

(h) *Payment agency's responsibilities.*

(1) As required by 5 CFR 550.1109, if the employee separates from the payment agency from which DHS requested salary offset, the payment agency must certify the total amount of its collection and notify DHS and the employee of the amounts collected. If the payment agency is aware that the employee is entitled to payments from the Civil Service Retirement Fund and Disability Fund, the Federal Employee Retirement System, or other similar payments, it must provide written notification to the agency responsible for making such retirement payments that the debtor owes a debt, the amount of the debt, and that DHS has complied with the provisions of this section. DHS must submit a properly certified claim to the new payment agency before the collection can be made.

(2) If the employee is already separated from employment and all payments due from his or her former payment agency have been made, DHS may request that money due and payable to the employee from the Civil Service Retirement Fund and Disability Fund, the Federal Employee Retirement System, or other similar funds, is administratively offset to collect the debt. Generally, DHS will collect such monies through the Treasury Offset Program as described in this section.

(3) When an employee transfers to another agency, DHS should resume collection with the employee's new payment agency in order to continue salary offset.

§ 11.5 Administrative wage garnishment.

DHS may collect debts from a debtor's wages by means of administrative wage garnishment in accordance with the requirements of 31 U.S.C. 3720D under the procedures established in 31 CFR 285.11.

§ 11.6 Reporting debts.

DHS will report delinquent debts to credit bureaus and other automated databases in accordance with 31 U.S.C. 3711(e), 31 CFR 901.4, and the Office of Management and Budget Circular A-129, "Policies for Federal Credit Programs and Non-tax Receivables,"

which may be found at <http://www.fms.treas.gov/debt>. At least sixty (60) days prior to reporting a delinquent debt to a consumer reporting agency, DHS sends a notice to the debtor in accordance with 6 CFR 11.3. DHS may authorize the Treasury Department's Financial Management Service to report to credit bureaus those delinquent debts that have been transferred to the Financial Management Service for administrative offset.

§ 11.7 Private collection agencies.

DHS will transfer delinquent DHS debts to the Treasury Department's Financial Management Service to obtain debt collection services provided by private collection agencies.

§ 11.8 Suspension or revocation of eligibility for loans and loan guarantees, licenses, permits, or privileges.

The authority to extend financial assistance in the form of a loan, loan guarantee, or loan insurance to any person delinquent on a nontax debt owed to DHS is delegated to the Chief Financial Officer.

§ 11.9 Collection in installments.

DHS may accept payment of a DHS debt in regular installments, in accordance with the provisions of 31 CFR 901.8 and policies and procedures adopted by the Chief Financial Officer (CFO). The CFO will consult the Office of General Counsel regarding a legally enforceable written agreement from the debtor.

§ 11.10 Interest, penalty charges, and administrative costs.

(a) *Assessment and notice.* DHS shall assess interest, penalties and administrative costs on DHS debts in accordance with 31 U.S.C. 3717 and 31 CFR 901.9. Administrative costs of processing and handling a delinquent debt shall be determined by DHS.

(b) *Waiver of interest, penalties, and administrative costs.* DHS may waive interest, penalties, and administrative costs, or any portion thereof, under the criteria in the FCCS, or when it determines the collection of these charges would be against equity and good conscience or not in the best interests of the United States. The authority to

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waive interest, penalties and administrative costs is delegated to the Chief Financial Officer. The DHS Chief Financial Officer shall issue written guidance on maintaining records of waivers.

(c) *Accrual during suspension of debt collection.* Interest and related charges will not accrue during the period a hearing official does not render a timely decision.

§ 11.11 Compromise.

DHS may compromise a debt in accordance with the provisions of 31 CFR part 902. The Chief Financial Officer is authorized to compromise debts owed to DHS. No debt over \$10,000 may be compromised without the concurrence of the Office of the General Counsel.

§ 11.12 Suspending or terminating collection activity.

DHS will suspend or terminate collection activity, or discharge indebtedness, in accordance with 31 CFR part 903. The Chief Financial Officer is delegated authority to suspend or terminate collection activity, or to discharge indebtedness regarding debts owed to DHS, but for any such action involving a debt over \$10,000, the Chief Financial Officer must obtain the concurrence of the Office of the General Counsel. The Chief Financial Officer is authorized to act on behalf of the Secretary in selling a debt, and in determining whether or not it is in the best interests of the United States to do so.

§ 11.13 Referrals to the Department of Justice.

Referrals of debts to the Department of Justice for collection will be by the General Counsel.

§ 11.14 Receipt of offset requests by other Federal agencies.

Other Federal agencies send non-centralized offset requests to DHS at: U.S. Department of Homeland Security, Attn: Chief Financial Officer, Mail Stop 0200, Washington, DC 20528-0200. Those agencies must comply with 31 CFR 901.3 when forwarding the requests to DHS. DHS does not review the merits of the creditor agency's determination with regard to the existence or the amount of the debt. When two or more

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agencies are seeking offsets from payments made to the same person, or when two or more debts are owed to a single creditor agency, DHS may determine the order in which the debts will be collected or whether one or more debts should be collected by offset simultaneously. For the purposes of this section, debts owed to DHS generally take precedence over debts owed to other agencies, but DHS may pay a debt to another agency prior to collecting for DHS. DHS determines the order of debt collection based upon the best interests of the United States.

§ 11.15 Applying the debt against DHS payments.

(a) *Notice to the Debtor.* DHS sends a written notice to the debtor indicating a certified debt claim was received from the creditor agency, the amount of the debt claimed to be owed by the creditor agency, the estimated date the offset will begin (if more than one payment), and the amount of the deduction(s). For employees, DHS generally begins deductions from pay at the next officially established pay interval. Deductions continue until DHS knows the debt is paid in full or until otherwise instructed by the creditor agency. Alternatively, the amount offset may be an amount agreed upon, in writing, by the debtor and the creditor agency. If a DHS employee retires or resigns, or if his or her employment ends before collection of the debt is complete, DHS continues to offset, under 31 U.S.C. 3716, up to 100% of an employee's subsequent payments until the debt is paid or otherwise resolved. Such payments include a debtor's final salary payment, lump-sum leave payment, and other payments payable to the debtor by DHS. See 31 U.S.C. 3716 and 5 CFR 550.1104(l) and 550.1104(m). If the employee is separated from DHS before the debt is paid in full, DHS will certify to the creditor agency the total amount of its collection. If DHS is aware the employee is entitled to payments from the Civil Service Retirement and Disability Fund, Federal Employee Retirement System, or other similar payments, DHS provides written notice to the agency making such retirement payments that the debtor owes a debt (including the amount) and