

or the Rural Telephone Bank Act, 7 U.S.C. 901 *et seq.*), any administrative review will be conducted by the National Appeals Division (NAD) in accordance with 7 CFR part 11. For other USDA agencies, subpart E provides some flexibility as to how they will meet the administrative review requirement.

Subpart G of the proposed rule provides rules for Federal salary offset, for which there are separate review and hearing procedures required by law. Subpart G includes the provisions of the current 7 CFR part 3, subpart C, as modified to reflect changes made to the government wide Federal salary offset rules, 5 CFR part 550, by the Office of Personnel Management (OPM) to conform to DCIA (*see* 63 FR 72,099 (December 31, 1998)). While OPM requires its approval for significant changes to agency Federal salary offset regulations, OPM provided in the preamble to its December 31, 1998, final rule that such review and approval was not required for agency changes to conform to the changes it had made in that final rule. The changes to the USDA Federal salary offset rules proposed in this notice merely adopt the prior changes made by OPM, and thus, OPM approval is not required. These proposed rules also provide that the salaries of Farm Service Agency county executive directors and county office employees shall be subject to administrative offset in accordance with 7 CFR part 792 or part 1403.

Subpart H of the proposed rule incorporates the current text of 7 CFR part 3, subpart D, regarding reporting of discharge of debts to the Internal Revenue.

The current text of 7 CFR part 3, subpart E, regarding adjustment of certain civil monetary penalties, is redesignated as subpart I. The Adjusted Civil Monetary Penalties in newly redesignated subpart I will be updated at a later date by the Department and are not republished at this time.

List of Subjects in 7 CFR Part 3

Administrative practice and procedure, Agriculture, Claims, Debts, Garnishment of wages, Government employee, Hearing and appeal procedures, Pay Administration, Salaries, Wages.

For the reasons stated in the preamble, USDA proposes to revise 7 CFR part 3 as follows:

PART 3—DEBT MANAGEMENT

1. The authority citation for 7 CFR part 3 is revised to read as follows:

Authority: 5 U.S.C. 301; 31 U.S.C. 3701, 3711, 3716–18, 3720B; 31 CFR parts 285 and 901–904, unless otherwise noted.

2. Subpart E is redesignated as subpart I.

3. The table of contents and subparts A through D are revised, and subparts E through H are added, to read as follows:

PART 3—DEBT MANAGEMENT

Subpart A—General

Sec.

- 3.1 Purpose and scope.
- 3.2 Authority.
- 3.3 Definitions.
- 3.4 Delegations of authority.

Subpart B—Standards for the Administrative Collection and Compromise of Claims

- 3.10 Aggressive agency collection activity.
- 3.11 Demand for payment.
- 3.12 Reporting of consumer debts.
- 3.13 Contracting with private collection contractors and with entities that locate and recover unclaimed assets.
- 3.14 Suspension or revocation of eligibility for loans and loan guarantees, licenses, permits, or privileges.
- 3.15 Liquidation of collateral.
- 3.16 Collection in installments.
- 3.17 Interest, penalties, and administrative costs.
- 3.18 Use and disclosure of mailing addresses.
- 3.19 Standards for the compromise of claims.
- 3.20 Standards for suspending or terminating collection activities.
- 3.21 Referrals to the Department of Justice.

Subpart C—Referral of Debts to Treasury

- 3.30 General requirements.
- 3.31 Mandatory referral for cross-servicing.
- 3.32 Discretionary referral for cross-servicing.
- 3.33 Required certification.
- 3.34 Fees.

Subpart D—Administrative Offset

- 3.40 Scope.
- 3.41 Procedures for notification of intent to collect by administrative offset.
- 3.42 Debtor rights to inspect or copy records, submit repayment proposals, or request administrative review.
- 3.43 Non-centralized administrative offset.
- 3.44 Centralized administrative offset.
- 3.45 USDA payment authorizing agency offset of pro rata share of payments due entity in which debtor participates.
- 3.46 Offset against tax refunds.
- 3.47 Offset against amounts payable from Civil Service Retirement and Disability Fund.

Subpart E—Administrative Wage Garnishment

- 3.50 Purpose.
- 3.51 Scope.
- 3.52 Definitions.
- 3.53 Procedures.

Subpart F—Administrative reviews for administrative offset, administrative wage garnishment, and disclosed to credit reporting agencies

- 3.60 Applicability.
- 3.61 Presiding employee.
- 3.62 Procedures.

Subpart G—Federal Salary Offset

- 3.70 Scope of this subpart.
- 3.71 Definitions.
- 3.72 Coordinating offset with another Federal agency.
- 3.73 Determination of indebtedness.
- 3.74 Notice requirements before offset.
- 3.75 Request for a hearing.
- 3.76 Result if employee fails to meet deadlines.
- 3.77 Hearings.
- 3.78 Written decision following a hearing.
- 3.79 Review of USDA records related to debt.
- 3.80 Written agreement to repay debts as alternative to offset.
- 3.81 Procedures for salary offset: when deductions may begin.
- 3.82 Procedures for salary offset: types of collections.
- 3.83 Procedures for salary offset: methods of collections.
- 3.84 Procedures for salary offset: Imposition of interest, penalties, and administrative costs.
- 3.85 Non-waiver of rights.
- 3.86 Refunds.
- 3.87 Agency regulations.

Subpart H—Cooperation with the Internal Revenue Service

- 3.90 Reporting discharged debts to the Internal Revenue Service.

Subpart I—Adjusted Civil Monetary Penalties

- 3.91 Adjusted civil monetary penalties.

Authority: 5 U.S.C. 301; 31 U.S.C. 3701, 3711, 3716–18, 3720B; 31 CFR parts 285 and 901–904, unless otherwise noted.

Subpart A—General

§ 3.1 Purpose and scope.

(a) *In general.* (1) The regulations in this part prescribe standards and procedures for use by USDA agencies in the collection, compromise, suspension, or termination of debts owed to the United States.

(2) The regulations in this part apply to all debts of the United States subject to collection by USDA agencies, except as otherwise specified in this part or by statute.

(3) The regulations in this part do not preclude the Secretary from collection, compromise, suspension, or termination of debts as otherwise authorized by law. In such cases the laws and implementing regulations that are specifically applicable to claims collection activities of a particular agency generally shall take precedence over this part.