

appropriate, the question of waiver of the debt.

(Approved by the Office of Management and Budget under control number 1880-0515)

(Authority: 20 U.S.C. 1221e-3(a)(1) and 1226a-1, 31 U.S.C. 3716(b))

[51 FR 24099, July 1, 1986, as amended at 51 FR 35647, Oct. 7, 1986]

§ 30.25 How may a debtor obtain an oral hearing?

(a) If a debtor wants the Secretary to conduct the review requested under § 30.24 as an oral hearing, the debtor must file a written request for an oral hearing together with the request for review filed under § 30.24(a).

(b) A request filed under paragraph (a) of this section must contain the following in addition to the information filed under § 30.24(b):

(1) An explanation of reason(s) why the debtor believes the Secretary cannot resolve the issues identified in the notice under § 30.22(b)(3)(ii) or § 30.33(b)(3)(ii) through a review of the documentary evidence.

(2) An identification of:

(i) The individuals that the debtor wishes to have testify at the oral hearing;

(ii) The specific issues identified in the notice regarding which each individual is prepared to testify; and

(iii) The reasons why each individual's testimony is necessary to resolve the issue.

(c) The Secretary grants a debtor's request for an oral hearing regarding the issues identified in the notice under § 30.22(b)(3)(ii) or § 30.33(b)(3)(ii) only if:

(1)(i) A statute authorizes or requires the Secretary to consider waiver of the indebtedness involved;

(ii) The debtor files a request for waiver of the indebtedness with the request for review filed under paragraph (a)(1) of this section; and

(iii) The question of waiver of the indebtedness turns on an issue of credibility or veracity; or

(2) The Secretary determines that the issues identified in the notice under § 30.22(b)(3)(ii) or § 30.33(b)(3)(ii) cannot be resolved by review of only the documentary evidence.

(d) Notwithstanding paragraph (b) of this section, the Secretary may deny

oral hearings for a class of similar debts if:

(1) The issues identified in the notice under § 30.22(b)(3)(ii) or 30.33(b)(3)(ii) for which an oral hearing was requested, or the issue of waiver, rarely involve issues of credibility or veracity; and

(2) The Secretary determines that review of the documentary evidence is ordinarily an adequate means to correct mistakes.

(e) The Secretary may decline to consider any reasons that the debtor fails to provide in accordance with paragraph (b)(1) of this section.

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§ 30.26 What special rules apply to an oral hearing?

(a) The oral hearing under § 30.25 is not a formal evidentiary hearing subject to 5 U.S.C. 554, unless required by law.

(b) If the Secretary grants an oral hearing, the Secretary notifies the debtor in writing of:

(1) The time and place for the hearing;

(2) The debtor's right to representation; and

(3) The debtor's right to present and cross examine witnesses.

(c) If the Secretary grants an oral hearing, the Secretary designates an official to:

(1) Govern the conduct of the hearing;

(2) Take all necessary action to avoid unreasonable delay in the proceedings;

(3) Review the evidence presented at the hearing, the documents submitted by the debtor, and other relevant evidence; and

(4) After considering the evidence, notify the debtor in writing of the official's decision regarding the issues identified in the notice under § 30.22(b)(3)(ii) or § 30.33(b)(3)(ii) and, if appropriate, the question of waiver of the debt.