

PROCEDURE REFERENCE:

RD Instruction 1951-C

PURPOSE:

Used to notify all delinquent borrowers who receive a federal salary that the Agency intends to exercise salary offset. Text contained in this Letter should not be revised or removed.

NOTIFICATION OF SALARY OFFSET

(Use Agency Letterhead)

Sent by Certified Mail
(Insert Name and Address)

Dear _____:

The United States Department of Agriculture (USDA), (Insert Agency name), (Insert Agency abbreviation) has reviewed the records relating to your delinquency, and determined that you owe the U.S. Government \$ (Insert Dollar Amount). In accordance with 7 CFR part 1951, subpart C, section 1951.111(c), a review has been made of the circumstances giving rise to the delinquency. Based on that review, I have concluded that the cost of collecting offset will not exceed the amount of the debt. In addition, there are no legal restrictions that would bar collecting that debt.

We intend to collect this amount by offsetting your salary until the delinquency and all accumulated interest and other costs are paid in full. Deductions of 15 percent of your disposable income will begin with the first pay period occurring 30 days from the date you receive this letter and will continue until the delinquency or other debt is paid. You may voluntarily agree to a higher percentage. If you agree to (Insert Agency abbreviation) collecting more than 15 percent of your disposable pay, please let us know immediately in writing.

Interest and other costs may be assessed in accordance with Department Regulation 2520-1, Interest Rate on Delinquent Debt, and 4 CFR 102.13.

As a federal employee, you have the following rights:

- (1) The right to inspect and copy the records relating to the debt. No charges will be assessed for one copy of the records;
- (2) The right to enter into a written agreement for a repayment schedule (RD Guide Letter 1951-8 enclosed) different from that proposed so long as your terms of repayment are agreeable to (Insert agency abbreviation);

- (3) The right to a hearing conducted by a USDA Administrative Law Judge or a hearing official from outside USDA. The hearing will consider the existence of the delinquency, the amount of the delinquency, and percentage of disposable pay to be deducted each pay period. The timely filing of a petition for a hearing will stop collection proceedings;
- (4) The right to a final decision on a hearing at the earliest practical date, but not later than 60 calendar days after you file a hearing petition;
- (5) The right to request a waiver of salary overpayment. You may also question the amount or validity of a salary overpayment or general delinquency or other debt by submitting a claim to the Comptroller General in accordance with General Accounting Office procedures;
- (6) The right to have any monies paid on or deducted for the delinquency which are later waived or found not owed to the United States to be promptly refunded to you unless there are applicable contractual or statutory provisions to the contrary.

Submitting false or frivolous statements, representations, or evidence may subject you to disciplinary proceedings or civil or criminal penalties.

If you wish to file a petition for a hearing, we must receive the petition within 30 days from the date you receive this letter to:

(Insert agency name)
(Insert agency address)

You must sign the petition and must identify and explain all the information and evidence that supports your position. If you would like a reconsideration of the percentage of disposable income to be deducted, you should state your reasons.

Sincerely,

(Insert Name and Title of Certifying Official)