

§ 30.10

§ 30.10 Omissions not a defense.

Failure by the Secretary to comply with any provision of this regulation may not serve as a defense to any debtor.

Subpart B—Collection of Claims

§ 30.11 Collection rule.

(a) *Aggressive agency action.* The Secretary will take aggressive action to collect debts and reduce delinquencies. Collection efforts shall, at a minimum, normally include sending to the debtor's last known address a total of three progressively stronger written demands for payment at not more than 30-day intervals unless amounts are available for offset under section 30.15, or a response to the first or second demand indicates that further demand would be futile and the debtor's response does not require rebuttal.

(b) *Immediate action.* When necessary to protect the Government's interest, written demand may be preceded by other appropriate action, such as withholding of amounts payable to the debtor or immediate referral of the debt for litigation or filing of a claim in bankruptcy court or against a decedent's estate.

(c) *Finding debtors.* The Secretary will exhaust every reasonable effort to locate debtors, using such sources as telephone directories, city directories, postmasters, driving license records, automobile title and license records in State and local government agencies, the Internal Revenue Service, credit reporting agencies and skip locator services. Referral of a confess-judgment note to the appropriate United States Attorney's Office for entry of judgment will not be delayed because the debtor cannot be located.

(d) *Joint and several liability.* Collection of the full amount of the debt will be pursued from each debtor jointly and severally liable.

(e) *Debtor disputes.* A debtor who disputes a debt must promptly provide available supporting evidence.

(f) *Debt files.* The Secretary will maintain an administrative file for each debt or debtor, documenting the debt(s), all administrative collection action, including communications to

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and from the debtor, and disposition of the debt(s). Information from a debt file relating to an individual may be disclosed only for purposes consistent with this regulation, the Privacy Act of 1974 (5 U.S.C. 552a), and any other applicable law.

§ 30.12 Notices to debtor.

(a) *Required notice.* The first written demand for payment must inform the debtor of—

(1) The amount and nature of the debt;

(2) The date payment is due, which will generally be 30 days from the date the notice was mailed; and

(3) The assessment under § 30.13 of interest from the date the notice was mailed, and full administrative costs if payment is not received within the 30 days.

(b) *Other notice.* Where applicable, the Secretary must inform the debtor in writing of—(1) His or her right to dispute the debt or request a waiver of the debt, citing the applicable review or waiver authority, the conditions for review or waiver, and the effect of the review or waiver request on collection of the debt, interest, charges and late payment penalties (see § 30.14);

(2) The office, address and telephone number that the debtor should contact to discuss repayment, reconsideration or waiver of the debt;

(3) The proposed sanctions if the debt is overdue, including assessment of late payment penalties under 30.13 (if the debt is more than 90 days overdue) or referral of the debt to a credit reporting agency under § 30.17, or to a collection agency under § 30.18. (See also § 30.5).

(c) *Exception.* This section does not require duplication of any notice already contained in a written agreement, letter or other document signed by, or provided to the debtor.

§ 30.13 Interest, administrative costs and late payment penalties.

(a) *Interest.* (1) Interest will accrue on all debts from the date notice of the debt and the interest requirement is first mailed to the last known address or hand-delivered to the debtor if the debt is not paid within 30 days from the date of mailing of the notice. Except as