

## § 20.60

(b) In addition to assessing the costs listed in the administrative cost fee schedule, the responsible agency may include the costs incurred in obtaining a credit report or in using a private debt collector, to the extent they are attributable to delinquency.

(c) The Chief Financial Officer shall issue each year a schedule providing the costs associated with various common activities required to collect delinquent debts.

### § 20.60 Application of partial payments to amounts owed.

When a debt is paid in partial or installment payments, amounts received by the responsible agency should be applied first to outstanding penalty and administrative cost charges, second to accrued interest, and third to outstanding principal.

### § 20.61 Waiver.

(a) The Department of Labor agency responsible for collecting the claim shall waive the collection of interest on the debt or any portion of the debt which is paid within 30 days after the date on which interest began to accrue. This 30-day period may be extended for another 30 days on a case-by-case basis, if the agency reasonably determines that such action is appropriate, and is in accordance with these regulations. Also, the responsible agency may waive charges assessed under this subpart, based on criteria specified in the Federal Claims Collection Standards relating to the compromise of claims (without regard to the amount of the debt), or if the agency determines that collection of these charges would be against equity and good conscience or not be in the best interests of the United States. Waiver under the first sentence of this paragraph is mandatory. Under the second and third sentences waiver is permissive and may be exercised only in accordance with the standards set by these regulations.

(b) Agencies may waive interest and other charges under appropriate circumstances, including, for example:

(1) Pending consideration of a request for reconsideration, administrative review, or waiver under a permissive statute,

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(2) If the agency has accepted an installment plan, there is no fault or lack of good faith on the part of the debtor, and the amount of interest is large enough in relation to the size of the debt and the amount of the installments that the debtor can reasonably afford to pay so that the debt can never be repaid, or

(3) If repayment of the full amount of the debt is made after the date upon which interest and other charges became payable and the estimated costs of recovering the residual interest balance exceed the amount owed the Agency.

(c) Where a mandatory waiver or review statute applies, interest and related charges may not be assessed for those periods during which collection action must be suspended.

### § 20.62 Responsibilities of the Chief Financial Officer.

The Chief Financial Officer, or his or her designee, shall provide appropriate and binding written or other guidance to Department of Labor agencies and officials in carrying out this subpart, including the issuance of guidelines and instructions, which he or she may deem appropriate. The Chief Financial Officer shall also take such administrative steps as may be appropriate to carry out the purposes and ensure the effective implementation of this regulation.

## Subpart D—Salary Offset

SOURCE: 52 FR 3772, Feb. 5, 1987, unless otherwise noted.

### § 20.74 Purpose.

(a) The regulations in this subpart establish procedures to implement section 5 of the Debt Collection Act of 1982 (Pub. L. 97-365), 5 U.S.C. 5514. This statute authorizes the head of each agency to deduct from the current pay account of an employee (*salary offset*) when the employee owes money to the United States. This subpart specifies the agency procedures that will be available in a *salary offset* by the Department of Labor of an employee's current pay account.

(b) Administrative offset is defined in 31 U.S.C. 3701(a)(1) as "withholding