

(b) *Agency specific regulations.* (1) The regulations of this part shall apply to the Commodity Credit Corporation (CCC) to the extent specified in 7 CFR part 1403.

(2) USDA agencies may issue regulations to supplement this part in order to meet the specific requirements of individual programs.

§ 3.2 Authority.

The regulations in this part are issued under the Debt Collection Act of 1982, as amended by the Debt Collection Improvement Act of 1996 (DCIA) (31 U.S.C. 3701 *et seq.*) and the Federal Claims Collection Standards issued pursuant to the DCIA by the Departments of the Treasury and Justice (31 CFR parts 901 through 904) that prescribe government-wide standards for administrative collection, compromise, suspension, or termination of agency collection action, disclosure of debt information to credit reporting agencies, referral of claims to private collection contractors for resolution, and referral to the Department of Justice for litigation to collect debts owed the Federal government. The regulations under this part also are issued under Treasury regulations implementing DCIA (31 CFR part 285) and related statutes and regulations governing the offset of Federal salaries (5 U.S.C. 5512 and 5514; 5 CFR part 550, subpart K) and administrative offset of tax refunds (31 U.S.C. 3720A).

§ 3.3 Definitions.

For the purpose of this part, except as where otherwise specifically provided, the term or terms:

(a) *Agency* means a subagency, office, or corporation within USDA subject to the authority or general supervision of the Secretary.

(b) *Centralized offset* means referral of a debt to the Treasury Offset Program (TOP) for offset of payments made to a debtor by Federal agencies other than USDA.

(c) *Claim* and *debt* are synonymous and interchangeable, and refer to an amount of money, funds, or property that has been determined by an agency official to be due the United States from any person, organization, or entity, except another Federal agency.

(d) *Contracting officer* has the same meaning as in 41 U.S.C. 601.

(e) *Credit reporting agencies* (also known as *credit bureaus*) means major consumer credit reporting agencies that have signed agreements with agencies to receive and integrate credit information (data) from voluntary subscribers (federal agencies and private sector entities) into their respective databases

for the purpose of generating credit reports for sale to purchasers of credit data.

(f) *Creditor agency* means a Federal agency or USDA agency to which a debtor owes a debt, including a debt collection center when acting in behalf of a creditor agency in matters pertaining to collection of the debt.

(g) *Debt collection center* means Treasury or other government agency or division, designated by the Secretary of the Treasury with authority to collect debt on behalf of creditor agencies in accordance with 31 U.S.C. 3711(g).

(h) *Debtor* means an individual, a public or private entity, a State, local or tribal government, or the person or entity with legal responsibility for assuming the obligation of the debtor, who owes a delinquent, nontax debt to the United States, but does not include another Federal agency.

(i) *Delinquent* means a debt that has not been paid by the date specified in the agency's initial written demand for payment or applicable agreement or instrument (including a post-delinquency payment agreement), unless other satisfactory payment arrangements have been made.

(j) *FCCS* means the Federal Claims Collection Standards published in 31 CFR parts 901 through 904.

(k) *Federal agency* means any other Department or entity within the Executive branch of the government.

(l) *Internal administrative offset* means a non-centralized administrative offset between a USDA creditor agency and a USDA payment authorizing agency.

(m) *Non-centralized administrative offset* means an agreement between a USDA creditor agency and a payment authorizing agency to offset the payments made by the payment authorizing agency to satisfy a USDA debt. An internal administrative offset is a type of non-centralized administrative offset.

(n) *OCFO* means the USDA Office of the Chief Financial Officer.

(o) *OGC* means the USDA Office of the General Counsel.

(p) *Payment authorizing agency* means a Federal agency or USDA agency that is authorized to disburse payments to a recipient.

(q) *Recoupment* means a special method for adjusting debts arising under the same transaction or occurrence, such as obligations arising under the same contract.

(r) *Reviewing officer* means a person designated by a creditor agency as responsible for conducting a hearing or providing documentary review on the

existence of the debt and the propriety of an administrative collection action.

(s) *Secretary* means the Secretary of Agriculture, unless otherwise specified.

(t) *Treasury* means the United States Department of the Treasury.

(u) *USDA* means the United States Department of Agriculture.

§ 3.4 Delegations of authority.

The head of an agency is authorized to exercise any or all of the functions provided by this part with respect to programs for which the head of the agency has delegated responsibility, and may delegate and authorize the redelegation of any of the functions vested in the head of the agency by this part, except as otherwise provided by this part.

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

§ 3.10 Aggressive agency collection activity.

An agency shall aggressively collect all debts arising out of activities of, or referred or transferred for collection services to, that agency. Collection activities shall be undertaken promptly with follow-up action taken as necessary.

§ 3.11 Demand for payment.

(a) *Demand letters.* Generally, debt collection is initiated with a written demand for payment to the debtor unless an applicable agreement or instrument (including a post-delinquency payment agreement) provides otherwise (such as providing USDA an immediate right to collect upon delinquency). Written demand as described in paragraph (b) of this section shall be made promptly upon a debtor of the United States in terms that inform the debtor of the consequences of failing to cooperate with the agency to resolve the debt. The specific content, timing, and number of demand letters shall depend upon the type and amount of the debt and the debtor's response, if any, to the agency's letters or telephone calls. Where statutes or agency regulations are specific as to the requirements for demand letters, an agency should follow its own procedures in formulating demand letters. Generally, one demand letter should suffice. In determining the timing of the demand letter(s), an agency should give due regard to the need to refer debts promptly to the Department of Justice for litigation, in accordance with 31 CFR 904.1 or otherwise. When necessary to protect the Government's interest (for example, to prevent the running of a statute of