

**§ 17.64 Referral of claims to the Assistant Secretary for Administration.**

(a) *Authority of the Assistant Secretary for Administration.* The Assistant Secretary for Administration shall exercise the powers and perform the duties of the Secretary to compromise, or to suspend or terminate collection action on all Department claims not exceeding \$100,000 exclusive of interest, except as provided in § 17.65 and paragraph (b) of this section. When initial attempts at collection by the office having responsibility for such claims have not been fully successful, the claim file shall be forwarded to the Assistant Secretary for Administration for further administrative collection procedures. Claims shall be referred to the Assistant Secretary for Administration well within the applicable statute of limitations (28 U.S.C. 2415 and 2416), but in no event more than 2 years after the claims accrued.

(b) *Exclusions.* There shall be no compromised or terminated collection action with respect to any claim: (1) As to which there is an indication of fraud, the presentation of a false claim, or misrepresentation on the part of the debtor or any other party having an interest in the claim; (2) based in whole or in part on conduct in violation of the anti-trust laws; (3) based on tax statutes; or (4) arising from an exception made by the General Accounting Office in the account of an accountable officer. Such claims shall be promptly referred to the Justice Department or GAO, as appropriate.

[36 FR 24427, Dec. 22, 1971. Redesignated at 49 FR 32349, Aug. 14, 1984 (interim), as amended at 59 FR 34580, July 6, 1994]

**§ 17.65 Authority of offices to compromise claims or suspend or terminate collection action.**

(a) *Small claims.* The Assistant Secretary for Administration periodically shall establish and disseminate to claims collection officers a maximum dollar amount up to which claims collection officers are authorized to compromise a claim or suspend or terminate collection action on a claim.

(b) *Claims arising under certain programs.* (1) The office primarily responsible for the following programs of the Department is authorized, in those

cases where initial collection attempts are not wholly successful, to compromise or to suspend or terminate collection action on claims not exceeding \$100,000 with respect to:

(i) A claim under title I of the National Housing Act;

(ii) A claim on a rehabilitation loan account under section 312 of the Housing Act of 1964;

(iii) A claim against tenants or former tenants of properties acquired by, or under the custody of, the Secretary or held by him as mortgagee in possession; or

(iv) A claim arising out of the operational (nonadministrative) activities of the Government National Mortgage Association (GNMA).

(2) However, no office shall undertake to compromise or terminate any collection action excluded under § 17.64(b).

[36 FR 24427, Dec. 22, 1971. Redesignated at 49 FR 32349, Aug. 14, 1984, and amended at 52 FR 35414, Sept. 21, 1987; 59 FR 34580, July 6, 1994]

**§ 17.66 Department claims officer.**

The Assistant Secretary for Administration shall designate a subordinate official as Department Claims Officer, who shall be responsible for the establishment and maintenance of procedures within the Department relating to the collection of claims and the coordination of all collection activities in all Department offices.

[40 FR 28599, July 7, 1975. Redesignated at 49 FR 32349, Aug. 14, 1984]

**§ 17.67 Claims files.**

Each claims collection officer is responsible for obtaining current credit data about each person against whom a claim is pending in his office. The file shall be kept reasonably up to date by the Department Claims Officer for claims referred to the Assistant Secretary for Administration for collection. Such credit data may take the form of: (a) A commercial credit report, (b) an agency investigative report showing the debtor's assets and liabilities and his income and expenses, (c) the individual debtor's own financial statement executed under penalty of perjury reflecting his assets and liabilities and his income and expenses, or

**§ 17.68**

(d) an audited balance sheet of a corporate debtor. The file should also contain a checklist or brief summary of actions taken to collect or comprise a claim.

**§ 17.68 Monthly report of collection action.**

The Department Claims Officer shall make a monthly report to the Assistant Secretary for Administration and all offices that have referred claims for collection. The report should contain the following information as a minimum:

(a) All outstanding claims referred to the Assistant Secretary for Administration for administrative collection, including the name and address of the debtor, the amount of the claim, the date the claim accrued, the basis of the claim, the office referring the claim, and the current progress of collection activities.

(b) All claims compromised or on which collection has been suspended or terminated or referred to GAO or Justice for further collection action during the month. The collection action taken and the basis for the action should be indicated.

(c) All claims referred to the Department of Justice under § 17.64(a).

(d) Claims returned to this Department by the Justice Department for further collection action because Justice's handling was not warranted.

**§ 17.69 Accounting control.**

Each office and the Department Claims Officer shall process all claims collections through the appropriate accounting office and report the collection, compromise, suspension and termination of all claims to the appropriate accounting office for recording.

**§ 17.70 Record retention.**

The file of each claim on which administrative collection action has been completed shall be retained by the appropriate office or the Assistant Secretary for Administration not less than 1 year after the applicable statute of limitations has run.

**§ 17.71 Suspension or revocation of eligibility.**

(a) Where a contractor, grantee, or other participant in programs sponsored by the Department fails to pay his debts to the Department within a reasonable time after demand, the fact shall be reported by the Assistant Secretary for Administration to the Inspector General, who shall place such defaulting participant's name on the Department's list of debarred, suspended and ineligible contractors and grantees and the participant will be so advised.

(b) The failure of any surety to honor its obligations in accordance with 6 U.S.C. 11 is to be reported at once to the Assistant Secretary for Administration who shall so advise the Treasury Department. The Treasury Department will notify this Department when a surety's certificate of authority to do business with the Government has been revoked or forfeited.

**§ 17.72 Methods of collection and imposition of late charges.**

(a) *Demand for payment.* Appropriate written demands shall be made upon the debtor which shall include information relating to the consequences of his failure to cooperate.

(b) *Methods of collection: Administrative and salary offset.* The Department may use administrative offset and salary offset procedures as alternative methods for the collection of money owed the Department from those set out in this section. For specific procedures on administrative offset see §§ 17.100 through 17.118. For specific procedures on salary offset see §§ 17.125 through 17.140.

(c) *Method of collection: Liquidation of collateral.* Where the Department holds security or collateral that may be liquidated and the proceeds applied on debts due it through the exercise of a power of sale in the security instrument, such procedures will be followed if the debtor fails to pay his or her debt within a reasonable time after demand, unless the cost of disposing of the collateral will be disproportionate to its value, or unless special circumstances require judicial foreclosure.