

CHAPTER 3. DELINQUENT DEBT

3-1 Establishing Delinquency

A debt becomes delinquent when a payment is not made by the due date or the end of the “grace period” (usually 30 calendar days) as established in a loan or repayment agreement. In the case of a debt being paid in installments, the date of delinquency is the payment due date. HUD will not assess late charges or declare the loan delinquent if the payment due is made before the end of the grace period. If the Borrower fails to make a payment by the end of the grace period, then the loan is delinquent as of the payment due date.

3-2 Liquidation of Collateral

- A. The FCCS encourages agencies to liquidate security or collateral through the exercise of a power of sale in the security instrument and apply the proceeds to the applicable debt(s), if the debtor fails to pay the debt(s) within a reasonable time after demand and if such action is in the best interest of the United States. Collection from other sources, including liquidation of security or collateral, is not a prerequisite to requiring payment by a surety, insurer, or guarantor unless such action is expressly required by statute or contract.
- B. When an agency learns that a bankruptcy petition has been filed with respect to a debtor, the agency should seek legal advice from its agency counsel concerning the impact of the Bankruptcy Code, including, but not limited to, 11 U.S.C. § 362, to determine the applicability of the automatic stay and the procedures for obtaining relief from such stay prior to proceeding with liquidation of collateral.

3-3 Referring to Treasury

A. Requirement to Refer Debts

1. Treasury regulation 31 C.F.R. § 285.12(c) requires Federal agencies to transfer legally enforceable debts, with some exemptions, to the Treasury BFS for collection (*i.e.*, cross-servicing) if they are more than 180 calendar days delinquent. In addition, Treasury regulation 31 C.F.R. § 285.12(g) requires agencies to notify BFS of any eligible legally enforceable debts over 120 calendar days delinquent for purposes of administrative offset via the centralized TOP. Agencies or their Shared Service Providers have two options for referring eligible delinquent debts to TOP for offset. Debts can be referred directly to TOP, or the referral to BFS for cross-servicing collection action can include a delegation to BFS to handle collection via TOP. For either option, the debtor must be afforded due process before referral, however a debtor who is eligible for TOP offset is automatically eligible for cross-servicing. Thus, there is no need to provide duplicate notification to the debtor.

2. BFS will take appropriate action to collect or compromise the transferred debt, or to suspend or terminate collection action thereon, in accordance with the statutory and regulatory requirements and authorities applicable to the debt and the action. Appropriate action to collect a debt may include referral to another debt collection center, a private collection contractor, or the Department of Justice (for litigation). HUD is required to advise BFS, in writing, of any specific statutory or regulatory requirements pertaining to their debt and will agree, in writing, to a collection strategy which includes parameters for entering into compromise and repayments agreements with debtors. For accounting and reporting purposes, the debt remains on HUD's books and in HUD's records.
3. HUD is required to certify debts referred to Treasury as legally enforceable. This is accomplished through an annual certification submitted by the CFO prior to December 31 each year, in accordance with 31 C.F.R. § 901.3(b)(5). For internal certification, the Office of the CFO requires a signed assurance statement from the FHA Comptroller, Ginnie Mae Senior Vice President Office of Issuer and Portfolio Management, and the ACFO for Accounting.
4. HUD is not required to transfer to BFS debts which are less than \$25 (including interest, penalties, and administrative costs), or such other amount as BFS may determine. HUD may transfer debts less than \$25 to BFS if HUD, in consultation with BFS, determines that transfer is important to ensure compliance with HUD's policies or programs. HUD may combine individual debts of less than \$25 owed by the same debtor for purposes of meeting the \$25 threshold.
5. Other exceptions include (but are not limited to):
 - a. Debts that are in litigation or foreclosure;
 - b. Debts scheduled for sale;
 - c. Debts that have been referred to a private collection contractor;
 - d. Debts that have been referred to a Treasury-designated debt collection center;
 - e. Debts being collected by internal offset; and
 - f. Debts that are covered by an exemption granted by the Secretary of the Treasury.
6. BFS is permitted to charge a fee, based on costs, for services rendered regarding referred or transferred debts. The fee may be paid out of amounts collected and it may be added to the debt as an administrative cost.

7. HUD is required to maintain accurate records of debts that have been referred to Treasury and to notify Treasury immediately of any changes of status that occur while the debt is in referral status.

B. Tools for Debt Collection

In general, all the tools available to HUD for debt collection are also available to Treasury for debts referred to Treasury by HUD. Cross-servicing is the process whereby Treasury uses a variety of collection tools, including referral to private collection agencies, in an attempt to collect delinquent debts on behalf of federal agencies in accordance with the Debt Collection Improvement Act. The following tools are defined in Appendix 1.

- Administrative Offset
- Administrative Wage Garnishment
- Repayment Plan
- Pre-Authorized Debits
- Compromise
- Partial Settlement
- Federal Salary Offset
- Referral for Litigation
- Skip-Tracing
- Credit Reporting
- Private Collection Agencies

C. Stay of Referral for Offset

If the debtor timely submits evidence to the Office of Appeals, as described above, the referral to the Treasury shall be stayed until the date of the issuance of a written decision by an administrative judge of the Office of Appeals that determines that a debt or part of a debt is past due and legally enforceable.

D. Postponements and Withdrawals

HUD may, for good cause, postpone or withdraw referral of the debt to Treasury.

3-4 Bankrupt Debtors

Bankruptcy is a legal process through which a debtor can seek the protection of the court against creditors to gain a fresh start. The Bankruptcy Court has the authority to discharge the debtor's personal liability for most debts. The Court also has the authority to approve the distribution to creditors of available assets from the debtor's bankruptcy estate. Most consumer bankruptcies will fall under Chapters 7 and 13. Under those chapters, the court designates a trustee to oversee the liquidation and distribution of the assets and/or payment to creditors.

A. Bankruptcy Abuse Prevention and Consumer Protection Act (enacted April 20, 2005)

Debtors are required to receive credit counseling in order to qualify for bankruptcy. Other filing requirements in the Act serve to discourage repeat filings. Overall, the Act serves to strengthen the position of creditors in bankruptcy proceeding and discourage bankruptcy abuse. HUD PAO and/or Claims Officers should consult with the Office of General Counsel when any technical matters arise regarding bankruptcy processing or the impact of the current bankruptcy laws on HUD efforts to collect a specific debt.

B. Types of Bankruptcies

1. Chapter 13. This type of bankruptcy allows an individual debtor with regular income to reorganize debts. It provides for a repayment plan over a 3-5 year period without the liquidation of assets. The plan typically pays unsecured creditors a percentage of what is owed. The claimant is legally required to comply with the plan.
2. Chapter 7. This type of bankruptcy is also known as a “straight” bankruptcy. The debtor receives a release from personal liability for debts owed, *i.e.*, a discharge in bankruptcy. Secured debts, however, are not discharged, and a creditor may pursue an action against the property or security to recover the debt. Some property may be exempt, and a trustee is designated to receive ownership of all non-exempt property. Contacts should be made with the trustee or the trustee’s attorney, rather than with the debtor. A debtor must pass a “means” test in order to qualify for this bankruptcy. If the debtor has sufficient income to pay a substantial part of the amount owed, he or she may be required to file a Chapter 13 bankruptcy.
3. Chapter 11. A person engaged in business (corporations, partnerships, and individuals) may file this type of bankruptcy in order to reorganize their financial affairs and continue as an on-going enterprise while receiving protection from creditors. Trustees normally are not appointed in these cases.
4. Chapter 12. This type of bankruptcy is similar to Chapter 13, but it applies to farmers.

C. Automatic stay.

1. Unless HUD determines that the automatic stay imposed at the time of filing pursuant to 11 U.S.C. § 362 has been lifted or is no longer in effect, in most cases collection activity against the debtor should stop immediately.
2. After seeking legal advice, a proof of claim should be filed in most cases with the bankruptcy court or the Trustee. HUD should refer to the provisions of

11 U.S.C. § 106 relating to the consequences on sovereign immunity of filing a proof of claim.

3. If HUD is a secured creditor, it may seek relief from the automatic stay regarding its security, subject to the provisions and requirements of 11 U.S.C. § 362.
4. Offset is stayed in most cases by the automatic stay. However, the responsible HUD official should seek legal advice from the Office of General Counsel to determine whether HUD's payments to the debtor and payments of other agencies available for offset may be frozen by the agency until relief from the automatic stay can be obtained from the bankruptcy court. Legal advice should also be sought to determine whether recoupment is available.

3-5 Credit Bureau Reporting

- A.** Reporting to credit bureaus is a debt collection tool used by Treasury for debts referred to Treasury by HUD. This section is only applicable to the delinquent HUD debts that cannot be referred to Treasury for collection, or those debts where HUD hasn't authorized Treasury to refer to credit bureaus on HUD's behalf.
- B.** Delinquent debts must be reported to the appropriate credit bureaus unless the debt is in dispute. The information must be accurate and must be updated to reflect any significant changes to the status of the debt, including the appropriate Consumer Information Indicator that a special condition exists, such as bankruptcy or an inability to locate the debtor.
- C.** For consumer debts, HUD must send a written Notice of Intent to Report to a Credit Bureau at least 60 calendar days prior to sending debt information to a credit bureau. The notice must inform the debtor regarding the debtor's right to:
 1. Receive an explanation of the debt;
 2. Dispute the information in HUD's records; and
 3. Request an administrative review.
- D. For FHA debts** (see Handbook 4740.2), the Debt Collection Asset Management System (DCAMS) automatically reports debts.

3-6 Administrative Wage Garnishment (AWG)

- A.** HUD or its Shared Service Provider may collect a debt by using administrative wage garnishment pursuant to 31 C.F.R. § 285.11 and 24 C.F.R. § 17.81. To the extent that situations arise that are not covered by 31 C.F.R. § 285.11, those situations shall be governed by 24 CFR part 26, subpart A.
1. Eligible delinquent debts are referred to Treasury Cross-Servicing within 180 calendar days, and HUD may authorize BFS to collect debts on behalf of HUD through AWG. The majority of AWG activity is therefore performed for HUD by BFS.
 2. There are some debts that are not eligible to be referred to Treasury (*e.g.*, debts that are returned by BFS, have a co-debtor status of deceased or bankrupt, or that have a co-debtor who is on a repayment agreement may not be referred). For such debts, HUD or its Shared Service Provider may initiate AWG as a collection tool.
 3. The process for initiating AWG is parallel to the process used by BFS, except that HUD or its Shared Service Provider issues the Notice of Intent to Collect via Administrative Wage Garnishment and the AWG withholding order, and HUD or its Shared Service Provider monitors the collections. (See 31 C.F.R. § 285.11.)
 4. The Notice of Intent for AWG must include all relevant appeal rights as defined in 31 C.F.R. § 285.11.
- B.** Any hearing required to establish HUD's right to collect a debt through administrative wage garnishment shall be conducted by an administrative judge of the Office of Appeals under 24 C.F.R. part 26, subpart A.

3-7 Federal Salary Offset

In accordance with 31 C.F.R. § 285.5 and 31 C.F.R. § 285.7, the Department of the Treasury conducts Federal salary offsets as part of its centralized administrative offset program. As with other debts, legally enforceable delinquent debts owed by Federal employees must be referred to Treasury for administrative or salary offset. Federal employees also have certain hearing rights prior to salary offset, and a requirement that they be notified of their rights, prior to imposing offset.

A. For debts owed to HUD by a Federal employee

Prior to referring a debt owed by a Federal Employee for salary or administrative offset, various actions, assurances, and certifications must occur. For paragraphs 1 through 3 below, all references to the DCCO include anyone acting on behalf of the DCCO as his or her designee.

1. The DCCO will review the debt to make sure that it is valid and past due.
2. The DCCO will provide a written Notice of Intent to Offset Salary (Notice of Intent) at least 30 calendar days prior to any deductions being taken from the employee's pay. The Notice of Intent will include the following:
 - a. That the DCCO has reviewed the records relating to the claim and has determined that a debt is owed, the amount of the debt, and the facts giving rise to the debt;
 - b. HUD's intention to collect the debt by means of deduction from the employee's current disposable pay account until the debt and all accumulated interest are paid in full;
 - c. The amount, frequency, approximate beginning date, and duration of the intended deductions;
 - d. An explanation of the Department's requirements concerning interest, penalties, and administrative costs, including a statement that such assessments must be made unless excused in accordance with the Federal Claims Collection Standards as provided in 31 C.F.R. § 901.9 (although this information may alternatively be provided in the demand notice pursuant to 24 C.F.R. § 17.65);
 - e. The employee's right to inspect and copy Department records relating to the debt or, if the employee or his or her representative cannot personally inspect the records, to request and receive a copy of such records;
 - f. The employee's right to enter into a written agreement with HUD for a repayment schedule differing from that proposed by the DCCO, so long as the terms of the repayment schedule proposed by the employee are agreeable to the DCCO;
 - g. The right to a hearing, conducted in accordance with 24 CFR 26 subpart A by an administrative law judge of the Department or a hearing official of another agency, on the DCCO'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 is filed by the employee as prescribed in the Notice of Intent;
 - h. That the timely filing of a petition for hearing will stay the collection proceedings (See 24 C.F.R. § 17.91.);
 - i. That a final decision on the hearing will be issued at the earliest practical date, but not later than 60 calendar days after the filing of the petition requesting the hearing, unless the employee requests and the hearing officer grants a delay in the proceedings;

- j. That any knowingly false or frivolous statements, representations, or evidence may subject the employee to:
 - (1) Disciplinary procedures appropriate under 5 U.S.C. Ch. 75, 5 C.F.R. part 752, or any other applicable statutes or regulations;
 - (2) Penalties under the False Claims Act, 31 U.S.C. §§ 3729–3731, or any other applicable statutory authority; or
 - (3) Criminal penalties under 18 U.S.C. §§ 286, 287, 1001, and 1002 or any other applicable statutory authority.
 - k. Any other rights and remedies available to the employee under statutes or regulations governing the program for which the collection is being made;
 - l. Unless there are applicable contractual or statutory provisions to the contrary, that amounts paid on or deducted for the debt which are later waived or found not owed to the United States will be promptly refunded to the employee; and
 - m. The method and time period for requesting a hearing, including the address of the Office of Appeals to which the request must be sent.
3. The employee’s petition for a hearing:
- a. Must be signed by the employee;
 - b. Must be received by the Office of Appeals no later than 20 calendar days from the date of the Department’s Notice of Intent; and
 - c. Must state whether the employee is requesting the hearing to deny the existence or amount of the debt or to object to the DCCO’s proposed offset schedule.
 - (1) If the petition is to dispute the existence or amount of the debt, the employee must provide the basis for the denial.
 - (2) If the petition is to object to the DCCO’s proposed offset schedule, it should identify and explain with reasonable specificity and brevity the facts, evidence, and witnesses that the employee believes support his or her position.
 - d. If the petition is filed later than 20 calendar days from the date of the Notice of Intent, the hearing officer may accept the request if the employee can show that the delay was due to circumstances beyond his or her control or because of failure to receive notice of the filing deadline.

4. The Office of Appeals will, upon receipt of a petition, send the employee a copy of the Salary Offset Hearing Procedures Manual for the Department of Housing and Urban Development.
5. If the employee fails to meet deadlines:
Failure to file a timely petition or failure to appear at a scheduled hearing causes the employee to waive the right to a hearing. The employee's disposable pay will be offset in accordance with the DCCO's offset schedule.
6. The written decision following a hearing of the Office Appeals will include:
 - a. A statement of the facts presented to support the nature and origin of the alleged debt;
 - b. The hearing officer's analysis, findings, and conclusions, in light of the hearing, concerning the employee's or the Department's grounds;
 - c. The amount and validity of the alleged debt; and
 - d. The repayment schedule, if applicable.
7. Employee review of records related to the debt.
 - a. *Notification by employee.* An employee who intends to inspect or copy departmental records related to the debt must send a letter to the DCCO stating his or her intention. The letter must be received by the DCCO within 20 calendar days of the date of the Notice of Intent.
 - b. *DCCO's response.* In response to timely notice submitted by the debtor, the DCCO will notify the employee of the location and time when the employee may inspect and copy Department records related to the debt.
8. Written agreement to repay debt as alternative to salary offset.
 - a. *Notification by employee.* The employee may propose, in response to a Notice of Intent, a written agreement to repay the debt as an alternative to salary offset. Any employee who wishes to do this must submit a proposed written agreement to repay the debt, which is received by HUD within 20 calendar days of the date of the Notice of Intent.
 - b. *DCCO's response.* In response to timely notice by the debtor as described in paragraph (a) of this section, the DCCO will notify the employee whether the employee's proposed written agreement for repayment is acceptable. It is within the DCCO's discretion to accept a repayment agreement instead of proceeding by offset. In making this determination, the DCCO will balance the Department's interest in collecting the debt against hardship to the employee. If the debt is delinquent and the employee has not disputed its existence or amount, the DCCO will accept

a repayment agreement instead of offset only if the employee is able to establish that offset would result in undue financial hardship or would be against equity and good conscience.

B. HUD's Non-centralized Salary Offset from Federal Employees' Pay

1. Amount of deductions.
 - a. Interest will be charged in accordance with the Federal Claims Collection Standards as provided in 31 C.F.R. § 901.9.
 - b. The deductions will be in the amount stated in the Notice of Intent, unless modified by a hearing or a subsequent agreement.
2. Number of deductions.
 - a. Collection will be by lump sum unless the debt is for other than travel advances and training expenses, and the employee is unable to pay in one lump sum or the amount exceeds 15 percent of disposable pay (see 24 C.F.R. § 17.83). The Department will make deductions only from basic pay, special pay, incentive pay, retired pay, retainer pay, or, in the case of an employee not entitled to basic pay, other authorized pay.
 - b. The debt will be collected by deductions at officially established pay intervals from an employee's current pay account, unless the employee and the DCCO, or his or her designee, agree to alternative arrangements for payment. The alternative arrangement must be in writing and signed by both the DCCO, or his or her designee, and the employee.
 - c. Installment deductions will be made over a period not greater than the anticipated period of employment. The size and frequency of installment deductions will bear a reasonable relation to the size of the debt and the employee's ability to pay. However, the amount deducted for any period will not exceed 15 percent of the disposable pay from which the deduction is made, unless the employee has agreed in writing to the deduction of a greater amount. If possible, the installment payment will be sufficient in size and frequency to liquidate the debt in 3 years. Installment payments of less than \$25 per pay period or \$50 a month will be accepted only in the most unusual circumstances.
3. Timing of offset.
 - a. Deductions from an employee's pay will begin as soon as possible, but no sooner than 60 days after the date of the Notice of Intent.
 - b. If an employee has complied with the requirements to petition the Office of Appeals concerning the existence or amount of the debt or the offset

schedule, then deductions will begin after the hearing officer has provided the employee with a hearing and the hearing officer has issued a final written decision in favor of HUD.

4. Refunds.

The Department will refund promptly to the appropriate individual amounts offset under these regulations when:

- a. A debt is waived or otherwise found not owing the United States (unless expressly prohibited by statute or regulation); or
- b. The Department is directed by an administrative or judicial order to refund amounts deducted from the employee's current pay.

5. Non-waiver of rights.

So long as there are no statutory or contractual provisions to the contrary, no employee involuntary payment (of all or a portion of a debt) collected under these regulations will be interpreted as a waiver of any rights that the employee may have under 5 U.S.C. § 5514 or any other provision of contract or law.

C. Correspondence with the Department

The employee shall file a request for a hearing with the Clerk, Office of Appeals, 409 3rd Street, SW, 2nd Floor, Washington, DC 20024, on official work days between the hours of 8:45 a.m. and 5:15 p.m. (or such other address as HUD may provide by notice from time to time). All other correspondence shall be submitted to the Departmental Claims Officer, Office of the Chief Financial Officer, Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410 (or such other officer or address as HUD may provide by notice from time to time). Documents may be filed by personal delivery or mail.

3-8 Write-off

A. Basis for Write-Off

Write-off is an accounting transaction that updates HUD's official financial and management reporting records in conformance with applicable federal accounting standards. It results in reporting the debt/receivable as having no value on HUD's financial and management reports.

1. A write-off should be processed when it is determined that a debt/receivable has no value for accounting purposes.
2. A debt that is two years delinquent should be written-off unless special circumstances are present. (See OMB Circular A-129, Section V.5, *Termination of Collection, Write-Off, Use of Currently Not Collectible (CNC), and Close-out.*)

B. Evaluation and Documentation

1. Every active, *i.e.*, not closed out, delinquent debt should be evaluated at the end of each calendar quarter. If the debt is more than two years delinquent and not already classified as CNC, then a write-off of the debt should be processed unless future material collections are expected, *e.g.*, the debt is active at BFS' cross-servicing program. No additional evaluation, justification, or approval is needed.
2. A write-off may occur before a debt is two years delinquent if an appropriate determination is made to terminate collection action and close out a debt. In this scenario, the write-off will coincide with the close out. The documentation of the evaluation, justification, and approval to terminate collection action and close out the debt (see additional details above) also serves to document the basis for the write-off.
3. Write-offs must be reported to BFS on the quarterly Treasury Report on Receivables (TROR) Due from the Public.

3-9 Currently Not Collectible

- A. If collection actions will continue after write-off, the case should not be closed out, but the case should be reclassified as "Currently Not Collectible." For debts classified as CNC, sufficient financial and non-financial data must be maintained in order to service the account. If no collection actions will be taken after write-off, the case should be closed out.
- B. A debt that is eligible for referral to Treasury should remain open in a CNC status. Such debts shall remain in a CNC status until (1) the debt is paid, (2) a determination is made that the prospects for future collections are nil, or (3) all collection actions are legally precluded; whichever occurs first.
- C. CNC classified debts should be reviewed on a regular basis and closed out when warranted based on the above guidance. Reports should be produced on a quarterly or more frequent basis reflecting cases that have been reclassified as CNC, and for cases that may be eligible for close out based on TOP status, payment history, debtor's status, debt balance, etc. In addition to initiating close-out action in the course of managing assigned debt portfolios, HUD staff should use these reports to monitor their portfolios.
- D. CNC debts must be reported to BFS on the quarterly Treasury Report on Receivables.

3-10 **Referring to Justice**

Debts are referred directly to DOJ if litigation is necessary to prove the enforceability of the debt, if legal action in a bankruptcy proceeding is required, for defensive litigation cases, and for other non-routine situations. Work with OGC and the DCCO if you believe litigation is necessary to collect a debt. Debts are also referred when prior collection action has not been taken, and the statute of limitations is about to expire.

3-11 **Statute of Limitations (SOL)**

PAOs should be alert to these limitations when determining how best to collect a debt. If the SOL pertaining to the particular debt is about to expire, the PAO should allow time for referring the debt to the Department of Justice prior to expiration of the SOL. HUD's legal remedies are restricted by the statutes of limitations set forth below. For any questions regarding the applicability of the SOL for any particular case, contact the respective office handling the particular case within the Office of General Counsel.

- A. Civil Suit.** Six years from date of accrual of action. (See 28 U.S.C. § 2415(a).)
1. A suit to collect a debt in court may be barred if the suit is filed more than six years after the right of action accrues. The “accrual of action” date will vary according to the type of debt.
 2. The six-year statute of limitations referenced at 28 U.S.C. § 2415 does not apply to administrative proceedings, which are governed by whatever applicable limitations period applies to the specific administrative proceeding.¹
 3. For Title I claims and other FHA related claims, see Handbook 4740.2.
 4. Expiration of the SOL is an “affirmative defense.” This means that a suit to collect a debt may be filed after the 6-year SOL time period has expired, but the debtor may rebut the suit using a SOL defense. Nonetheless, the DOJ will not ordinarily accept a SOL-expired debt for litigation unless there are unusual circumstances that warrant a waiver to this policy. Since DOJ will require lead-time to prepare and file suit, a referral to DOJ should be made at the earliest possible date and, absent special circumstances, should occur by one year before the SOL will expire.
- B. False Claims Act (Civil Fraud).** Six years from the date the violation was committed. (See 31 U.S.C. § 3731(b).)
- C. Collection by Administrative Offset.** There are no time limitations for collection of debts by administrative offset, although there are some special notice requirements that may apply to debts that are ten or more years old from the date

¹ This was confirmed by a 2006 U.S. Supreme Court Decision in *BP American Production Co. v. Burton*, 549 U.S. 84 (2006).

that HUD's right to collect the debt first accrued. (See Treasury rule at <http://www.gpo.gov/fdsys/pkg/FR-2009-12-28/pdf/E9-30550.pdf>, where the statute of limitations was eliminated.) (See discussion in subparagraph A. above, concerning date of accrual.)

- D. Collection by Administrative Wage Garnishment.** There is no time limit on the collection of a delinquent debt via Administrative Wage Garnishment. (See *In re. Douglas P. Hansen*, HUDBCA No. 06-A-CH-AWG03 (October 6, 2006).)
- E. Extensions of the SOL.** The SOL time period may be extended by various factors such as the debtor's absence from the jurisdiction of the courts of the United States, exemption from process because of infancy, or the existence of facts material to the cause of action of which the Government has no notice. A voluntary payment or written acknowledgement of the debt may start a new SOL time period. Also, if the debt is subject to an administrative proceeding, the SOL time limit for civil suit may be extended so long as the suit is filed within one year after final decisions have been rendered in the applicable administrative proceeding.
- F. Repurchase of Claims by Insured Lending Institutions.**

This category refers to certain Title I claims and is covered in Handbook 4740.2