

agreement. No repayment agreement will be binding on the Endowment unless it is in writing and signed by both you and the Chairperson. At the Endowment's option, you may be required to enter into a confess-judgment note or bond of indemnity with surety as part of an agreement to make payments in installments. Notwithstanding the provisions of this section, any reduction or compromise of a claim will be governed by 31 U.S.C. 3711.

**§ 1150.10 What is the extent of the Chairperson's authority to compromise debts owed to the Endowment, or to suspend or terminate collection action on such debts?**

(a) The Chairperson may exercise his or her authority to compromise, or to suspend or terminate collection action on, those debts owed to the Endowment and not exceeding \$100,000, excluding interest, in conformity with the Federal Claims Collection Act of 1966, as amended; the Federal Claims Collection Standards issued thereunder; and this part, except where standards are established by other statutes or authorized regulations issued pursuant to them.

(b) The portion of a debt owed to the Endowment that is unrecovered as the result of a compromise shall be reported to the Internal Revenue Service (IRS) as income to the debtor.

**§ 1150.11 How does subdividing or joining debts owed to the Endowment affect the Chairperson's compromise, suspension, or termination authority?**

A debtor's liability arising from a particular transaction or contract will be considered as a single claim in determining whether the claim is one of not more than \$100,000, excluding interest, for the purpose of compromise or suspension or termination of collection action. Such a claim may not be subdivided to avoid the monetary ceiling established by the Federal Claims Collection Act of 1966, as amended. Joining two or more claims in a demand upon a debtor for payment of more than \$100,000 does not preclude compromise or suspension or termination of collection action with regard to any

one claim not exceeding \$100,000, excluding interest.

**§ 1150.12 How will the Endowment use credit reporting agencies to collect its claims?**

(a) The Endowment may report delinquent debts to appropriate credit reporting agencies by providing the following information:

(1) A statement that the debt is valid and overdue;

(2) The name, address, taxpayer identification number, and any other information necessary to establish the identity of the debtor;

(3) The amount, status, and history of the debt; and

(4) The program or pertinent activity under which the debt arose.

(b) Before disclosing debt information to a credit reporting agency, the Endowment will:

(1) Take reasonable action to locate the debtor if a current address is not available;

(2) Provide the notice required under § 1150.5 if a current address is available; and

(3) Obtain satisfactory assurances from the credit reporting agency that it complies with the Fair Credit Reporting Act (15 U.S.C. 1681 *et seq.*) and other Federal laws governing the provision of credit information.

(c) At the time debt information is submitted to a credit reporting agency, the Endowment will provide a written statement to the reporting agency that all required actions have been taken. In addition, the Endowment will, thereafter, ensure that the credit reporting agency is promptly informed of any substantive change in the conditions or amount of the debt, and promptly verify or correct information relevant to the debt.

(d) If a debtor disputes the validity of the debt, the credit reporting agency will refer the matter to the appropriate Endowment official. The credit reporting agency will exclude the debt from its reports until the Endowment certifies in writing that the debt is valid.

(e) The Endowment may disclose to a commercial credit bureau information concerning a commercial debt, including the following: