



CROSS-SERVICING FACT SHEET for Federal Agencies

What is Cross-Servicing?

The [Cross-Servicing program](#) collects delinquent nontax debt owed to federal agencies. It is administered by the Bureau of the Fiscal Service's Disbursing and Debt Management area (DDM). Federal agencies, also called creditor agencies, generally must refer delinquent debts to the Cross-Servicing program when the debt is between 60- and 180-days delinquent. The agency referring the debt is responsible for determining the amount of the debt (including any interest, penalties, and costs) and telling the Cross-Servicing program what tools may be used to collect the debt. DDM strongly encourages creditor agencies to transfer all eligible delinquent debts for debt collection services before 121 days of delinquency.

As part of the Cross-Servicing program, DDM must take appropriate action to 1) service, 2) collect, 3) compromise, or 4) suspend or terminate collection action on the debt.

ABOUT DISBURSING AND DEBT MANAGEMENT

Through the Disbursing and Debt Management area, the U.S. Department of the Treasury's Bureau of the Fiscal Service works with federal agencies to provide disbursement and debt collection services. DDM's debt collection programs include the Cross-Servicing program, the Treasury Offset Program, and the Centralized Receivables Service.

What tools does Cross-Servicing use?

The Cross-Servicing Program uses a variety of tools to collect delinquent debts. Agencies are strongly encouraged to authorize Cross-Servicing's use of all available debt collection tools. Examples of collection tools include:

Demand Letters – Generated shortly after an account is referred to Cross-Servicing and as needed thereafter.

[Treasury Offset Program \(TOP\)](#) – Delinquent debts generally must be referred to TOP by 121 days delinquent for collection through the offset of eligible payments.

[Administrative Wage Garnishment \(AWG\)](#) – AWG is a debt collection process that allows a federal agency to order a non-federal employer to withhold up to 15 percent of an employee's disposable income to pay a delinquent nontax debt owed to the agency.

[Private Collection Agencies \(PCAs\)](#) – PCAs are private sector companies specializing in the collection of delinquent debt. DDM maintains a schedule of PCAs who assist the government in its debt collection efforts, and whose activities are monitored by DDM.

Credit Bureau Reporting (CBR) – Delinquent debts generally must be reported to credit bureaus.

Litigation by Department of Justice (DOJ) – Delinquent debts may be referred to DOJ for enforcement through litigation, including post-judgment enforcement.

Phone Calls – DDM may call debtors to encourage payment or follow-up on dispute inquiries.

Skip Tracing – DDM attempts to locate current debtor information including phone numbers, addresses, notices of death, bankruptcies, etc.

Payment Agreements – If a debtor has an ability to pay, but cannot pay in full in a single payment, DDM can negotiate a payment agreement, including installment payment, partial payment, and compromise agreements.

Administrative Resolution – DDM can resolve debt that is not appropriate to be collected through the Cross-Servicing program, such as:

- when a debtor has a total inability to pay,
- when an individual debtor has deceased, and
- when an entity debtor goes out of business.

IRS Form 1099-C Reporting – DDM can assist agencies with fulfilling IRS reporting requirements, such as when a debt has been compromised or when debt collection action has been terminated.