

UNITED STATES OF AMERICA
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF HEARINGS AND APPEALS

In the Matter of:

SHEILA HIGH,

Petitioner.

Docket No. 24-AF-0345-AO-061
(Claim No. 7-210258310A)

April 30, 2026

DECISION AND ORDER

This matter is before this Tribunal upon a *Hearing Request* filed by Sheila High (“Petitioner”) on August 15, 2024, pursuant to 24 C.F.R. § 17.69(a), concerning an alleged debt that the United States Department of Housing and Urban Development (“HUD” or “the Secretary”) seeks to collect from Petitioner via administrative offset under 31 U.S.C. § 3716.¹ In the *Hearing Request*, Petitioner contests the existence of the debt. The Secretary requests a finding that the debt is past due and legally enforceable.

LEGAL FRAMEWORK

The Debt Collection Improvement Act of 1996 authorizes federal agencies to use administrative offset as a mechanism for the collection of debts owed to the United States government. *See* 31 U.S.C. §§ 3716, 3720A. This Tribunal has jurisdiction to determine whether Petitioner’s alleged debt is past due and legally enforceable pursuant to 24 C.F.R. §§ 17.61 *et seq.*

A petitioner has the right to review the Secretary’s case and present the petitioner’s own evidence. *See* 24 C.F.R. § 17.69(a)-(b). This Tribunal will then review the written record of the proceeding to determine whether, by a preponderance of the evidence, all or part of that debt is past due and legally enforceable. *Id.* at § 17.69(c). Thereafter, this Tribunal must issue a written decision that constitutes the final agency decision with respect to the past due status and enforceability of the debt. *Id.* at § 17.73(a).

FINDINGS OF FACT

Petitioner executed and delivered a Subordinate Note (“HUD Note”), dated September 8, 2004, in favor of the Secretary in the principal amount of \$7,575.17. The funds secured by the

¹ While this matter was pending, a lapse in appropriations occurred that resulted in the longest government shutdown in history. As a result, the Tribunal was closed and its employees and judges were furloughed from October 1, 2025, to November 13, 2025. Due to this closure, a *Notice and Stay of Proceedings* was issued on October 1, 2025, staying all pending matters, including the instant matter. The Tribunal has since reopened. Accordingly, the stay of this matter is hereby **LIFTED**.

A second lapse in appropriations resulted in the closure of the Tribunal and furlough of its employees and judges from February 1, 2026, to February 3, 2026. Although the Tribunal has reopened, the closures have resulted in a significant backlog that is being addressed.

HUD Note were paid by the Secretary to Petitioner's primary mortgage lender to bring Petitioner's primary mortgage current and provide foreclosure relief to Petitioner.

The terms of the HUD Note included Petitioner's promise to pay, secured by a mortgage, deed of trust, or similar security instrument to protect the Secretary from losses if Petitioner defaulted on the HUD Note. The HUD Note required payment on March 1, 2032, or, if earlier, when the first of the following events occurs:

- i. Borrower has paid in full all amounts due under the primary Note and related mortgage, deed of trust or similar Security Instruments insured by the Secretary, or
- ii. The maturity date of the primary Note has been accelerated, or
- iii. The Note and related mortgage, deed of trust or similar Security Instrument are no longer insured by the Secretary, or
- iv. The property is not occupied by the purchaser as his or her principal residence.

On October 20, 2023, the Federal Housing Administration insurance on Petitioner's primary mortgage was terminated when the primary lender indicated that the primary mortgage was paid in full. The Secretary alleges that Petitioner is indebted to HUD in the following amounts:

- i. \$7,575.17 as the unpaid principal balance through July 31, 2024;
- ii. \$75.75 as the unpaid interest on the principal balance at 4.0% per annum through July 31, 2024; and
- iii. interest on said principal balance from August 1, 2024, at 4.0% per annum until paid.

A Notice of Intent to Collect by Treasury Offset, dated July 1, 2024, was sent to Petitioner.

DISCUSSION

As evidence of the Petitioner's indebtedness, HUD filed the *Secretary's Statement that Petitioner's Debt is Past Due and Legally Enforceable* ("*Secretary's Statement*") together with a copy of the HUD Note and the Declaration of Gary Sautter, wherein Mr. Sautter, Acting Director of HUD's Asset Recovery Division, states the amounts owed by Petitioner. The express language of the HUD Note, signed and agreed to by Petitioner, states under "Borrower's Promise to Pay" that "[i]n return for a loan received from Lender, Borrower promises to pay the principal sum... to the order of the Lender." The HUD Note further states that payment shall be made at the U.S. Department of Housing and Urban Development c/o First Madison Services, Inc., 4111 South Darlington, Suite 300, Tulsa, Oklahoma 74135. The copy of the HUD Note submitted by HUD under oath is sufficient to establish the existence and the amount of the debt owed by Petitioner.

As noted above, Petitioner may present evidence to demonstrate that all or part of the debt is not past due or not legally enforceable. 24 C.F.R. §§ 17.69(a)-(b). In her *Hearing Request*, Petitioner stated that she filed for chapter 13 bankruptcy and thought that the subject

debt was discharged. Despite being afforded several opportunities to file documentary evidence in support of her assertions, Petitioner did not submit such evidence.² “[A]ssertions without evidence are not sufficient to show that the debt claimed by the Secretary is not past due or unenforceable.” *In re Hongmei Zhang*, HUDOHA No. 23-AF-0163-AG-093, at *3 (Dec. 3, 2024).

The Declaration of Gary Sautter indicates that Petitioner filed for chapter 13 bankruptcy in the Northern District of Georgia on July 1, 2011, and was subsequently discharged on June 27, 2016. Petitioner’s First Amended Chapter 13 Plan, which was submitted with the *Secretary’s Statement*, specifically includes the subject debt and states that Petitioner “will make all post-petition mortgage payments directly to each mortgage creditor as those payments ordinarily become due.” As discussed above, Petitioner’s debt to HUD became due on October 20, 2023, when the primary lender indicated that the primary mortgage was paid in full. Accordingly, the Tribunal concludes that the subject debt is past due and legally enforceable against Petitioner in the amount claimed by the Secretary.

ORDER

For the reasons set forth above, the Tribunal finds the debt that is the subject of this proceeding is legally enforceable against Petitioner in the full amount claimed by the Secretary.

Accordingly, it is **ORDERED** that the Secretary is authorized to seek collection of this outstanding obligation by means of administrative offset in the amount claimed by the Secretary.

It is **FURTHER ORDERED** that the *Notice of Docketing, Order, and Stay of Referral* that imposed the stay of referral of this matter to the U.S. Department of the Treasury for administrative offset is **VACATED**.

SO ORDERED,



Digitally signed by: ALEXANDER
FERNANDEZ-PONS
Date: 2026.04.30 12:33:37 -
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Alexander Fernández-Pons
Administrative Law Judge

Finality of Decision. Pursuant to 24 C.F.R. § 17.73(a), this constitutes the final agency action for the purposes of judicial review under the Administrative Procedure Act (5 U.S.C. §§ 701 *et seq.*).

² The Tribunal issued a *Notice of Docketing, Order, and Stay of Referral*, an *Order to Show Cause*, and a *Third Order for Documentary Evidence*, all of which required Petitioner to submit documentary evidence in support of her assertions. Petitioner did not comply with those orders.