

COMPARISON OF

**Obsolete Federal Claims Collection Standards
(4 CFR Chapter II Parts 101-105)**

TO

**Proposed & Final Federal Claims Collection Standards
(31 CFR Chapter IX Parts 900-904)**

NOTE: *This document contains a summary of the provisions of the obsolete, proposed & final FCCS. Readers should review the actual text of the obsolete, proposed & final FCCS for a complete understanding of the information summarized in this document.*

November 22, 2000

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OBSOLETE FCCS	PROPOSED FCCS	FINAL FCCS	PART 15
PART 101 - SCOPE OF STANDARDS	PART 900 - SCOPE OF STANDARDS	PART 900 - SCOPE OF STANDARDS	Part 15
<p>101.1 Prescription of standards</p> <ul style="list-style-type: none"> ➤ Joint promulgation by General Accounting Office (GAO) & Department of Justice (DOJ) ➤ FCCS prescribe standards for the administrative collection, compromise, termination of agency collection, and the referral to GAO & DOJ ➤ Agencies adopt FCCS standards; agency regulations subject to GAO review ➤ Lists other Government publications containing debt collection guidance 	<p>900.1 Prescription of standards</p> <ul style="list-style-type: none"> ➤ Joint promulgation by Treasury & Justice; GAO eliminated as a co-promulgator ➤ Adds reference to offset ➤ Specifies federal agencies included -- executive, legislative, judicial, Government corporations ➤ Adds that claims are governed by the Bankruptcy Code ➤ Updates the list of other Government publications containing debt collection guidance ➤ Additional rules governing Debt Collection Improvement Act of 1996 (DCIA) offset and debt collection provisions will be published separately ➤ Clarifies that agencies are not limited to collection remedies contained in the FCCS; FCCS not intended to impair common law remedies 	<p>900.1 Prescription of standards</p> <ul style="list-style-type: none"> ➤ Adopts proposed rule. ➤ Adds that standards and policies regarding the classification of debt for accounting purposes (write off) are in Office of Management and Budget (OMB) A-129 	<p>15.1(a)(3)</p> <p>15.1(a)(1)</p> <p>15.2</p> <p>15.5(b)(7) ✓</p> <p>15.1</p> <p>15.1(c)</p>
<p>101.2 Definitions</p> <ul style="list-style-type: none"> ➤ (a) Defines "debt" and "claim" ➤ (b) Defines "delinquent" ➤ (c) Defines "referral for litigation" ➤ (d) Clarifies drafting usage of common terms 	<p>900.2 Definitions and construction</p> <ul style="list-style-type: none"> ➤ (a) Revises definition of "debt" and "claim" to conform with DCIA; includes State, Territories & D.C. debts (including past-due child support) for administrative offset purposes ➤ (b) "Delinquent" definition unchanged ➤ (c) Clarifies drafting usage of common terms ➤ (d) Adds definition of "recoupment" ➤ (e) Adds definition of "Secretary" as Secretary of the Treasury, or the Secretary's delegate ➤ "Referral for litigation" definition deleted 	<p>900.2 Definitions and construction</p> <ul style="list-style-type: none"> ➤ Adopts proposed rule. 	<p>15.2</p> <p>15.2</p>
<p>101.3 Antitrust, fraud, tax, and interagency claims excluded</p> <ul style="list-style-type: none"> ➤ (a) FCCS do not apply to collection of claims involving violation of antitrust laws, fraud, false claim, or misrepresentation; DOJ has exclusive discretion to apply FCCS to such claims ➤ (b) Excludes tax claims ➤ (c) Excludes claims between Federal agencies 	<p>900.3 Antitrust, fraud, and tax and interagency claims excluded</p> <ul style="list-style-type: none"> ➤ (a) Unchanged ➤ (b) Reworded ➤ (c) Adds reference to EO 12146 re agencies resolving disputes; removals referral to GAO 	<p>900.3 Antitrust, fraud, and tax and interagency claims excluded</p> <ul style="list-style-type: none"> ➤ Adopts proposed rule. 	<p>15.5(b)(4)</p> <p>15.5(b)(5)</p>

OBSOLETE FCCS	PROPOSED FCCS	FINAL FCCS	PART 15
<p>P101.4 Compromise, waiver, or disposition under other statutes not precluded > FCCS not intended to preclude claims collection under statutes and regulations other than 31 USC 3701 et seq.</p>	<p>900.4 Compromise, waiver, or disposition under other statutes not precluded > Unchanged, except deletes language that FCCS should be followed unless required otherwise by law</p>	<p>900.4 Compromise, waiver, or disposition under other statutes not precluded > Adopts proposed rule.</p>	<p><i>not in Pt 15</i></p>
<p>101.5 Conversion claims > FCCS covers recovery of property, in addition to recovery of money</p>	<p>900.5 Form of payment > <u>Title change</u> and reworded; claims may be paid in money or property, if contractually authorized</p>	<p>900.5 Form of payment > Adopts proposed rule.</p>	<p><i>15.11</i></p>
<p>101.6 Subdivision of claims not authorized > Agencies may not subdivide claims to avoid requirement that claims over \$20,000 be referred to DOJ for litigation, compromise or suspension or termination of collection activity</p>	<p>900.6 Subdivision of claims not authorized > Reflects statutory increase in agencies' authority to \$100,000, or such higher amount as the Attorney General may prescribe</p>	<p>900.6 Subdivision of claims not authorized > Adopts proposed rule.</p>	<p><i>15.13 15.7</i></p>
<p>101.7 Required administrative proceedings > FCCS not intended to supersede or duplicate administrative collection proceedings required by contract or other laws</p>	<p>900.7 Required administrative proceedings > Reworded</p>	<p>900.7 Required administrative proceedings > Adopts proposed rule.</p>	<p><i>not in Pt 15</i></p>
<p>101.8 Omissions not a defense > An agency's failure to comply with the FCCS is not available as a defense to debtors</p>	<p>900.8 No private rights created > Title changed and reworded</p>	<p>900.8 No private rights created > Adopts proposed rule.</p>	<p><i>15.9(a)</i></p>

OBSOLETE FCCS	PROPOSED FCCS	FINAL FCCS	PART 15
PART 102 - STANDARDS FOR THE ADMINISTRATIVE COLLECTION OF CLAIMS	PART 901 - STANDARDS FOR THE ADMINISTRATIVE COLLECTION OF CLAIMS	PART 901 - STANDARDS FOR THE ADMINISTRATIVE COLLECTION OF CLAIMS	
<p>102.1 Aggressive agency collection action</p> <ul style="list-style-type: none"> ➤ (a) Agencies shall take aggressive action to collect claims; DOJ or GAO not required to duplicate agencies' collection actions ➤ (b) Agencies expected to cooperate with each other in debt collection activities 	<p>901.1 Aggressive agency collection activity</p> <ul style="list-style-type: none"> ➤ (a) Reference to GAO removed and reference to Treasury and Treasury-designated debt collection centers added; clarifies that FCCS applies to agencies collecting their own debt or debt referred for debt collection services (cross-servicing) ➤ (c) Mandates cooperation among agencies ➤ Adds reference to DCIA debt collection provisions: <ul style="list-style-type: none"> ➤ (b) Debts referred or transferred to Treasury-designated debt collection center for collection are serviced in accordance with statutory requirements ➤ (d) Agencies should consider referral of debts less than 180 days delinquent to Treasury-designated debt collection centers <i>NEW</i> ➤ (e) Debts 180+ days delinquent must be transferred to Treasury for collection; DCIA exemptions listed ➤ (f) Agencies authorized to deduct fees for cross-servicing from collections; fees may be added to debt as administrative cost 	<p>901.1 Aggressive agency collection activity</p> <ul style="list-style-type: none"> ➤ Adopts proposed rule. 	<p>15.20 15.5(4)(5) 15.20</p>

OBSOLETE FCCS	PROPOSED FCCS X	FINAL FCCS	PART 15
<p>102.2 Demand for payment</p> <ul style="list-style-type: none"> ➤ (a) Demand letter requirements, generally 3 progressively stronger demand letters; if necessary to protect Government's interest, legal action may precede demand ➤ (b) General content of demand letter, including basis for indebtedness, rights of debtor, standards for assessment of interest, penalties and costs, and payment due date ➤ (c) Demand letter should include: agencies' willingness to consider repayment alternatives, policies re use of credit bureau reporting and collection services, intent to litigate, debtors' rights to waiver, if any ➤ (d) Agencies should respond to debtors' communications within 30 days and advise debtor to submit evidence to support contentions ➤ (e) Coordination of demand letters with offset notice requirements 	<p>901.2 Demand for payment</p> <ul style="list-style-type: none"> ➤ (a) Demand letter requirements modified to discretion of the agency; suggestion that 1 letter generally sufficient ➤ (b) & (c) Adds inclusion of agency contact in demand letter ➤ (d) Demand letter should also include new DCIA requirements and authorities, such as transfer or referral of debt to Treasury and Treasury-designated debt collection centers; administrative, salary & tax refund offset remedies; administrative garnishment ➤ (e) Unchanged from former (d) ➤ (f) Reworded from former (e) <i>N/A</i> ➤ (g) Adds Executive Order 12988 requirement that debtors be informed of agencies' intent to refer to DOJ for litigation ➤ (h) Adds requirement that agencies consider Bankruptcy Code requirements for debtors in bankruptcy 	<p>901.2 Demand for payment</p> <ul style="list-style-type: none"> ➤ Adopts proposed rule. ➤ (b)(3) Amended to clarify that the term "late charges" refers to interest, penalties, and administrative costs. 	<p>15.21(e)</p> <p>15.21(a)(g)</p> <p>15.21(c)</p> <p>15.21(b)(3)(u)</p> <p>15.21(b)(3)(v)</p> <p>15.67(c)</p> <p>15.21(e)</p>

OBSOLETE FCCS	PROPOSED FCCS	FINAL FCCS	PART 15
<p>102.3 Collection by administrative offset</p> <ul style="list-style-type: none"> ➤ (a) Administrative offset governed by FCCS and agency's regulations; collection by offset required when feasible and not otherwise prohibited as determined on a case-by-case basis; prescribes circumstances when offset might not be appropriate ➤ (b) Confirms applicability of FCCS to administrative offset under 31 USC 3716, except as otherwise provided; agencies required to prescribe offset regulations that include: appropriate procedural due process rights i.e. notice of debt and agency's intent to collect by offset and debtor's rights to review records, to a hearing and to enter into repayment agreement (at agency's discretion); agencies required to establish procedures to offset payments when requested by another agency; offset may not be initiated more than 10 years after right to collect has accrued except under certain, limited circumstances; debts that may not be collected under 3716 offset include: claims against State or local Government, debts arising under Social Security Act, Internal Revenue Code (IRC) or tariff laws, or when otherwise provided for or prohibited by statute; common law offset or offset under other authority not precluded; prescribes when offset may be taken prior to notice ➤ (c) Prescribes type of hearing or review required, when agency is required to afford hearing or review; oral hearing not required unless credibility issues are involved ➤ (d) Agencies should cooperate and comply with offset requests from other agencies ➤ (e) Offset against judgments against the U.S. governed by 31 USC 3728 ➤ (f) Requires written certification that agency seeking to collect debt by offset through another agency has complied with pre-offset requirements ➤ (g) Amounts recovered by offset applied to multiple debts in an order of priority in accordance with the best interests of the government 	<p>901.3 Collection by administrative offset</p> <ul style="list-style-type: none"> ➤ (a) Describes 2 types of administrative offset: offset by non-disbursing officials and offset by disbursing officials (DCIA); for both types of administrative offset, agency regulations required; exceptions apply to: (i) claims arising under Social Security Act, (ii) payments under Social Security Act, except as provided for under DCIA, (iii) claims or payments under IRC or tariff laws, (iv) salary offset if procedures inconsistent with FCCS; (v) judgments against U.S. governed by 31 USC 3728, (vi) offsets specifically prohibited (exception no longer applies with offset is otherwise "provided for"), (vii) offsets in the course of judicial proceedings, including bankruptcy; claims against State or local Governments are now subject to offset; pre-offset notice by agencies unchanged; agencies need not duplicate due process steps provided to debtor; hearing requirements unchanged; 10-yr. limitation unchanged ➤ (b) Procedures for administrative offset by non-disbursing official, i.e. on a case-by-case basis; describes when offset may occur prior to notice to debtor; agencies required to cooperate and comply with offset requests from other agencies ➤ (c) DCIA requirements re administrative offset by disbursing officials: <ul style="list-style-type: none"> ➤ Disbursing officials required to offset payments to collect debts certified to Secretary ➤ Agencies will certify that debts forwarded to Treasury for centralized administrative offset are delinquent and enforceable, and that pre-offset requirements of 31 USC 3716(a) and regulations have been met ➤ Agencies required to submit 180+ days delinquent debt to Treasury for offset ➤ Secretary shall exempt means-tested payments from offset when requested; other payments may be exempted by Secretary under certain circumstances ➤ Benefit payment offsets governed by separate regulations ➤ Post-offset notice by disbursing officials includes 	<p>901.3 Collection by administrative offset</p> <ul style="list-style-type: none"> ➤ Redrafted to emphasize that disbursing official offset, which is renamed as centralized administrative offset in the final rule, is the primary administrative offset collection tool, consistent with the DCIA. Non-disbursing official administrative offset process, which is renamed as non-centralized administrative offset in the final rule, is a backup procedure to be used by creditor agencies on an <i>ad hoc</i> case-by-case basis when centralized administrative offset is otherwise not available or appropriate. ➤ (a) Defines "administrative offset" as having the same meaning provided in DCIA; sets forth exceptions to administrative offset and describes applicable regulations (e.g., Federal benefit offset covered in 31 CFR § 285.4); 	<p>15.33</p>

OBSOLETE FCCS	PROPOSED FCCS	FINAL FCCS	PART 15
	<p>901.3 Collection by administrative offset (cont.)</p> <ul style="list-style-type: none"> ➤ Debts paid in same order of priority based on best interests of Government ➤ Secretary authorized to waive certain Computer Matching Act provisions upon proper agency certification ➤ Secretary authorized to enter into reciprocal agreements with States to collect State debts by offset and vice versa ➤ (d) Bankruptcy Code applies to bankruptcy cases 		
<p>102.4 Administrative offset against amounts payable from Civil Service Retirement and Disability Fund</p> <ul style="list-style-type: none"> ➤ (a) Agencies may request offset by Office of Personnel Management (OPM) for former Federal employees receiving retirement or disability payments ➤ (b) Agencies must certify that debt is due and agency has complied with salary offset requirements ➤ (c) Describes procedures for maintaining debt information for debtors expected to receive payments in the future ➤ (d) Offset requests should be terminated if debt is paid ➤ (e) OPM not authorized to review merits of claim 	<p>901.4 Administrative offset against amounts payable from Civil Service Retirement and Disability Fund and the Federal Employee Retirement System</p> <ul style="list-style-type: none"> ➤ (a) Adds reference to Federal Employee Retirement System (FERS); applies only to debts not collected through Treasury Offset Program (salary offset expected to merge with administrative and tax refund offset by 1998); may still request directly to OPM in certain cases ➤ (b) & (c) Describes procedures for maintaining debt information for debtors expected to receive payments in the future ➤ (d) OPM not authorized to review merits of claim ➤ (e) Bankruptcy Code applies to bankruptcy cases 	<p>Deleted</p> <p>➤ Proposed § 901.4 has been merged into revised § 901.3 of the final rule since the procedure described in proposed § 901.4 is a form of non-centralized administrative offset.</p>	<p>15.33</p>
<p>102.5 Use of consumer reporting agencies</p> <ul style="list-style-type: none"> ➤ (a) Agencies must develop procedures for reporting consumer debt to credit bureaus ➤ (b) Procedures must comply with Privacy Act ➤ (c) Procedures must be consistent with 31 USC 3711(f) requirements 	<p>901.5 Reporting claims</p> <ul style="list-style-type: none"> ➤ (a) Agencies must develop procedures for reporting all debts to credit bureaus; adds that agencies may report current claims; adds requirement that procedures also must comply with Bankruptcy Code; procedures for reporting consumer claims must be consistent with 31 USC 3711(e) [formerly 3711(f)] requirements; agencies need not duplicate due process steps already provided to debtor; delinquent claims should be reported to CAIVRS 	<p>901.4 Reporting claims</p> <ul style="list-style-type: none"> ➤ Adopts proposed § 901.5. 	<p>15.26</p>

OBSOLETE FCCS	PROPOSED FCCS	FINAL FCCS	PART 15
<p>102.6 Contracting for collection services</p> <ul style="list-style-type: none"> ➤ (a) Procedures for contracting for collection services ➤ (b) Funding of collection services may be fixed-fee or contingency fee; all collections must be deposited to miscellaneous receipts 	<p>901.6 Contracting for debt collection agencies and to locate and recover unclaimed assets</p> <ul style="list-style-type: none"> ➤ (a) Procedures for contracting for collection services ➤ (b) Requirement that agencies use government-wide debt collection contracts ➤ (c) & (d) Funding of collection services may be fixed-fee or contingency fee; deletes requirement that all collections must be deposited to miscellaneous receipts (since this is not always required) ➤ (e) Adds DCIA provision that agencies may enter into contracts to located unclaimed assets 	<p>901.5 Contracting with private collection contractors and with entities that locate and recover unclaimed assets</p> <ul style="list-style-type: none"> ➤ Adopts proposed § 901.6. ➤ (b) Revised to clarify that Federal agencies may refer debts to private collection contractors pursuant to a contract between the agency and the private collection contractor only if such debts are not subject to the DCIA requirement to transfer debts to Treasury for debt collection services, <i>e.g.</i>, debts are less than 180 days delinquent; Agencies also may refer debts to a private collection contractor listed on FMS' schedule of private collection contractors in accordance with FMS procedures. ➤ (c) Merges proposed §§ 901.6(c) and (d). ➤ (d) Same as proposed § 901.6(e) ➤ (e) Adds provision to clarify that agencies are authorized to 	<p>15.32</p>

OBSOLETE FCCS.	PROPOSED FCCS	FINAL FCCS	PART 15
102.7 Personal interview with debtor > Required personal interview with debtor when feasible	Deleted		15.25
102.8 Contact with debtor's employing agency > Required contact with employing agency of Federal employee to arrange repayment by allotment	Deleted		15.27
102.9 Suspension or revocation of license or eligibility > Recommends that agencies establish procedures for suspending or revoking licenses or other privileges to delinquent debtors; suspending or disqualifying entities that are delinquent debtors from doing business with the Government; sureties that fail to comply with obligations should be reported to Treasury for revocation action	901.7 Suspension or revocation of eligibility for loans and loan guaranties, licenses, permits or privileges > (a) Adds DCIA requirement that bars agencies from extending financial assistance in the form of loans or insurance to delinquent debtors > (b) Same recommendation as 102.9 for suspension or revocation of licenses & privileges for non-bankruptcy cases; adds reference to permits > (c) Extend such suspension or revocation to Federal programs administered by States > (d) Consider impact of Bankruptcy Code in bankruptcy cases	901.6 Suspension or revocation of eligibility for loans and loan guaranties, licenses, permits or privileges > Adopts proposed § 901.7.	15.29
102.10 Liquidation of collateral > Allows liquidation of collateral for delinquent debts unless not cost-effective	901.8 Liquidation of collateral > (a) Reworded > (b) Consider impact of Bankruptcy Code in bankruptcy cases	901.7 Liquidation of collateral > Adopts proposed § 901.8.	not in Pt 15 15.39
102.11 Collection in installments > (a) Lump sum payment preferred, but installment payments may be considered; agencies should obtain financial statements, written agreement that accelerates debt in the event of default; installment payments should be based on size of debt, ability to pay, pay claim within 3 years, not be less than \$50/month except in hardship cases, should have confess-judgment > (b) Debtor may designate how payments should be applied	901.9 Collection in installments > (a) & (b) Same requirements as 102.11(a), except recommended minimum monthly payment & confess-judgment requirements deleted > (c) Security for payments should be obtained whenever possible; agencies may accept installment payments if debtor refuses to enter into written agreement or provide security > Delete provision that describes how payments should be applied among multiple debts	901.8 Collection in installments > Adopts proposed § 901.9.	15.35
102.12 Exploration of compromise > Allows agencies to attempt compromise	Deleted > Part 902 discusses compromise requirements		not in Pt 15

OBSOLETE FCCS	PROPOSED FCCS	FINAL FCCS	PART 15
<p>102.13 Interest, penalties, and administrative costs</p> <ul style="list-style-type: none"> ➤ (a) Requires assessment of interest, penalties and administrative costs in accordance with 31 USC 3717; requires prior notice to debtor ➤ (b) & (c) Interest accrues from date of notice at rate required under 3717 ➤ (d) Requires assessment of administrative costs ➤ (e) Requires assessment of penalties for debts delinquent 90+ days; to accrue from date of delinquency ➤ (f) Payments applied first to penalty & costs, then to interest and finally to principal ➤ (g) & (h) Procedures for waiving or suspending assessment of interest, penalties and administrative costs ➤ (i) This provision does not apply to debts owed by States or local governments, debts under contracts prior to 10/25/82, when another statute or regulation applies, Social Security, IRC or tariff debts; agencies authorized to apply common law or other applicable authority 	<p>901.10 Interest, penalties, and administrative costs</p> <ul style="list-style-type: none"> ➤ (a) Same requirements ➤ (b) Interest accrues from date of delinquency (which may be the date of the notice depending upon underlying agreement, agency statutes and/or regulations) ➤ (c) Assessment of administrative costs requirement unchanged ➤ (d) Assessment of penalties requirement unchanged ➤ (e) Adds DCIA authority to adjust administrative claims by COLA ➤ (f) Same payment application priority ➤ (g) & (h) Agencies required to identify circumstances by regulation when waiver is appropriate ➤ (i) Deleted exceptions; added that agencies authorized to apply common law; DCIA added provision that 3717 now applies to claims owed by State & local Governments (Social Security, IRC or tariff debts still excluded) 	<p>901.9 Interest, penalties, and administrative costs</p> <ul style="list-style-type: none"> ➤ Adopts proposed § 901.10. 	<p>15.37</p>
<p>102.14 Analysis of costs</p> <ul style="list-style-type: none"> ➤ Requires periodic cost-benefit analysis of collection program 	<p>901.11 Analysis of costs</p> <ul style="list-style-type: none"> ➤ Reworded 	<p>901.10 Analysis of costs</p> <ul style="list-style-type: none"> ➤ Adopts proposed § 901.11. 	<p>Not in PT 15</p>
<p>102.15 Documentation of administrative collection action</p> <ul style="list-style-type: none"> ➤ Requires documentation of collection activity 	<p>Deleted</p> <ul style="list-style-type: none"> ➤ Unnecessary language 		<p>not in PT 15</p>
<p>102.16 Automation</p> <ul style="list-style-type: none"> ➤ Requires agencies to automate debt collection activity 	<p>Deleted</p> <ul style="list-style-type: none"> ➤ Unnecessary language 		<p>not in PT 15</p>
<p>102.17 Prevention of overpayments, delinquencies, and defaults</p> <ul style="list-style-type: none"> ➤ Requires agencies to manage credit & other programs to prevent debts & defaults 	<p>Deleted</p> <ul style="list-style-type: none"> ➤ Unnecessary language 		<p>not in PT 15</p>

OBSOLETE FCCS	PROPOSED FCCS	FINAL FCCS	PART 15
<p>102.18 Use and disclosure of mailing addresses</p> <ul style="list-style-type: none"> ➤ (a) Agencies may contact IRS to obtain debtors' mailing addresses ➤ (b) Mailing address information may be disclosed to agents to facilitate collection or compromise of debts; may only be disclosed to credit bureaus to obtain commercial credit report ➤ (c) Requires compliance with IRS safeguarding procedures 	<p>901.12 Use and disclosure of mailing addresses</p> <ul style="list-style-type: none"> ➤ (a) & (b) Reworded ➤ (c) deleted; unnecessary language 	<p>901.11 Use and disclosure of mailing addresses</p> <ul style="list-style-type: none"> ➤ Adopts proposed § 901.12. 	<p><i>Not in Pt 15</i></p>
<p>102.19 Exemptions</p> <ul style="list-style-type: none"> ➤ (a) Under the Debt Collection Act of 1982, administrative offset, credit bureau reporting, collection services contracting, & assessment of charges requirements do not apply to IRC debts or payments, Social Security debts or payments or tariff debts or payments; other laws (statutory or common law) may authorize the use of such procedures ➤ (b) The exceptions do not mean to exclude employees administering the laws giving rise to the excepted debts and/or payments 	<p>901.13 Exemptions</p> <ul style="list-style-type: none"> ➤ (a) Modified to reflect DCIA authority to offset Social Security benefits, subject to \$9,000 exemption ➤ (b) Unchanged 	<p>901.12 Exemptions</p> <ul style="list-style-type: none"> ➤ Adopts proposed § 901.13. 	<p><i>Not in Pt 15</i></p>
<p>102.20 Additional administrative collection action</p> <ul style="list-style-type: none"> ➤ FCCS do not preclude use of other administrative collection remedies 	<p>Deleted</p> <ul style="list-style-type: none"> ➤ Included in 900.1 		<p><i>Not in Pt 15</i></p>

OBSOLETE FCCS	PROPOSED FCCS	FINAL FCCS	PART 15
PART 103 - STANDARDS FOR COMPROMISE OF CLAIMS	PART 902 - STANDARDS FOR THE COMPROMISE OF CLAIMS	PART 902 - STANDARDS FOR THE COMPROMISE OF CLAIMS	
103.1 Scope and application > (a) Agencies authorized to compromise claims not exceeding \$20,000 (exclusive of interest, penalties & other charges); claims may be referred to GAO, or DOJ for litigation; compromise authority for claims over \$20,000 rests only with DOJ; only GAO may compromise claims arising in the account of an accountable officer prior to litigation; agency heads may delegate compromise authority > (b) Procedure for referring claims over \$20,000 for compromise; DOJ sole compromise authority for such claims; agency should make recommendation	902.1 Scope and application > (a) Agencies authority increased to \$100,000, or such higher amount as Attorney General may determine; GAO's debt collection role eliminated; clarifies that FCCS applies to agencies collecting their own debt or debt referred for debt collection services (cross-servicing) > (b) Revisions to procedures for referring claims over \$100,000 for compromise to conform with current practices	902.1 Scope and application > Adopts proposed rule.	15.41
103.2 Inability to pay > (a) & (b) Prescribes factors to consider when determining debtors' ability to pay for compromise purposes > (c) Agencies should consider recovery potential & exemptions available to debtor > (d) Compromise payable in installments is discouraged; written agreement should provide for acceleration and reinstatement of original debt, as well as security > (e) Agencies should have financial information to evaluate potential compromises	902.2 Bases for compromise > (a) - (g) Consolidated "Inability to pay," "Litigative probabilities," and "Cost of collecting claim"	902.2 Bases for compromise > Adopts proposed rule. > (g) Amended to clarify that, when evaluating a compromise proposal, agencies need not obtain a current financial statement from a debtor to assess the merits of a proposal unless the proposal is based on the debtor's inability to pay.	15.43
103.3 Litigative probabilities > Consideration of litigation costs and Government's ability to prove case when evaluating potential compromises	Deleted > Included in 902.2		

OBSOLETE FCCS	PROPOSED FCCS	FINAL FCCS	PART 15
103.4 Cost of collecting claim > Cost-benefit vs. enforcement policy considerations should be weighed when evaluating potential compromises	Deleted > Included in 902.2		
103.5 Enforcement policy > Statutory enforcement policy considerations such as deterrence, securing compliance and severity of violation should be weighed when evaluating potential compromises of penalties, forfeitures and fines	902.3 Enforcement policy > Reworded	902.3 Enforcement policy > Adopts proposed rule.	
103.6 Joint and several liability > Collection action should be pursued against all liable parties simultaneously; compromise with one debtor should not release liability of co-debtors or set precedence	902.4 Joint and several liability > Reworded in paragraphs (a) & (b)	902.4 Joint and several liability > Adopts proposed rule.	15,45
103.7 Compromise for a combination of reasons > Authorizes compromise based on multiple reasons	Deleted > Unnecessary language		
103.8 Further review of compromise offers > Agencies may seek assistance from GAO or DOJ in evaluating offers to compromise	902.5 Further review of compromise offers > GAO role eliminated; firm written substantive compromise offer required before referral to DOJ	902.5 Further review of compromise offers > Adopts proposed rule.	
103.9 Restrictions > Acceptance of debtor's profits or stocks not authorized for a compromise; agencies should consider requiring a waiver of tax-loss-carry-forward and tax-loss-carry-back rights of debtor	902.6 Consideration of tax consequences to the Government > Deleted restriction on acceptance of debtor's profits or stocks	902.6 Consideration of tax consequences to the Government > Adopts proposed rule. > Adds reference to new § 903.5, Discharge of indebtedness; reporting requirements.	15.45

OBSOLETE FCCS	PROPOSED FCCS	FINAL FCCS	PART 15
	<p>902.7 Mutual releases of the debtor and the Government > New section requiring that compromises be implemented by means of mutual release, when appropriate</p>	<p>902.7 Mutual releases of the debtor and the Government > Adopts proposed rule. > Revised to emphasize the mutuality of the debtor and Government releases and to clarify that debtor is deemed to waived claims even when release is not executed.</p>	15.49
<p>PART 104 - STANDARDS FOR SUSPENDING OR TERMINATING COLLECTION ACTION</p>	<p>PART 903 - STANDARDS FOR SUSPENDING OR TERMINATING COLLECTION ACTIVITY</p>	<p>PART 903 - STANDARDS FOR SUSPENDING OR TERMINATING COLLECTION ACTIVITY</p>	
<p>104.1 Scope and application > (a) Agencies authorized to suspend or terminate collection action with respect to claims not exceeding \$20,000 (exclusive of interest, penalties & other charges); claims may be referred to GAO, or DOJ for litigation; collection activity for claims over \$20,000 may be suspended or terminated only by DOJ > (b) Procedure for referring claims over \$20,000 to DOJ; Agencies may terminate collection action when claim is erroneous or without legal merit</p>	<p>903.1 Scope and application > (a) Agencies' authority increased to \$100,000, or such higher amount as Attorney General may determine; GAO's debt collection role eliminated; clarifies that FCCS applies to agencies collecting their own debt or debt referred for debt collection services (cross-servicing) > (b) Revisions to procedures for referring claims over \$100,000 to DOJ</p>	<p>903.1 Scope and application > Adopts proposed rule.</p>	15.51
<p>104.2 Suspension of collection activity > (a) & (b) Prescribes factors to consider when determining that collection action should be suspended, such as inability to locate the debtor and temporary inability to pay > (c) Prescribes when collection activity should be suspended pending waiver or administrative review</p>	<p>903.2 Suspension of collection activity > (a)-(c) reworded to incorporate 104.2(a) & (b) > (d) Consider impact of Bankruptcy Code in bankruptcy cases</p>	<p>903.2 Suspension of collection activity > Adopts proposed rule.</p>	15.53

OBSOLETE FCCS	PROPOSED FCCS	FINAL FCCS	PART 15
<p>104.3 Termination of collection activity</p> <p>➤ (a) - (e) Prescribes factors to consider when determining that collection action should be terminated, such as inability to collect or locate the debtor, cost to collect exceeds potential recovery, claim without merit or cannot be substantiated</p>	<p>903.3 Termination of collection activity</p> <p>➤ (a) Reworded to combine factors in 104.3(a)-(e); adds that collection activity may be terminated for debts that have been discharged in bankruptcy</p> <p>➤ (b) Adds that termination does not preclude retention of debt record for purposes of selling debt, pursuing collection at a later date, offset, or to screen for future creditworthiness</p> <p>➤ (c) Adds that bankruptcy filing generally requires that collection activity be terminated</p> <p style="text-align: right;"><i>15.57</i></p>	<p>903.3 Termination of collection activity</p> <p>➤ Adopts proposed rule.</p>	<p><i>15.55</i> <i>15.57</i></p>
<p>104.4 Transfer of claims</p> <p>➤ Allows referral to GAO for review of whether collection activity should be suspended or terminated; agencies should consider enforcement policies and refer claim for litigation even though termination may otherwise be appropriate; agencies to refer to DOJ claims on which agency hold a judgment by assignment unless agency has its own litigation authority</p>	<p>903.4 Exception to termination <i>new name</i></p> <p>➤ Eliminates GAO role</p> <p>➤ Removes reference to referral to DOJ; included in Part 904</p>	<p>903.4 Exception to termination</p> <p>➤ Adopts proposed rule.</p>	<p><i>15.59</i></p>

OBSOLETE FCCS	PROPOSED FCCS	FINAL FCCS	PART 15
		<p>NEW 903.5 Discharge of indebtedness; reporting requirements</p> <p>➤(a) Requires agencies to take all appropriate collection actions and make a determination that further collection action is not warranted before making a determination to discharge a debt ("close out"). Discusses difference between discharge and termination/suspension of debt collection activity.</p> <p>➤(b) Provides that agencies may not discharge a debt until the requirements of 31 U.S.C. 3711(I) (sale of debt) have been met.</p> <p>➤(c) Provides that agencies must report discharge to IRS on Form 1099-C. Treasury and Treasury-designated debt collection centers may file 1099-C on behalf of agencies.</p> <p>➤(d) Agencies must request that litigation counsel release liens after discharge.</p>	<p>15.60 New</p>

OBSOLETE FCCS	PROPOSED FCCS	FINAL FCCS	PART 15
PART 105 - REFERRALS TO DEPARTMENT OF JUSTICE OR GAO	PART 904 - REFERRALS TO THE DEPARTMENT OF JUSTICE	PART 904 - REFERRALS TO THE DEPARTMENT OF JUSTICE	
105.1 Prompt referral > (a) Procedures for referring claims that cannot be resolved under FCCS to DOJ for litigation > (b) GAO must review claims arising from audit exceptions prior to DOJ referral > (c) GAO may advise agency on doubtful claims prior to referral to DOJ > (d) Agencies should not have debtor contact after referral and should notify DOJ or GAO of any payments received	904.1 Prompt referral > (a) Revised procedures for referring claims that cannot be resolved under FCCS to DOJ for litigation reflect current practice; claims threshold over which claims are referred to DC Civil Division increased from \$100,000 to \$1,000,000 > (b) GAO's role eliminated; includes 105.1(d) requirements that agencies refrain from debtor contact after referral to DOJ; adds provision that DOJ shall notify agencies of any payments received from debtor	904.1 Prompt referral > Adopts proposed rule.	15.61
105.2 Claims Collection Litigation Report > (a) Completion of CCLR required for DOJ referrals for litigation; specifies information required > (b) CCLR required for DOJ referrals for compromise, suspension or termination concurrence	904.2 Claims Collection Litigation Report > (a)-(c) Reworded CCLR requirements; deleted specifics re items required; refers agencies to CCLR instructions	904.2 Claims Collection Litigation Report > Adopts proposed rule.	15.65
105.3 Preservation of evidence > Agencies required to preserve evidence for litigation purposes	904.3 Preservation of evidence > Adds requirement that certified copies of documents be forwarded to DOJ with litigation referral; requires agencies to send original documents upon request	904.3 Preservation of evidence > Adopts proposed rule.	15.67
105.4 Minimum amount of referrals to Department of Justice > Specifies that minimum amount of claim that can be referred to DOJ for litigation is \$600 (principal balance), unless significant enforcement policy warrants otherwise, or debtor refuses to pay valid debts despite having the clear ability to pay	904.4 Minimum amount of referrals to Department of Justice > Increases minimum amount of claim to \$2,500 (principal balance); adds exception for claims being referred solely to secure a judgment for lien filing purposes	904.4 Minimum amount of referrals to Department of Justice > Adopts proposed rule.	15.67
105.5 Preliminary referrals to GAO > Procedures for referral of claims to GAO	Deleted > GAO's role eliminated		