

UNITED STATES DEPARTMENT OF AGRICULTURE  
BEFORE THE SECRETARY OF AGRICULTURE

Docket No. 11-0018

In re: Lois L. Bass,  
now known as Lois L. Cribb,

Petitioner

**Decision and Order**

This matter is before the Administrative Law Judge upon the request of Petitioner for a hearing to address the existence or amount of a debt alleged to be due, and if established, the terms of any repayment prior to imposition of an administrative wage garnishment. On November 24, 2010, a Prehearing Order was entered to facilitate a meaningful conference with the parties as to how the case would be resolved, to direct the exchange of information and documentation concerning the existence of the debt, and setting the matter for a telephonic hearing on January 14, 2010.

The Respondent complied with the Order and filed a Narrative, together with supporting documentation on December 14, 2010. The Petitioner filed a Consumer Debtor Financial Statement and other material with the Hearing Clerk's Office on December 16, 2010. During the hearing, testimony was received from Mary E. Kimball, Accountant for the New Program Initiatives Branch of Rural Development, USDA, St Louis, Missouri and from the Petitioner.

On the basis of the entire record before me, the following Findings of Fact, Conclusions of Law and Order will be entered.

### **Findings of Fact**

1. On September 21, 1987, the Petitioner (now known as Lois L. Cribb) and Billy Bass, then her husband received a home mortgage loan in the amount of \$39,500.00 from Farmers Home Administration (FmHA), United States Department of Agriculture (USDA), now Rural Development (RD) for property located in Mullins, South Carolina. RX-1,2.
2. The Petitioner and her husband defaulted on the loan and foreclosure proceedings were initiated. After the proceedings were commenced, the property was sold at a short sale conducted on November 24, 1998. USDA received \$18,890.86 from the sale. RX-4.
3. Prior to the sale, the Petitioner and her husband owed USDA \$45,363.93. RX-4.
4. Billy Bass died on July 7, 2002.
5. Treasury offsets totaling \$12,688.66 exclusive of Treasury fees have been received. RX-4.
6. Once a debt owed to the United States is placed with Treasury, although further interest ceases to accrue, consistent with their regulations, the Treasury Department assesses fees based upon the amount of the debt to recover the costs of collection of the debt. In the case of the Petitioner, the amount of potential fees is \$3,987.11. RX-4.
7. The remaining unpaid debt is in the amount of \$14,239.67 exclusive of potential Treasury fees. RX-6.
8. The Petitioner's and her spouse's income roughly approximates the family monthly expenses and with their income level, she is unlikely to be in a position to liquidate the debt owed.

### Conclusions of Law

1. The Secretary has jurisdiction in this matter.
2. Petitioner is indebted to USDA Rural Development in the amount of \$27,283.19 exclusive of potential Treasury fees for the mortgage loan extended to her.
3. The Petitioner is under a financial hardship at this time.
4. The Respondent is **NOT** entitled to administratively garnish the wages of the Petitioner; however the debt shall remain at Treasury for any and all other appropriate collection action.

### Order

For the foregoing reasons, the wages of Petitioner shall **NOT** be subjected to administrative wage garnishment at this time.

Copies of this Decision and Order shall be served upon the parties by the Hearing Clerk's Office.

January 14, 2011

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Peter M. Davenport  
Chief Administrative Law Judge

Copies to: Lois L. Cribb  
Mary Kimball  
Dale Theurer

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