

Debt Collection Handbook

Directive Number: 1900.25

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-8000**

OFFICE OF THE CHIEF FINANCIAL OFFICER

Special Attention of:

Transmittal: Handbook 1900.25 REV-4, Change 1
Issued: June 1, 2012

1. This Transmits:

Change 1 of Handbook 1900.25 REV-4, *Debt Collection Handbook*.

2. Explanation of Changes:

Two changes are needed in Chapter 2 in order to more accurately reflect accounting and reporting practices used for receivables identified by an audit.

a. Section 2-1.B.

The description of how debts arise is illustrated by an example. This change in Chapter 2 clarifies the example to reflect that disallowed costs identified in an OIG audit are treated as a receivable when a management decision is reached.

b. Section 2-7.B.

This paragraph distinguishes the role of the Action Official responsible for debt collection from that of the Action Official responsible for addressing the audit recommendation. This change further clarifies the Action Official's responsibility to report all progress for audit related debt to the Audit Liaison Officer assigned to the recommendation.

3. Filing Instructions

a. Insert this change Transmittal, page i, in front of the existing Transmittal, and replace the existing Transmittal with renumbered pages ii through page iv.

b. Replace the Table of Contents, pages iv and v, dated April 2012, with pages v and vi, dated 6/1/2012.

c. Replace pages 2-1 and 2-7 of Chapter 2, dated April 2012, with pages 2-1 and 2-7, dated 6/1/2012.