

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:

§ 1150.13

(1) Information necessary to establish the name, address, and employer identification number of the commercial debtor;

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

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

§ 1150.13 How will the Endowment contract for collection services?

The Endowment will use the services of a private collection contractor where it determines that such use is in the best interest of the Endowment. When the Endowment determines that there is a need to contract for collection services, it will:

(a) Retain sole authority to:

(1) Resolve any dispute with the debtor regarding the validity of the debt;

(2) Compromise the debt;

(3) Suspend or terminate collection action;

(4) Refer the debt to the DOJ for litigation; and

(5) Take any other action under this part which does not result in full collection of the debt;

(b) Require the contractor to comply with the Privacy Act of 1974, as amended, to the extent specified in 5 U.S.C. 552a(m); with the Fair Debt Collection Practices Act (15 U.S.C. 1692–1692o) and other applicable Federal and State laws pertaining to debt collection practices; and with the applicable regulations of the Endowment in this chapter;

(c) Require the contractor to account accurately and fully for all amounts collected; and

(d) Require the contractor to provide to the Endowment, upon request, all data and reports contained in its files related to its collection actions on a debt.

§ 1150.14 When will the Endowment refer claims to the DOJ?

The Chairperson will refer to the DOJ for litigation claims on which aggressive collection actions have been taken but which could not be collected, compromised, suspended, or terminated. Referrals will be made as early as possible, consistent with aggressive Endowment collection action, and

45 CFR Ch. XI (10–1–14 Edition)

within the period for bringing a timely suit against the debtor.

§ 1150.15 Will the Endowment use a cross-servicing agreement with the Treasury to collect its claims?

(a) The Endowment will enter into a cross-servicing agreement that authorizes the Treasury to take the collection actions described in this part on behalf of the Endowment. These debt collection services will be provided to the Endowment in accordance with 31 U.S.C. Chapter 37.

(b) The Endowment shall transfer to the Treasury any past due, legally enforceable, non-tax debt that has been delinquent for a period of 180 days or more so that the Secretary of the Treasury may take appropriate action in accordance with 31 U.S.C. 3716, 5 U.S.C. 5514, the Federal Claims Collection Standards, 5 CFR 550.1108, and 31 CFR part 285. The categories of debts described in 31 U.S.C. 3711(g)(2) are excluded from transfer under this paragraph (b).

§ 1150.16 May I use the Endowment's failure to comply with these regulations as a defense?

No. The failure of the Endowment to comply with any standard prescribed in the Federal Claims Collection Standards or these regulations shall not be available to any debtor as a defense.

Subpart B—Salary Offset

§ 1150.20 What debts are included or excluded from coverage of these regulations on salary offset?

(a) The regulations in this subpart provide Endowment procedures for the collection by salary offset of a Federal employee's pay to satisfy certain debts owed to the Endowment or to other Federal agencies.

(b) The regulations in this subpart do not apply to any case where collection of a debt by salary offset is explicitly provided for or prohibited by another statute.

(c) Nothing in the regulations in this subpart precludes the compromise, suspension, or termination of collection actions under the Federal Claims Collection Act of 1966, as amended, or the Federal Claims Collection Standards.