

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

In the Matter of:

TIFFANY MITCHELL,

Petitioner.

Docket No. 24-VH-0175-AO-031
(Claim No. 7-21023840A)

April 23, 2026

DECISION AND ORDER

This matter is before the Court upon a request for hearing filed by Tiffany Mitchell, also known as Tiffany Ventress, (“Petitioner”), concerning a debt allegedly owed to the Secretary of the United States Department of Housing and Urban Development (“HUD”).

PROCEDURAL HISTORY

On February 19, 2024, HUD sent Petitioner a Notice of Intent to Collect by Treasury Offset stating that she owed a debt to HUD and that the Government intended to collect the debt via administrative offset. In response, Petitioner timely filed with this Court a letter dated February 26, 2024, requesting review of HUD’s determination regarding the debt and disputing the legal enforceability of the debt.

On March 6, 2024, the Court issued a *Notice of Docketing, Order, and Stay of Referral* ordering Petitioner to submit documentary evidence to support her claims. Petitioner did not file anything in response.

On August 2, 2024, the Court issued an *Order to Show Cause* directing Petitioner to file documentary evidence showing that all or part of the debt is not past due or is unenforceable, or to otherwise show cause why a decision should not be rendered in favor of HUD. The *Order to Show Cause* expressly warned that failure to comply may result in judgment being entered against Petitioner. Petitioner did not file any response to the *Order to Show Cause*.¹

On January 8, 2026, HUD filed the *Secretary’s Statement that Petitioner’s Debt Is Past Due and Legally Enforceable* (“*Secretary’s Statement*”), supported by (1) a Subordinate Note

¹ Petitioner’s deadline to respond to the *Order to Show Cause* expired in September 2024. Thereafter, the presiding judge retired. In August 2025, the case was transferred to a different judge, who ordered further briefing from HUD. The Court subsequently extended HUD’s briefing deadline following the federal government shutdown of 2025, which was the longest federal government shutdown in history and caused the closure of this Court from October 1 to November 13, 2025, and concomitant stay of all cases pending before the Court at the time, resulting in a significant backlog that the Court is still addressing.

signed by Petitioner, and (2) a Declaration from an official within HUD's Financial Operations Center concerning Petitioner's debt. Petitioner has not filed anything in response.

APPLICABLE LEGAL PRINCIPLES

Administrative Offset. Congress has authorized 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. Conducting "administrative offset" against a debtor means withholding funds payable by the United States to the debtor, such as the debtor's federal income tax refund, in order to satisfy the debt. 31 U.S.C. § 3701(a)(1).

Hearings. Before collecting a debt through administrative offset, an agency must provide notice and an opportunity for a review within the agency of its decision concerning the debt. 31 U.S.C. §§ 3716(a)(3), 3720(b)(2)-(3). The Secretary of HUD has designated this Court, the HUD Office of Hearings and Appeals, to conduct such reviews and to issue final decisions on behalf of the agency in administrative offset matters. See 24 C.F.R. §§ 17.69, 17.73; see also 24 C.F.R. part 26, subpart A (setting forth applicable procedural rules). The alleged debtor may request records from HUD relating to the debt and may present to the Court his or her own evidence that all or part of the debt is not past due or not legally enforceable. Id. §§ 17.67, 17.69(a). After receiving evidence, the Court must issue a written decision determining whether a debt exists that is past due and legally enforceable. Id. §§ 17.69(c), 17.73.

Burden and Standard of Proof. HUD, as the party seeking to take collection action, bears the burden of proving the existence of a past due and legally enforceable debt. See 24 C.F.R. § 26.24(g). Claims must be proven by a preponderance of the evidence. Id. § 17.69(c). Proving something by a preponderance of the evidence requires convincing the trier of fact "that the existence of a fact is more probable than its nonexistence." Metro. Stevedore Co. v. Rambo, 521 U.S. 121, 137 n.9 (1997) (quoting Concrete Pipe & Prods. v. Constr. Laborers Pension Trust, 508 U.S. 602, 622 (1993)).

FINDINGS OF FACT

In or about January 2014, HUD advanced funds to Petitioner's HUD-insured primary mortgage lender to bring Petitioner's primary mortgage current and avoid foreclosure. In exchange, Petitioner signed a Subordinate Note ("the HUD Note") dated January 17, 2014, wherein she agreed to repay HUD for a loan in the principal amount of \$25,011.05.

Paragraph 4(A) of the HUD Note specifies that it will become due and payable if and when the first of several events occurs, including if the "Borrower has paid in full all amounts due under the primary Note and related mortgage ... insured by the Secretary," or if the primary mortgage is no longer insured by the Secretary.

The HUD insurance on Petitioner's primary mortgage was terminated on or about March 17, 2023, after her primary lender notified HUD that the mortgage had been paid in full. Therefore, HUD maintains that Petitioner is indebted to HUD in the following amounts:

- (a) \$24,975.05 as the unpaid principal balance on the HUD Note as of November 30, 2025;
- (b) \$1,914.52 as the unpaid interest on the principal balance at 4% per annum through November 30, 2025;
- (c) \$1,790.67 as the unpaid penalties and administrative charges on the principal balance as of November 30, 2025; and
- (d) Interest on said principal balance from December 1, 2025, forward at 4% per annum until paid.

DISCUSSION

To prove that Petitioner owes a legally enforceable debt, HUD has produced a copy of a subordinate note—the HUD Note—bearing Petitioner’s signature. The HUD Note establishes that Petitioner promised to repay the Secretary of HUD for a subordinate loan in the principal amount of \$25,011.05, which was given by HUD as a means of providing Petitioner relief from foreclosure on her primary mortgage.

The HUD Note indicates that payment on the \$25,011.05 subordinate loan will become due if and when Petitioner’s primary mortgage is paid in full and/or is no longer insured by HUD. HUD has presented evidence that it terminated the insurance on Petitioner’s primary mortgage in or about March 2023 because the mortgage was paid in full.

In her letter requesting a hearing, Petitioner states: “I have not sold my home, and I still own it. There was a fire at the home and I am in the process of repairing it. The debt is not legally enforceable and I don’t plan to sell it.” But Petitioner has not produced any evidence to corroborate these claims, despite being ordered to do so by the Court. Moreover, even if Petitioner did not sell her home, her primary mortgage could have been paid off through other means, such as a refinance. Regardless, HUD’s termination of the insurance on the primary mortgage caused the HUD Note to become immediately due and payable, and there is no evidence that it has been satisfied.

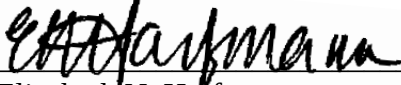
Based on the foregoing, the preponderance of the evidence establishes that Petitioner owes HUD a past-due and legally enforceable debt in the principal amount of \$25,011.05, plus the fees and interest HUD is required to charge under 31 U.S.C. § 3717.

ORDER

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

It is further **ORDERED** that the March 6, 2024, Order staying referral of this matter to the U.S. Department of the Treasury for administrative offset is **VACATED**.

SO ORDERED,



Elizabeth N. Hauffmann
Administrative Judge

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