

**UNITED STATES DEPARTMENT OF AGRICULTURE**  
**BEFORE THE SECRETARY OF AGRICULTURE**

In re:	)	AWG Docket No. 10-0299
	)	
Paula Williams,	)	
	)	
Petitioner	)	<b>Decision and Order</b>

On September 1, 2010, I held a hearing on a Petition to Dismiss the administrative wage garnishment proceeding to collect the debt allegedly owed to Respondent, USDA, Rural Development for losses it incurred under loans given by Respondent to Petitioner, Paula Williams and to her husband Emerson Williams. Petitioner represented herself. Respondent, USDA Rural Development, was represented by Mary Kimball. Petitioner, Paula Williams, and Mary Kimball who testified for Respondent, were each duly sworn.

Respondent proved the existence of the debt owed by Petitioner for payment of the loss Respondent sustained on loans given to Petitioner and her husband to finance the purchase of a home located at HC 68 Box 24 B, West Liberty, KY 41472. The loans were evidenced by Promissory Notes in the amounts of \$48,250 and \$4,450, dated November 27, 1991 and January 21, 1993, respectively (RX-1). The payments on the loan were not met and a short sale was held on February 23, 2000. The home was sold to a third party for \$45,000 and USDA, Rural Development received \$42,187. Prior to the sale, the amount owed to Respondent, USDA, Rural Development, was \$56,297.44 for principal, interest, and other expenses. After the sale, Petitioner owed \$14,110.44. Since the sale, \$408.83 has been collected by the U. S. Treasury Department through administrative wage garnishment of Emerson Williams' salaried income. The amount that is presently

owed on the debt is \$13,701.61 plus potential fees to Treasury of \$3,836.45, or \$17,538.06 total.

Petitioner and Emerson Williams are still married; and she is employed as a Biller for a medical supplier. Petitioner earns [REDACTED] net per month. Her husband earns somewhat less and they split the monthly living expenses. Petitioner has filed and testified to the accuracy of a Consumer Debtor Financial Statement that shows her share of the monthly family expenses to be approximately [REDACTED]. Therefore, there is no disposable income that may presently be subject to wage garnishment. I have concluded that the collection of any part of the debt during the next six (6) months would cause Petitioner undue, financial hardship within the meaning and intent of the provisions of 31 C.F.R. § 285.11.

USDA, Rural Development has met its burden under 31 C.F.R. §285.11(f)(8) that governs administrative wage garnishment hearings, and has proved the existence and the amount of the debt owed by the Petitioner. On the other hand, Petitioner showed that she would suffer undue financial hardship if any amount of money is garnished from her disposable income at any time during the next six (6) months. During that time, Mrs. Williams and her husband shall contact Treasury to discuss a settlement plan to pay the debt.

Under these circumstances, the proceedings to garnish Petitioner's wages are suspended and may not be resumed for six (6) months from the date of this Order.

Dated:

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Victor W. Palmer  
Administrative Law Judge