§ 2506.9 How can I resolve the Corporation's claim through a voluntary repayment agreement?

In response to a notice of a debt owed to the Corporation, you may propose to the Corporation you be allowed to repay a debt through a voluntary payment agreement in lieu of the Corporation taking other collection actions under this part.

(a) Your request to enter into a voluntary repayment must:

(1) Admit the existence of the debt; and

(2) Either propose payment of the debt (together with interest, penalties, and administrative costs) in a lump sum, or set forth a proposed repayment schedule.

(b) The Corporation will consider a request to enter into a voluntary repayment agreement consistent with the standards in 4 CFR 102.11. The Chief Executive Officer may request additional information from you in order to make a determination of whether to accept a voluntary repayment agreement, including requesting financial statements if you request to make payments in installments. It is within the Chief Executive Officer's discretion to accept a repayment agreement instead of proceeding with other debt collection actions under this part, and to set the necessary terms of any voluntary repayment agreement. At the Corporation'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.

§ 2506.10 How will the Corporation use credit reporting agencies to collect its claims?

(a) The Corporation may report delinquent debts to appropriate credit reporting agencies by providing the following information:

(1) A statement that the debt is valid and is 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 Corporation will:

(1) Take reasonable action to locate the debtor if a current address is not available; and

(2) If a current address is available, provide the notice required under § 2506.6.

(c) At the time debt information is submitted to a credit reporting agency, the Corporation will provide a written statement to the reporting agency that all required actions have been taken. In addition, the Corporation 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 claim.

(d) If a debtor disputes the validity of the debt, the credit reporting agency will refer the matter to the appropriate Corporation official. The credit reporting agency will exclude the debt from its reports until the Corporation certifies in writing that the debt is valid.

§ 2506.11 How will the Corporation contract for collection services?

The Corporation will use the services of a private collection contractor where it determines that such use is in the best interest of the Corporation. When the Corporation 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 applicable Federal and