

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

|                 |   |                           |
|-----------------|---|---------------------------|
| In re:          | ) | AWG Docket No. 10-0269    |
|                 | ) |                           |
| Ann Amos O'Neil | ) |                           |
|                 | ) |                           |
| Petitioner      | ) | <b>Decision and Order</b> |

On August 25, 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 a loan assumed and a loan given by Respondent to Petitioner, Ann Amos O'Neil. Petitioner was represented by her attorney, Jonathan B. Young. Respondent, USDA Rural Development, was represented by Mary Kimball. Petitioner, Ann Amos O'Neil, 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 losses Respondent sustained on the loans assumed and given to finance Petitioner's purchase of a home located at 662 Jefferson Street, Red Hill, PA 18076. The loans were evidenced by an Assumption Agreement for \$62,526.44, dated May 27, 1992, and a Promissory Note in the amount of \$ 27,470 of the same date (RX-1 and RX-3). Loan payments were not made and a foreclosure sale was held on September 23, 1999, and USDA, Rural Development received \$47,955.56 from the sale. Prior to the sale, the amount owed on both accounts to Respondent, USDA, Rural Development, was \$149,978.23 for principal, interest, and other expenses. After the sale, Petitioner owed \$102,022.67 on the combined loan accounts. Since the sale, \$7,620.55 has been collected

by the U. S. Treasury Department in offsets from income tax refunds that Petitioner otherwise would have received. The amount that is presently owed on the debt is \$94,402.12 plus potential fees to Treasury of \$26,432.59, or \$120,834.71 total (RX-5). Petitioner has been unemployed since August 25, 2010. At present there is no disposable income that may be subject to wage garnishment.

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 has no present income and the pending garnishment proceeding for the unpaid loan by Respondent must therefore be dismissed. Moreover, since she is presently unemployed, federal administrative wage garnishment hearings may not be reinstated at any time before the passage of twelve (12) months from the time she becomes employed.

It is hereby so ordered.

Dated:

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Victor W. Palmer  
Administrative Law Judge