

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

In the Matter of:

ANNIE B. CRAWFORD WILLIAMS,

Petitioner.

24-VH-0230-AG-144
(Claim No. 5514134 LL 9244)

August 20, 2025

DECISION AND ORDER

On April 12, 2024, Annie B. Crawford Williams (“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. § 285.11, as authorized by 24 C.F.R. § 17.81.

FINDINGS OF FACT

On August 31, 1992, Petitioner executed and delivered to L&M and Associates dba Chocowinity Homes a Retail Installment Contract (“Note”) in the amount of \$18,275.72, which was insured against nonpayment by the Secretary, pursuant to the National Housing Act, 12 U.S.C. § 1721(g). Subsequently, on September 28, 1992, the Note was assigned to Logan-Laws Financial Corporation (“Logan-Laws”).

The Government National Mortgage Association (“Ginnie Mae”), a division of HUD, defaulted Logan-Laws as an issuer of Mortgage-Backed Securities (“MBS”) due to its failure to comply with Ginnie Mae’s MBS program requirements. Upon default, all of Logan-Laws’ rights, title, and interest in Petitioner’s loan were assigned to Ginnie Mae, and, therefore, to HUD.

HUD alleges Petitioner is currently in default on the Note and states it has made efforts to collect from the Petitioner but has been unsuccessful. HUD maintains that Petitioner is indebted to the Secretary in the following amounts:

- i. \$14,869.20 as the unpaid principal balance;
- ii. \$18,177.34 as the unpaid interest on the principal balance; and
- iii. 2% interest on said principal balance until paid.¹

A “Notice of Intent to Initiate Administrative Wage Garnishment Proceedings” (“Notice”) dated March 4, 2024, sent by the U.S. Department of Treasury on behalf of HUD was received by 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 now proposes a repayment schedule equal to 15% of Petitioner’s disposable pay.

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 Secretary’s Proposed Repayment Schedule* together with a copy of the Note signed by Petitioner, a copy of the Assignment to Logan-Laws, and the Declaration of Sharon Wandrick, Supervisor of Ginnie Mae’s Office of Issuer and Portfolio Management Monitoring Division, wherein Ms. Wandrick attests that Petitioner owes the full amount of the debt.²

HUD contends the copy of the Note proves Petitioner is indebted to it because the express language of the Note, signed and agreed to by Petitioner, states that she agreed to repay the amount financed to the assignee of the Note. Specifically, the Note states that the “FINANCE CHARGE” is \$31,557.88, the “AMOUNT FINANCED” is \$18,275.72, and the “TOTAL OF PAYMENTS” is \$49,833.60. Further, Petitioner acknowledged the Note was assigned to Logan Laws, which as discussed, was then assigned to the Secretary. Accordingly, the copy of the Note submitted by HUD under oath establishes the existence and the amount of the debt owed by Petitioner.

Petitioner contests the existence of the debt, asserting that she has been paying the same debt since 2000 via wage garnishment and administrative offset, so the debt should have been paid by now. However, Petitioner has not provided any evidence to refute the amount of the debt as claimed by the Secretary or to show that the Note was paid. 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,

¹ 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). Such fees may constitute 30% of the amount Petitioner allegedly owes HUD.

² On May 2, 2025, the Secretary moved to substitute counsel in this matter. That request is **GRANTED**.

slip op. at 3 (Dec. 3, 2024). Accordingly, the Court finds Petitioner has not met her burden to prove that the debt was satisfied.

Petitioner also states that she owes a debt to the Internal Revenue Service and cannot afford another wage garnishment at this time. For Petitioner to show financial hardship, she “must submit ‘particularized evidence,’ including proofs of payment, showing that [she] will be unable to pay essential subsistence costs such as food, medical care, housing, clothing or transportation.” Id. Petitioner did not submit documentary evidence to support her claim that garnishment would cause financial hardship. Thus, this Court cannot make a determination of whether a wage garnishment will cause Petitioner financial hardship.

Therefore, the Secretary may garnish up to 15% of Petitioner’s disposable pay. 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 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,



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.).