

App-4 Notice of Intent to Offset**NOTICE OF INTENT TO COLLECT BY TREASURY OFFSET**

[INSERT NAME]

[INSERT DATE]

[INSERT STREET NAME]

[INSERT CITY, ST, ZIP]

Claim Number:

Principal Due:

Type of Debt:

Interest Due:

Date of Debt:

Other Charges Due:

Date of Default:

Total Amount Due:

As of:

READ THIS NOTICE CAREFULLY, IT CONTAINS IMPORTANT INFORMATION CONCERNING THE OFFSET OF YOUR INCOME TAX REFUND AND OTHER FEDERAL PAYMENTS YOU RECEIVE! THIS NOTICE MAY BE THE ONLY WARNING THAT YOU WILL RECEIVE BEFORE OFFSET ACTION BEGINS.

The above referenced debt, owed to the U.S. Department of Housing and Urban Development (HUD), is delinquent. Therefore, HUD intends to collect this debt by Treasury Offset until the debt and all accumulated interest and any other charges are paid in full. To avoid offset you must either pay your debt or request a review by (**insert date 65 days from date of notice**). Detailed instructions on the steps you must take to avoid offset are provided below under "YOUR RIGHTS".

TREASURY OFFSET PROGRAM

HUD will refer your account to the Treasury Offset Program. Under this program the U.S. Department of the Treasury will withhold money that the federal government owes you. Treasury transmits any amounts withheld to HUD, and HUD then applies the funds to reduce the amount owed on your debt. This process is known as administrative offset. The law that authorizes this procedure can be found generally at Sections 3716 and 3720 of Title 31 of the United States Code. Payments to you that Treasury may offset include:

- Your federal income tax refunds (also authorized by 31 U.S.C. § 3720A);
- A portion of your federal salary, including military pay and retired military pay (also authorized by 5 U.S.C. § 5514);
- A portion of your federal retirement;
- Payments due you as a Government contractor/vendor;
- A portion of certain federal benefit payments, such as Social Security, Railroad Retirement (other than tier 2), and Black Lung (part B) benefits.

Note: A state income tax refund may also be subject to offset.

YOUR RIGHTS

1. You may pay your debt.

If you pay your debt by **(insert date 65 days from date of notice)**, you will avoid offset.

You should send a check or money order payable to HUD for the full amount. Write Claim Number **(Insert Claim #)** on the check. Send payment to:

[Insert program name and address]

If you are unable to send the full amount, you may also avoid offset if you enter into a written repayment agreement that is acceptable to HUD and you make all of the required payments on time. To request a repayment agreement you must contact **(insert name)** by telephone at **(insert telephone number)** or by letter to **(insert mailing address)**. Interest will continue to accrue on the unpaid principal amount at a rate of **(insert interest rate)** % per year.

2. You may request copies of HUD's records related to the debt or you can make arrangements to visit HUD to inspect and copy such records.

To exercise either option, send a letter to **(insert mailing address)** by **(insert date 20 days from date of notice)**. Your letter must specify if you would like to make arrangements to personally inspect HUD's records or if you would like HUD to provide you with copies of your records. If you would like copies, please indicate which documents you are requesting or indicate that you would like all available documents.

3. You may request a review of HUD's determination that you owe a delinquent debt.

You have the right to obtain a review of HUD's determination that the debt is past-due and legally enforceable against you. To exercise this right, send a letter by **(insert date 20 days from date of notice)** stating that all or part of the debt is not past-due or not legally enforceable and that you intend to present evidence. Include Claim Number **(insert Claim Number)** on your letter.

Send your letter and a copy of this Notice to:

**HUD Office of Appeals
451 7th Street SW, Room B-133
Washington, DC 20410**

Your evidence must be submitted to the Office of Appeals by (insert date 65 days from date of notice) or within other deadlines communicated to you by the Office of Appeals. If you comply with this requirement, we will not refer the debt for offset until a written decision is issued by the Office of Appeals that authorizes HUD to take such action.

If you filed for bankruptcy and the automatic stay is in effect or if you have been discharged, you are not subject to these actions. You should send copies of your bankruptcy petition, Order for Relief, the schedule of creditors, and any discharge order to the Office of Appeals with your letter.

If you are filing a request for a review on behalf of both you and a co-borrower on a joint debt, you should clearly indicate in your letter that the request for review is for both you and the co-borrower.

4. Federal employees have the right to request a hearing concerning the amount to be deducted from their federal pay each pay period.

If you are a federal employee, we intend to collect your debt by means of a deduction of 15 percent from your disposable pay each pay period. Disposable pay is your authorized pay less deductions required by law such as federal and state income tax, retirement contributions (including Social Security), health insurance premiums and normal life insurance premiums. The full definition of disposable pay is detailed in HUD's regulations at 24 C.F.R. § 17.83 (f).

If you object to this percentage, you have the right to a hearing. To exercise this right, send a letter to the HUD Office of Appeals at the address provided in item 3 of this Notice by **(insert date 20 days from date of notice)**. Your letter should state that you are a current federal employee (including a current member of the Armed Forces or Reserves) or retired from the United States Military. Your letter should also state your objection and the reasons for it. If you are both challenging the debt and objecting to the amount of the proposed federal salary deduction, you can combine your submissions to the Office of Appeals.

SPECIAL NOTES

If you make or provide any knowingly false or fraudulent statements, representations, or evidence, you may be subject to disciplinary procedures under 5 U.S.C. Ch. 5 (federal employees only) or liable for criminal penalties under 18 U.S.C. 1001, 1002, 286, and 287 or other applicable statutes and/or penalties under the False Claims Act (31 U.S.C. §§ 3729-3731).

Any amounts paid on or deducted for the debt which are later found not owed will be promptly refunded.

If you file a joint federal income tax and your spouse is not liable for this debt or any other federal debt, your spouse should file IRS Form 8379, Injured Spouse Claim and Allocation, with the tax return to protect his or her share of the income tax refund. Any questions about this process should be addressed to the Internal Revenue Service.

If you have any questions regarding this Notice or your rights, you may contact **(insert name)** at **(insert telephone number)** or you may write to **(insert mailing address)**.