

UNITED STATES DEPARTMENT OF AGRICULTURE  
BEFORE THE SECRETARY OF AGRICULTURE

Docket No. 10-0425

In re: BEVERLY BROADHEAD,

Petitioner

**DECISION AND ORDER**

This matter is before the Office of Administrative Law Judges (“OALJ”) upon the request of Beverly Broadhead (“Petitioner”) for a hearing to address the existence or amount of a debt alleged to be due to the United States Department of Agriculture, Rural Development (“Respondent”; “RD”), and if established, the propriety of imposing administrative wage garnishment. By Order issued on May 20, 2011<sup>1</sup>, the parties were directed to provide information and documentation concerning the existence of the debt and deadlines were set for the submissions. In addition, the matter was set for a telephonic hearing to commence on June 15, 2011 at 11:00 a.m. o’clock, E.S.T.

The Respondent filed a Narrative, together with supporting documentation<sup>2</sup> on October 21, 2010. Petitioner did not file any responsive documents or statement; however in response to my most recent Order, Petitioner called my staff to provide a phone number where she could be reached at the time of the hearing. On June 15, 2011, between 10:50 a.m. and 11:30 a.m.,

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<sup>1</sup> This case has been scheduled several times by Orders issued September 27, 2010; November 2, 2010; and April 10, 2011, and continued and rescheduled at Petitioner’s request.

<sup>2</sup> References to Respondent’s exhibits herein shall be denoted as “RX-1 through RX-8”.

several attempts were made to reach the Petitioner at the number she provided. No one answered the phone.

As Petitioner has been provided with many opportunities to participate in a hearing on the notice to garnish her wages and has failed to comply with Orders and hearing protocol, I find it appropriate to make a Decision on the basis of the entire record before me. The following Findings of Fact, Conclusions of Law and Order shall be entered.

**Findings of Fact**

1. Petitioner Beverly Broadhead obtained a loan from USDA-RD in the amount of \$90,700.00 to finance the purchase of her primary residence in Theodore, Alabama.
2. Petitioner executed promissory notes and deed of trust dated May 18, 2000 as evidence of indebtedness for the loans. RX 1 and RX 2.
3. Petitioner reamortized her account on three occasions by adding delinquent and unauthorized assistance amounts to the principal of the loan: (RX-4)
  - a) The principal due after the first reamortization on July 18, 2003 was \$89,521.53;
  - b) The principal due after the second reamortization on June 18, 2006 was \$94,614.42
  - c) The principal due after the third reamortization on August 18, 2007 was \$106,030.88.
4. On September 16, 2003, Petitioner filed a bankruptcy petition under 11 U.S.C. Chapter 7, but she reaffirmed her debt with USDA-RD on November 19, 2003, and it therefore was not discharged. RX-4A
5. Petitioner was sent Notice of Acceleration of her account, dated December 11, 2008. RX-5.

6. Petitioner defaulted on the loan from USDA, and the property was sold at short sale on March 23, 2009 for \$83,398.63, which was applied to the account balance of \$109,770.72, consisting of \$103,851.57 in principal; \$5,203.93 in accrued interest; and \$715.22 in fees.

7. The difference after application of sales proceeds was \$26,372.09, which was referred to Treasury for collection. RX 6.

8. The amount of \$691.31 was applied to Petitioner's account through tax offset and the balance at Treasury is now \$25,680.78. RX-6.

9. The total indebtedness is \$32,871.40, consisting of the balance on the loan and potential fees of \$7,190.62. RX-7.

### **Conclusions of Law**

1. The Secretary has jurisdiction in this matter.

2. Petitioner is indebted to USDA Rural Development in the amount of \$32,871.40, comprised of \$25,680.78 plus potential Treasury fees of \$7,190.62.

3. All procedural requirements for administrative wage offset set forth at 31 C.F.R. §285.11 have been met.

4. USDA Rural Development has established that the Petitioner was given notice of the debt and an opportunity to cure any default.

5. USDA-RD is entitled to administratively garnish the wages of the Petitioner.

6. In addition, Treasury may implement any and all other appropriate collection action.

### **Order**

1. The Administrative Wage Garnishment may proceed at this time at the rate of 15% of Petitioner's Monthly Disposable Income.

2. Petitioner is advised that this Decision and Order does not prevent payment of the debt through offset of any federal money payable to Petitioner.

3. Petitioner is further advised that a debtor who is considered delinquent on debt to the United States may be barred from obtaining other federal loans, insurance, or guarantees. See, 31 C.F.R. § 285.13.

4. Until the debt is satisfied, Petitioner shall give to USDA RD or those collecting on its behalf, notice of any change in his address, phone numbers, or other means of contact. Petitioner may direct questions to RD's representative Mary Kimball, c/o:

USDA New Program Initiatives Branch  
Rural Development Centralized Servicing Center  
4300 Goodfellow Blvd. F-22  
St. Louis, MO 63120  
314-457-5592  
314-457-4426 (facsimile)

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

So ORDERED this 16<sup>th</sup> day of June, 2011 in Washington, D.C.

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Janice K. Bullard  
Administrative Law Judge