

SUBPART G - DEBTS OWED TO THE UNITED STATES UNDER TITLE I

§ 201.60 General.

- (a) **Applicability.** The provisions in this subpart apply to the collection of debts owed to the United States arising out of the Title I program. These debts include, but are not limited to:
 - (1) Amounts owed on loans assigned to the United States by insured lenders as the result of defaults by borrowers;
 - (2) Unpaid insurance charges owed by lenders; and
 - (3) Unpaid obligations of lenders arising from repurchase demands.
- (b) **Departmental debt collection regulations.** Except as modified by this subpart, collection of debts arising out of the Title I program is subject to the Department's debt collection regulations in subpart C of Part 17.

§ 201.61 Claims against debtors - principal amount of debt.

- (a) **Liability.** A debtor is liable to the Secretary for the principal amount of the debt, as described in paragraph (b), (c), or (d), as appropriate.
- (b) **Property improvement notes.** In the case of an assigned note for a property improvement loan, the principal amount of the debt is the unpaid amount of the loan obligation, as defined in § 201.55(a)(1) of this part, plus amounts described in §§ 201.55(a)(3), (4), and (5).
- (c) **Manufactured home notes.** In the case of an assigned note for a manufactured home loan, the principal amount of the debt is the unpaid amount of the loan obligation, as defined in § 201.55(b)(1) of this part, plus amounts described in ' ' 201.55(b)(3) through (8).
- (d) **Assigned judgements.** In the case of a judgment obtained by the lender on a property improvement loan or a manufactured home loan and assigned to the Secretary, the principal amount of the debt is the amount of the judgment.

§ 201.62 Claims against debtors - interest, penalties, and administrative costs.

- (a) **Interest.** In addition to the principal amount of the debt, the debtor is liable for the payment of interest. Interest accrues on the principal amount of the debt as of the date of default, as defined in § 201.2(h) of this part, as follows:
 - (1) In the case of a debt based upon the assignment of a defaulted note, interest is assessed at the lesser of the rate specified in the note or the United States Treasury's current value of funds

rate in effect on the date the Title I insurance claim was paid.

- (2) In the case of a debt based upon the assignment of a judgment, interest is assessed at the lesser of the rate specified in the judgment or the United States Treasury's current value of funds rate in effect on the date the Title I insurance claim was paid.

- (b) Penalties and administrative costs. The Secretary shall assess reasonable administrative costs and penalties as authorized in 31 U.S.C. 3717, unless there is no provision in the note providing for such charges and the debtor has not otherwise consented to liability for such charges.

§ 201.63 Claims against lenders.

Claims against lenders for money owed to the Department, including unpaid insurance charges and unpaid repurchase demands, shall be collected in accordance with 24 CFR Part 17, subpart C.