notice of the use and impact of statistical sampling in the Notification Letter:

> The review will examine a random statistical sample of all claims settled between April 1, 2017 and August 30, 2019 to determine if your organization is in compliance with Department regulations, policies, and procedures. The "Sample Listing" is included as an attachment to this letter. As of the date of this notification letter, your organization should not make any changes or file any remittances for overpayments for the cases in the sample listing, until the review has been completed and a closeout letter is issued. If over claimed amounts are identified in the sample cases, the errors may be projected to the universe of claims from which the sample cases were selected in determining amounts due HUD.

The randomly selected sample size Summit selected for HUD's Post-Claim Review of Nutter's insurance claims was 50, of which 40 were Disposition claims and 10 were Loss Mitigation claims. HUD reimbursed approximately $3.44 million in insurance benefits for those 50 claims.

The estimation methodology applied by Dr. Lee estimated the total claim dollar amount associated with Disposition claims that were not adequately documented to HUD's FHA program standards. Specifically, the estimation methodology was used to extrapolate review findings in the Disposition claim sample to the entire Disposition claim population to determine the amount of overpayment for all Disposition claims paid to Petitioner during the sample period. There is no record of Petitioner raising any objections to the extrapolation sampling methodology during the review period.

HUD's Post-Review Findings

The results of HUD's on-site review were issued to Petitioner as HUD's Review Number T20-2467100 Initial Report (the "Initial Report"), dated August 28, 2020. The review disclosed that Petitioner was in non-compliance with HUD's established insurance claim procedures for charging HUD for expenses that lacked supporting documentation.

Even though the 50 sampled claims were randomly selected, Dr. Lee only statistically inferred the total unallowable amount in the population among the Disposition claims. No statistical sampling and extrapolation[1] (also referred to as "statistical projection") was performed based on the 10 sampled Loss Mitigation claims. Once the statistical projection was completed, it

[1] According to 24 CFR § 203.365(d) and HUD Handbook 4000.1, IV.A.5.c, HUD may use statistical sampling to select claims for review, and based upon the results of the statistical sampling, may extrapolate the amount of any overpayment over all claims paid during the review period to determine the amount due HUD for overpayments. Consistent with its policies and procedures, HUD used the report from a statistical expert as support for the statistical sampling and extrapolation services on Post Claim Review. Summit is the contractor that provides HUD with this service. The statistical projection shown in the Initial Report, Follow-Up Report and Final Report was performed by Summit in accordance with standard extrapolation methodology.

was determined that for the sampled Disposition claims, Petitioner owed HUD $510,205.23, unless Petitioner could otherwise provide HUD with the requisite documentation to substantiate the claims that lacked supporting documentation. In addition, as a separate issue, the Initial Report also identified non-projectable unallowable expenses owed to HUD, totaling $79,822.00.

Based on these findings, the amount owed by the Petitioner, as presented in the Initial Report, was:

Claim Category	Type of Finding	Amount Owed
Disposition	Improper Insurance Claim Charges	$510,205.23
Loss Mitigation	Commissioner's Adjusted Fair Market Value (CAFMV) discrepancies	$74,542.00
	Inappropriate Pre-foreclosure Sale (PFS) incentive payments	$2,000.00
	Inappropriate loss mitigation incentive payments	$3,250.00
	Discrepancy on a loss mitigation claim	$30.00
	Total Owed to HUD	$590,027.35

Applying the standard extrapolation methodology presented earlier, Dr. Lee statistically estimated the total unallowable amount among the Disposition claims in the Initial Report. Petitioner was also provided in the Report with an opportunity to dispute HUD's Post-Claim Review findings. But, pursuant to HUD Handbook 4000.1, IV.A.5.g and the Initial Report, Petitioner must respond to the Initial Report within 45 days.[2] HUD will not accept any responses or supporting documentation after the Final Report is issued. Petitioner's response to the Initial Report was due by October 12, 2020, but Petitioner requested a 20-day suspension which was granted. On November 2, 2020, Petitioner provided its response to HUD.

Based upon HUD's review of Petitioner's Initial Response and analysis of supplementary documentation provided by Petitioner, HUD issued a Follow-Up Report to Petitioner dated January 6, 2022 (the "Follow-Up Report"), in which certain findings were removed from the Initial Report. After those findings were removed, Dr. Lee "recalculated the total unallowable amount among the Disposition claims owed by Petitioner to be $200,465.17, and the nonprojectable amount owed was reduced to $4,780.00." So, in the Follow-Up Report the sum owed by Petitioner was $205,245.17. While HUD was able to adjust the amount of overpayment due, not all the

[2] Specifically, the Initial Report advises: Nutter will have 45 days from the date of this Initial Report to either provide a response with supporting documentation or remit a payment for the full amount due HUD. If Nutter chooses to submit a response, HUD will review the documentation and provide a Follow-Up Report, as appropriate. JB Nutter will then have 21 days from the date of the Follow-Up Report to submit an additional response or remit the full payment due. HUD will issue a Final Report after receiving the response to the Follow-Up Report. Once the Final Report is issued, Nutter will be referred to HUD's Financial Operations Center in Albany, New York for enforced debt collection.

documentation provided with Petitioner's Initial Response could be accepted because HUD determined that it was insufficient to disprove the remaining findings.

The Follow-Up Report also provided Petitioner with an additional 21-day window to submit to HUD the necessary documentation in support of its FHA insurance claims. Petitioner twice requested extensions of time to submit its response to HUD. The first request, for 30 days, was made on January 19, 2022, and the second request, for 14 days, was made on March 1, 2022. On March 14, 2022, Petitioner submitted its second response to HUD which also included additional documentation for HUD's review. On July 6, 2022, HUD issued its Final Report to Petitioner regarding the Post-Claim Review.

Based on additional documentation provided by Petitioner, HUD determined that certain other findings in the Follow-Up Report could also be removed. After those additional findings were removed, Dr. Lee re-calculated the total unallowable amount among the Disposition claims and determined that Petitioner now owed $191,614.83. However, "the amount of nonprojectable unallowable expenses [$4,780.00] remained unchanged." Accordingly, in the Final Report, HUD informed Petitioner that the amount of FHA insurance claim overpayment due had been reduced to a total of $196,394.83. The HUD's Post-Claim Review process concluded with the issuance of the Final Report that included a detailed explanation of its analysis and findings. Also, in the Final Report HUD stated that "no further responses or documentation would be accepted by HUD regarding the Post-Claim Review." Accordingly, the Post-Claim Review regarding Petitioner's FHA insurance claims began on January 13, 2020 and ended on July 6, 2022.

The Secretary finally contends that despite the guidance and extensions of time given by HUD during that 29-month review period, Petitioner failed to provide HUD with the required documentation to support HUD's payment of all of Petitioner's statutorily deficient insurance claims. Notwithstanding HUD's request for payment, Petitioner still failed to pay by the August 5, 2022 due date the amount owed to HUD of $196,394.83.

As indicated in the Final Report, Petitioner's debt was referred to HUD's Financial Operations Center ("FOC") for collection. On July 11, 2022, the FOC issued a Demand Notice to Petitioner, requesting that Petitioner pay the outstanding amount of $196,394.83 in full by August 10, 2022. The Demand Notice further advised that Petitioner could enter into a repayment plan acceptable to HUD by August 10, 2022. The Demand Notice warned that failure to timely pay the debt or enter into a written repayment agreement would result in referral of the debt to the United States Department of Treasury for Treasury Offset, in accordance with the Debt Collection Improvement Act of 1996, Public Law 104-134 (5 U.S.C. 5514; 31 U.S.C. 3701 et seq.). As of August 10, 2022, Petitioner had not paid HUD $196,394.83 or entered into a written repayment agreement with HUD. Accordingly, a Notice of Intent to Collect by Treasury Offset dated August 15, 2022, was issued to Petitioner.

Based on the foregoing, the Secretary respectfully requests a finding that the Petitioner's debt is past due and legally enforceable; and that the Tribunal vacate its stay of referral of this matter to the U.S. Department of Treasury for collection by means of Administrative Offset.

DISCUSSION

a. Standard of Review

The Debt Collection Improvement Act of 1996, as amended (31 U.S.C. § 3720A), authorizes federal agencies to use administrative offsets as a mechanism for the collection of debts allegedly owed to the United States government. Title 24 C.F.R. §§ 17.69 and 17.73 provide that the administrative judges of this Tribunal have been designated to conduct a hearing to determine, by a preponderance of the evidence, whether the alleged debt is past due and legally enforceable. The Petitioner has the burden of proof to establish that all or part of the subject debt is either unenforceable or not past due. If the burden of proof is not met, the Tribunal must uphold HUD's Post-Claim Review Final Report and must find Petitioner liable for the subject debt.

b. Analysis

Petitioner raises two issues regarding the enforceability of the subject debt amount: 1) HUD used faulty sample and extrapolation methodologies; and 2) HUD's individual findings based on the faulty extrapolation methodologies were incorrect and thus unenforceable against Petitioner. The governing policies and regulations for HUD's post-claim review are 24 CFR § 203.365 (d) and HUD Handbook 4000.1, et al.

i. HUD's Utilization of Faulty Sample and Extrapolation Methodologies

This is not the first time that random sampling methodologies based on statistical extrapolation have been placed under scrutiny or challenged in courts. Sampling is a common, mathematically proven technique by which estimates of a characteristic of a population can be made based on a sample of that population. United States v. Rosin, 263 Fed. Appx. 16, 29 (11th Cir. 2008) ("The purpose of statistical sampling is to provide a means of determining the likelihood that a large sample shares characteristics of a smaller sample."); In re Countrywide Fin. Corp. Sec. Litig., 984 F. Supp.2d 1021, 1038 (C.D. Cal. 2013) ("[T]he purpose of using a sample is to extrapolate results from a small sample to a large population."). "The essence of the science of inferential statistics is that one may confidently draw inferences about the whole from a representative sample of the whole. The applicability of inferential statistics have [sic] long been recognized by the courts." In re Chevron U.S.A., Inc., 109 F.3d 1016, 1019-20 (5th Cir. 1997). Moreover, Courts have approved of the use of statistical sampling and extrapolation where an individualized claim-by-claim-review of the elements in a case would be unfeasible or extremely costly and where the challenging party is afforded an opportunity to rebut the results. See, e.g., Chaves County Home Health Serv. v. Sullivan, 931 F.2d 914, 919 (D.C. Cir. 1991) (observing that statistical sampling has been allowed in a wide range of contexts "to determine whether there has been a pattern of overpayments spanning a large number of claims where case-by-case review would be too costly"); United States v. Fadul, Civil Action No. DKC 11-0385, 2013 WL 781614 at *14 (D. Md. Feb. 28, 2013) (explaining that "[c]ourts have routinely endorsed sampling and extrapolation as a viable method of proving damages in cases involving Medicare and Medicaid overpayments where a claim-by-claim review is not practical").

In this case, Petitioner argues that HUD's statistical sampling methodologies are faulty because they contain several errors and impermissible shortcuts that make Petitioner's total alleged debt in the Final Report unenforceable. Petitioner maintains that such faulty sampling methodologies cannot form the basis for liability because: 1) HUD improperly commingled sampling populations; 2) HUD used improperly small samples; 3) HUD failed to account for claim size in selecting its sample; and 4) HUD failed to exclude outliers. For support, Petitioner cites to In re Countrywide Fin. Corp. Mort.-Backed Secs. Litig. v. Countrywide Fin. Corp.(Countrywide Financial), 984 F. Supp. 2d 1021 (C.D. Cal. 2013) and U.S. ex rel. Martin v. Life Care Ctrs. of Am. (Life Care), 2014 WL 4816006 (E.D. Tenn. Sep 29, 2014) as precedent, and also cites to a research study conducted by the Pew Research Center, Andrew Mercer, Arnold Lau and Courtney Kennedy, *For Weighting Online Opt-In Samples, What Matters Most?*, PEW RESEARCH CENTER (Jan. 26, 2018), https://www.pewresearch.org/methods/2018/01/26/for-weighting-online-opt-in-samples-what-matters-most/).

In Countrywide Financial and Life Care, the moving parties presented testimonies from rebuttal experts to support their objections to the use of statistical sampling methodologies in their cases. But in this case Petitioner failed to present a rebuttal expert to challenge the findings made by Dr. Lee, HUD's expert witness. Even to date, such evidence remains absent from the record. In Countrywide Financial, for example, investors filed a class action against the residential mortgage lender and its officers and directors and alleged that defendants, in violation of the Securities Act, made materially untrue or misleading statements or omissions regarding lender's loan origination practices in public offering documents for mortgage-backed securities. The defendants moved to exclude seven expert reports presented by Countrywide Financial's experts regarding the proposed sampling methodology used for the loans backing residential mortgage-backed securities. In response, the Plaintiff offered as evidence testimony from a rebuttal expert that challenged the conclusions reached in the experts' reports from Countrywide Financial. The Court concluded that the testimony and supporting documentation from the Plaintiff's rebuttal expert provided sufficient proof for the Court to decide that a margin of error existed in the multistage cluster sampling methodology used for the Broad Report. As a result, the Court determined that the Broad Report was inadmissible due to insufficient underlying data based on systematic error.

In the other case cited by Petitioner, Life Care, , the Court affirmed the admissibility of statistical sampling and extrapolation in a False Claims Act case involving allegations against a skilled nursing facility chain. U.S. ex rel. Martin v. Life Care Ctrs. of Am. (Life Care), 2014 WL 4816006 (E.D. Tenn. Sep 29, 2014). In Life Care the Court reviewed the use of random sampling methodologies based on the statistical extrapolation, but, the Court went one step further and applied the test established in Daubert v. Merrell Dow Pharms., Inc., 509 U.S. 579, 590, 113 S.Ct. 2786, 125 L.Ed.2d 469 (1993)[3] to analyze the expert testimonies presented by both parties. The

[3] In Daubert, the Supreme Court analyzed the language and scope of Rule 702 of the Rules of Evidence and found that, in addition to being relevant, scientific testimony or evidence must also be "reliable." Id. at 590. So, the Court has two roles when assessing the credibility of expert testimony under Daubert: determining whether the evidence is reliable, and, analyzing whether the evidence is relevant.

Government argued that "the case involved too many claims to litigate practicably on a claim-by-claim basis," so, "a random sample of 400 patient admissions conducted by the Government's expert, Dr. Yiannoutsos, was utilized to determine how many of the 154,621 claims at issue were fraudulent." The defendant challenged the use of random sampling and, as support, offered a rebuttal expert, Dr. Boedecker, who completed a review and analysis of Dr. Yiannoutsos's report. Based on Dr. Boedecker's analysis, the defendant argued that the methodology of the Government's expert, Dr. Yiannoutsos, was flawed for several reasons, one of which is very similar to the case at hand -- that Dr. Yiannoutsos's "sampling plan would result in unreliable estimates and that statistical extrapolation could not suffice as evidence that is reliable or relevant to meet the government's burden of proving each element of liability." In Life Care, the Court determined that the Government provided a reasonable and logical response for using statistical sampling and extrapolation. Relying on the Daubert test, the Court determined that disallowing the use of statistical extrapolation to prove liability under the FCA "would materially limit the efficacy of the FCA as a tool to combat fraud against the government," and, would cause "perpetrators of fraud [to] be emboldened by the fact that a claim-by-claim review is often impractical."

In Countrywide Financial and Life Care, the moving parties challenged the use of statistical methodologies and extrapolations as unreliable evidence, but in each case the courts relied upon the testimonies of rebuttal experts to establish credibility. In Petitioner's case however, it alleges the existence of errors and inaccuracies in the Post-Review report that, in its opinion, were based on faulty sampling and extrapolation methodologies. Petitioner's opinion, without the support of a rebuttal expert or other credible evidence, makes it practically impossible for the Court to assess the credibility of Petitioner's position.

Courts have consistently held that "statistical sampling with an appropriate level of representativeness has been utilized and approved." In re Chevron U.S.A., Inc., 109 F.3d 1016, 1020 (5th Cir.1997); see also E.K. Hardison Seed Co. v. Jones, 149 F.2d 252, 256 (6th Cir.1945) ("Thus it is that samples are receivable in evidence to show the quality or condition of the entire lot or mass from which they are taken. The prerequisites necessary to the admission in evidence of samples are that the mass should be substantially uniform with reference to the quality in question and that the sample portion should be of such nature as to be fairly representative."); Republic Servs., Inc. v. Liberty Mut. Ins. Co., 2006 WL 2844122 (E.D.Ky. Oct.2, 2006) (collecting cases). In fact, inferential statistics have been considered "an acceptable due process solution" in litigation. In re Estate of Marcos Human Rights Litig., 910 F.Supp. 1460, 1467 (D.Haw.1995) aff'd sub nom., Hilao v. Estate of Marcos, 103 F.3d 767 (9th Cir.1996). Statistical methods and analysis have also been described as "well recognized as reliable and acceptable evidence in determining adjudicative facts." State of Ga., Dep't of Human Res. v. Califano, 446 F.Supp. 404, 409 (N.D.Ga.1977). So, based on established case law precedent regarding the use of statistical sampling, this Tribunal is convinced that the use of statistical samplings and extrapolations to determine the subject debt in this case is reliable and credible.

Finally Petitioner also presents as support a research study conducted by Pew Research, Andrew Mercer, Arnold Lau and Courtney Kennedy, *For Weighting Online Opt-In Samples, What Matters Most?*, PEW RESEARCH CENTER (Jan. 26, 2018),

https://www.pewresearch.org/methods/2018/01/26/for-weighting-online-opt-in-samples-what-matters-most/). While informative, this article merely offers yet another opinion that does not weigh in as a significant factor in assisting this Tribunal on what it is authorized to do regarding the determination of the enforceability of the subject debt. A rebuttal expert, not a rebuttal article, must be presented by Petitioner for consideration.

This Tribunal is fully persuaded that HUD has met its burden of proof that the subject debt is enforceable and determination of the same can be based on the use of statistical samplings and extrapolations supported by credible expert testimony. In the absence of a rebuttal from Petitioner, this Tribunal must find that the subject debt is enforceable against Petitioner.

ii. HUD's Individual Findings Based on the Faulty Extrapolation Methodologies Were Incorrect and Thus Unenforceable Against Petitioner

HUD's Single Family Insurance Claim Procedures are managed by the policies and procedures outlined in HUD Handbook 4000.1, et al.[4] In general, the Post-Claim Review begins with a Notification Letter to the Mortgagee, herein James B. Nutter & Company, and ends with the issuance of a Final Report to the same, with timelines in between for the mortgagee to have ample opportunities to address any discrepancies or issues of concern regarding the Post-Claim Review. Petitioner was given an initial 45-day window to respond to the Initial Report; and then an additional 21-day window to file a response to the Follow-Up Report. Petitioner was also given a 20-day extension beyond that to respond to concerns that Petitioner failed to address in a timely manner during the previous 21-day follow-up period. According to the record the entire period for Post-Claim Review, including the time invested to prepare and complete the Initial Report, extended over 31-months. It is evident from the record that, when the Petitioner did respond, the original amount allegedly owed by him was reduced substantially from an amount that exceeded over $500,000, to a much lower balance owed.

While Petitioner now objects to approximately five more individual findings from the Post-Claim Review, the record shows that Petitioner has had multiple bites at the apple to address its concerns regarding individual findings identified during its Post-Claim Review. Petitioner even benefitted further from an additional extension of time to respond and address its concerns despite its failure to respond within the required deadlines.

While the record shows that the individual findings now raised are matters that were previously raised during the Post-Claim Review, Petitioner dares to seek yet another bite at the apple. When a party fails to comply with the policies and procedures that have been put in place to ensure efficiency, and then that same party uses the Tribunal's resources to take advantage of another opportunity, such strategy is impractical and an ineffective use of the Tribunal's time. This Tribunal is not authorized to address, repeatedly, the concerns of parties who have been given sufficient opportunities to address their concerns or objections in a timely manner. The policies and procedures stated in HUD Handbook 4000.1, and the Notification Letter to Petitioner dated

[4] FHA Single Family Housing Policy Handbook (hud.gov)

January 13, 2020, state in unambiguous terms that "Mortgagees will no longer be allowed to submit any additional responses or supporting documentation after the Final Report is issued." As a result, Petitioner's objections are deemed untimely and thus, consideration of the same is denied.

ORDER

Based on the foregoing, the Order issued on October 3, 2022, that imposed the stay of referral of this matter to the U.S. Department of Treasury for administrative offset is hereby **VACATED.**

The Secretary is authorized to seek the subject debt in the amount so claimed by the Secretary.

SO ORDERED.

Vanessa L. Hall
Administrative 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*.).