FISCAL YEAR 2005 REPORT TO THE CONGRESS

U.S. GOVERNMENT RECEIVABLES

AND

DEBT COLLECTION ACTIVITIES

OF FEDERAL AGENCIES

Department of the Treasury
March 2006

FISCAL YEAR 2005 REPORT TO THE CONGRESS
U.S. GOVERNMENT RECEIVABLES AND DEBT COLLECTION ACTIVITIES OF FEDERAL AGENCIES

Department of the Treasury
Financial Management Service

I - EXECUTIVE SUMMARY

A - LEGISLATIVE REQUIREMENT TO REPORT

The Debt Collection Act of 1982 as amended by the Debt Collection Improvement Act of 1996 (DCIA) directs the Secretary of the Treasury (Secretary) to report to Congress annually on the management of debt collection activities by the head of each Federal agency. This report includes information that the agency heads provide to the Secretary on the status of loans and accounts receivable that each manages. See 31 U.S.C. § 3719.

B - SCOPE OF REPORT

This report summarizes the information provided by Federal agencies concerning their receivables as reported to the Department of the Treasury (Treasury) and as contained in Treasury's Report on Receivables Due from the Public (TROR). It includes information about total receivables, collections on receivables, delinquencies, collections on delinquencies, and write-offs.

As a point of clarification, receivables and delinquencies as reported on the TROR do not include debts that have been written-off. Debts that are written-off are classified as either currently-not-collectible (CNC), or closed out on the TROR. Though written-off and not counted as receivables or delinquencies in the TROR, debts that are classified as CNC are included when determining eligibility for referral to Treasury for mandatory offset and Cross-Servicing. See *Analysis of Mandatory Referral to Treasury Under the DCIA*, Part II, Section B of this report.

This report also summarizes key Government-wide actions to collect delinquent debt, a specific concern that led to the passage of the DCIA. Additionally, this report highlights several special and/or unique collection activities and accomplishments by certain Federal agencies.

C - ACCOMPLISHMENTS AND SUCCESSES

- Through September 30, 2005, $24.4 billion has been collected to pay delinquent debts through the Treasury Offset Program (TOP) and Cross-Servicing Program (Cross-Servicing) since the enactment of DCIA in April 1996.

- The Federal Government collected $145 billion in fiscal year (FY) 2005 on all of its nontax receivables, up $23.1 billion from the $121.9 billion collected in FY 2004.

- In FY 2005, the Department of Justice (DOJ) collected $3.6 billion in cash recoveries on delinquent debts owed to Federal agencies through its financial litigation program. DOJ has collected a total of $14.3 billion through civil litigation in the last five fiscal years.

- In FY 2005, private collection agencies (PCAs) under contract with the Department of Education (Education), the Department of Health and Human Services (HHS) and Treasury had referrals of $13.7 billion in delinquent Federal debt. These PCAs collected $693.5 million in FY 2005, up 14 percent from the $610 million collected in FY 2004.

- In FY 2005, the Department of Housing and Urban Development (HUD) completed loan asset sales of performing and non-performing loans totaling $1.4 billion in unpaid principal balance. These sales generated $908 million in gross proceeds. In the last five fiscal years HUD has sold $4.7 billion in loan assets, generating $2.9 billion in gross proceeds.

- Total collections by Treasury's Financial Management Service (FMS) on delinquent debts through TOP and Cross-Servicing were $3.25 billion in FY 2005. This is the highest amount collected by FMS in a single fiscal year since FMS began government-wide delinquent debt collection programs in 1996. Annual collections through these programs have averaged over $3.0 billion during the last five years.

D – LEGISLATIVE AGENDA

In FY 2004, at the request of the Office of Management and Budget (OMB), Treasury proposed four legislative changes aimed at increasing delinquent debt collection. Two were enacted in FY 2005. They were:

1. increase the amount of a vendor payment that may be continuously levied to collect Federal tax debts from 15 percent to 100 percent; and

2. allow Treasury access to information contained in HHS's New Hire Database for the purpose of Federal debt collection.

The remaining two, listed below, were not enacted:

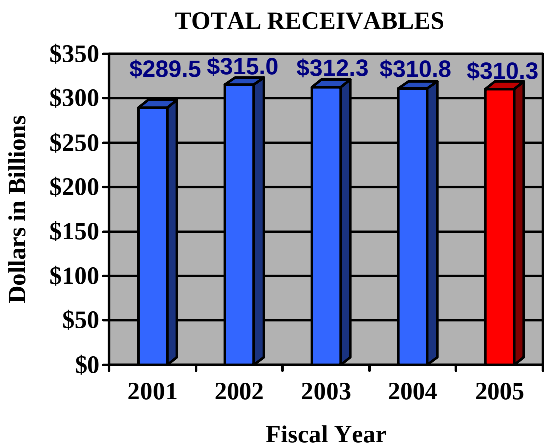
1. authorize the offset of Federal tax refund payments to collect delinquent state unemployment insurance debts; and

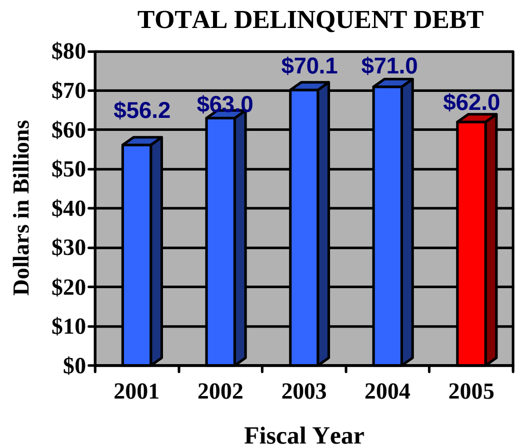
2. eliminate the 10-year statute of limitations for collection of delinquent Federal debts by administrative offset.

E – DECISION BY THE UNITED STATES SUPREME COURT

On December 7, 2005, the United States Supreme Court ruled, in a unanimous decision, that the Government could offset social security benefit payments to collect student loans that had been outstanding for more than 10 years. The court held that the 1991 amendments to the Higher Education Act, which eliminated all statutes of limitations on the collection of student loan debt, applied to the offset of social security benefits even though such offsets were not authorized until five years later. This decision resolves a split in the Courts of Appeals over this issue. Approximately $8 million per year is collected through the Treasury Offset Program by offsetting social security payments to collect student loans over 10 years old and that number is expected to grow.

II - GOVERNMENT DEBT PORTFOLIO, COLLECTIONS AND WRITE-OFFS





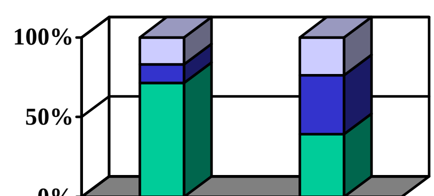
A - FISCAL YEAR END DATA

1. Receivables and Delinquencies

- Total receivables declined slightly in FY 2005 from the amount reported at the end of FY 2004. This is the third consecutive year that a slight decline in total receivables was reported. Total delinquencies decreased by $9 billion in FY 2005. The slight decline in receivables and the substantial decline in delinquent debt can be attributed to a substantial increase in write-offs ($8.9 billion) in FY 2005 over write-offs during FY 2004. As previously stated in part I.B above, receivables and delinquencies as reported on the TROR do not include debts that have been written-off.

- At the end of FY 2005, Federal loan programs (direct and guaranteed) comprised 83 percent of total receivables, down from 85 percent at the end of FY 2004. Federal loan programs comprised 76 percent of total delinquencies, up slightly from 75 percent at the end of FY 2004.

Distribution of Receivables and Delinquencies as of 9/30/05



	Receivables in Billions	Delinquencies in Billions
Administrative Debt*	$52.2	$14.7
Defaulted Guaranteed Loans	$36.9	$22.9
Direct Loans	$221.2	$24.4

*Includes fines, penalties and overpayments, etc.

Federal loan programs are authorized when private sector credit is unavailable or inadequate, and a Federal objective is to be achieved. Accordingly, Federal loan receivables occur in programs that serve the public interest and are of relatively high risk. As these receivables increase, normally delinquencies will correspondingly increase.

- The two agencies with the largest total receivables at the end of FY 2005 are Education ($119 billion) and the Department of Agriculture (USDA) ($102.2 billion). Receivables from these two agencies comprise 71 percent of the Government's total receivables (Education 38 percent and USDA 33 percent).

- Two types of Education receivables accounted for almost all of its receivables: Federal Direct Student Loans ($97.8 billion), and Defaulted Guaranteed Student Loans ($20.2 billion).

- Four program areas of the USDA accounted for over $100 billion of its receivables: Rural Utilities Service ($34.1 billion); Rural Development & Farm Service Agency ($33.3 billion); Commodity Credit Corporation ($21.8 billion); and Rural Development ($11.1 billion).

Analysis of Receivables Data

- Total receivables have declined slightly in each of the last three fiscal years. The peak in total receivables coincided with a reclassification of $11.9 billion of defaulted guaranteed loan receivables by Education in FY 2002 that were formerly classified as written-off/CNC.

- The decline in receivables in FY 2005 is not part of a continuing trend because, as previously indicated, the slight decline was due to a substantial increase in write-offs during the fiscal year. Significant increases in receivables in FY 2005 over FY 2004 year end totals at Education ($5.8 billion), USDA ($3.2 billion), and the Small Business Administration (SBA) ($1.2 billion), were offset by the substantial increase in total write-offs. During FY 2005, Federal agencies wrote off $16.1 billion in receivables, compared to $7.2 billion in total write-offs each of fiscal years 2003 and 2004.

- Education's direct student loan portfolio has grown significantly over the last several years and it appears this trend will continue. Education's direct loan portfolio has increased from $71.8 billion at the end of FY 2001 to $97.8 billion at the end of FY 2005, and by $5.7 billion in FY 2005 alone.

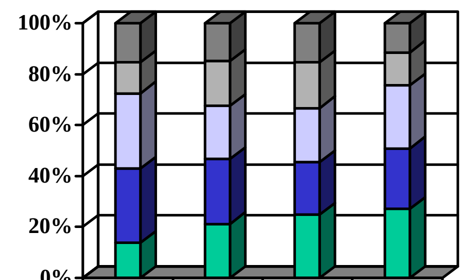
Additional Delinquent Debt Data

- At the end of FY 2005, $50 billion (80.6 percent) of the Government's delinquent debts were distributed among five agencies: Education, the Department of Defense (DOD), USDA, SBA, and the Social Security Administration (SSA).

- Total delinquencies decreased by $9 billion since the last fiscal year, primarily in the oldest delinquent debts. Debts more than 6 years delinquent decreased by $8.6 billion, from $23.7 billion at the end of FY 2004 to $15.1 billion at the end of FY 2005.

- Education was the agency with the largest total delinquencies ($35 billion), amount of delinquencies 181 days to 2 years old ($7.6 billion), and delinquencies between 2 years and 6 years old ($7.0 billion).

Aging of Government-wide Delinquencies



	2002	2003	2004	2005
> 10 yrs	$9.6	$10.4	$10.9	$7.1
6-10 yrs	$7.8	$12.4	$12.8	$8.0
2-6 yrs	$18.5	$14.6	$15.0	$15.4
181 days-2 yrs	$18.5	$17.9	$14.8	$14.8
1-180 days	$8.6	$14.8	$17.5	$16.7

- Several agencies' total delinquencies in FY 2005 significantly changed from the previous fiscal year. The chart to the right details these net changes.

- Education's delinquencies grew as a result of the growth of direct loan receivables. From FY 2004 to FY 2005, direct loan delinquencies increased by $1.2 billion, while defaulted guaranteed loan delinquencies increased by less than $0.1 billion.

	Delinquencies (in millions)	
Agency	**FY 2005**	**Change from FY 2004**
Education	$34,951	$1,341
SBA	$3,656	$585
SSA	$2,863	$381
USDA	$3,889	($2,359)
FCC	$1,025	($5,660)
Energy	$122	($2,156)
VA	$611	($440)
Transportation	$206	($338)

- SBA's delinquencies in its guaranteed loan program have increased significantly since the end of FY 2003 ($1.5 billion) to the end of FY 2005 ($3.3 billion). It is noted that SBA has not conducted any asset sales since FY 2003. (See page 25 below.) SSA's delinquencies increased parallel to the increase of its receivables ($459 million more than in FY 2004).

- Substantial increases in write-offs during FY 2005 at USDA ($1.9 billion), Federal Communications Commission (FCC) ($5.4 billion), Department of Energy (Energy)

($2.1 billion), and Department of Transportation (Transportation) ($358 million) resulted in the substantial decreases in FY 2005 year-end delinquencies at those agencies.

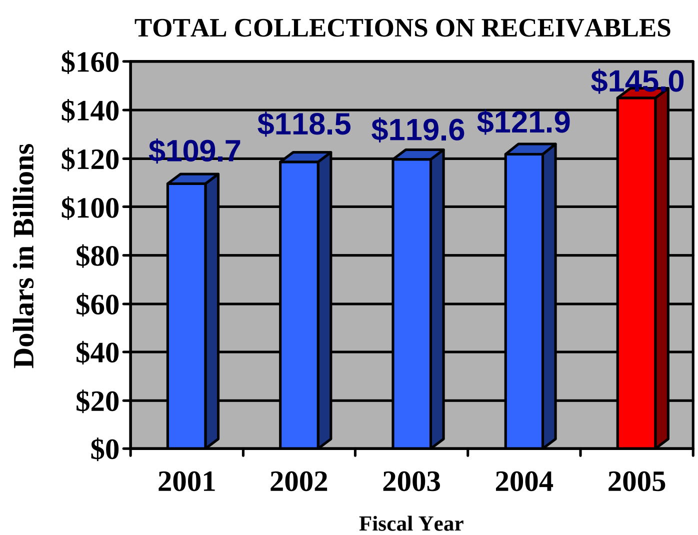
Analysis of Delinquent Debt Data

- There is a direct correlation between the $9 billion reduction in delinquencies during FY 2005 and the substantial increase in write-offs during the same period. While it is possible that agencies will continue to write-off their older delinquent debts, there remains a finite amount of delinquencies more than 6 years old. Accordingly, it should not be assumed that the large scale reduction in delinquencies that occurred in FY 2005 represents a trend that is likely to continue.

- As a result of the decline of delinquencies more than 6 years old by $8.6 billion in FY 2005, the Federal Government's portfolio of delinquent debt is less aged. The ratio of delinquencies less than 6 years old to total delinquencies increased from 67 percent at the end of FY 2004 to 76 percent in FY 2005.

- Education's total delinquencies have increased from $19.2 billion at the end of FY 2001 (34 percent of the Government's total delinquencies) to $35.0 billion at the end of FY 2005 (56 percent of the Government's total delinquencies). Key factors in the increase of Education's total delinquencies during this period were the reclassification in FY 2002 of $14.3 billion in receivables formerly classified as written-off/CNC and an increase of $7.3 billion in direct loan delinquencies from FY 2001 to FY 2005. Since the total dollar value of Education's direct loan portfolio continues to increase, it follows that the total dollar value of Education's delinquencies will increase as well.

2. *Collections*



- Total collections on receivables in FY 2005 increased substantially in FY 2005 (by $23.1 billion) over FY 2004 collections**.**

- In FY 2005, collections on receivables increased in each of the three types of receivables over the previous fiscal year: administrative debt (by $12.5 billion); defaulted guaranteed loans (by $1.1 billion); and direct loans (by $9.5 billion).

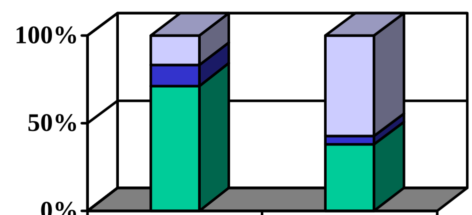
- The six agencies that reported the largest increases in collections in FY 2005 over amounts collected in FY 2004 are listed in the chart to the right. These six agencies accounted for $21.6 billion in increased collections in FY 2005 (93.5 percent of the Government's total increase).

Agency	Collections (in millions)		Net Change in Receivables FY 2004 to FY 2005 (in millions)
	FY 2005	Change from FY 2004	
Education	$27,162	$7,358	$5,823
Homeland Security	$2,629	$2,429	$41
USDA	$28,801	$6,017	$3,240
HHS	$16,961	$1,910	-$440
Interior	$10,721	$1,916	-$103
TVA	$7,588	$1,922	-$19

- As the chart indicates, there is not always a direct correlation between the net change in collections and the net change in receivables at specific agencies.

- While the largest percentage of receivables is direct loans, most collections reported on the TROR fall under the category of administrative debt (57.4 percent).

Distribution of Receivables and Collections as of 9/30/05



	Receivables in Billions	Collections in Billions
Administrative Debt*	$52.2	$83.2
Defaulted Guaranteed Loans	$36.9	$6.9
Direct Loans	$221.2	$54.9

*Includes fines, penalties and overpayments, etc.

<u>Analysis</u>

- Government-wide collections have steadily increased over the last several years due to increases in collections at Education. Education's collections have grown from $9.3 billion in FY 2001 to $27.2 billion in FY 2005, including a $7.4 billion increase in FY 2005. This increase parallels the increase in Education's direct student loan portfolio; direct student loan collections in FY 2005 were $25.4 billion – 94 percent of Education's total collections during the fiscal year.

- While the increase in government-wide collections in FY 2005 greatly exceeds the increase in collections at Education alone, it should not be concluded that the total increase in government-wide collections represents an established trend. <u>Of the five other agencies that evidenced the largest increase in collections in FY 2005 over FY 2004, four reported decreases in collections in FY 2004 from FY 2003 levels.</u> The agencies that had those decreases were: USDA - $2.6 billion; HHS - $1 billion; Department of Interior (Interior) - $45 million; and Tennessee Valley Authority (TVA) - $1.3 billion. The other agency, Department of Homeland Security (Homeland Security), did not report on the TROR in FY 2003, so a comparison to previous years is unavailable.

- Collections as a percentage of year-end receivables vary greatly for the three types of receivables (Administrative Debt – 159 percent; Defaulted Guaranteed Loans – 19 percent; and Direct Loans – 25 percent). These differences reflect the types of debts and corresponding collections. Administrative Debts are often paid in full at the time of collection, so collections during the fiscal year include those made on receivables that no longer appear as receivables at year-end. Defaulted Guaranteed Loans are predominantly delinquent receivables (62 percent), so a lesser rate of collections can be expected on these receivables. Direct Loans that are not delinquent (89 percent of year-end Direct Loans) are routinely set up to be paid in installments over a period of years, so only a percentage of the total receivable amount is collected each year.

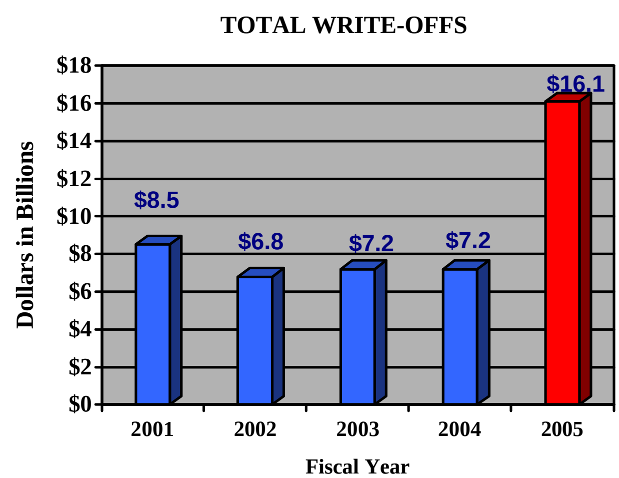
- The largest segment of Government collections, administrative debt, showed volatility over the last four years (FY 2002- $73.6 billion; FY 2003 - $68.3 billion; FY 2004 - $70.6 billion and FY 2005 - $83.2 billion). The volatility in this segment is evidenced in collections at agencies such as HHS, Interior and TVA. Because of the volatility in this portion of Government collections, there is no certainty that government-wide collections will continue to increase on an annual basis.

- Large increases or decreases in collections at individual agencies from one year to the next do not necessarily result from or in corresponding increases or decreases in year-end receivables.

3. *Write-offs*

- Total write-offs in FY 2005 substantially increased over the FY 2004 total (by $8.9 billion).

- Substantial increases in write-offs during FY 2005 occurred at four agencies: FCC ($5.4 billion), Energy ($2.1 billion), USDA ($1.9 billion) and Transportation ($358 million). The increase in write-offs at these agencies account for the large increase in total write-offs during the fiscal year.



- The substantial increase in write-offs in FY 2005 resulted from greater adherence by agencies to established write-off policy (See OMB Circular No. A-129). Beginning in third quarter of FY 2004, OMB specifically started monitoring agencies' write-off policies and practices. FMS published additional guidance on write-off during FY 2004, and provided training on write-off policy in FY 2004. In FY 2005, OMB continued to monitor agencies adherence to write-off policy, and FMS increased its training and guidance to agencies on this topic. It should be noted that while OMB guidance *generally* requires write-off when debts are two years delinquent, agencies cannot write-off debts where material collections can be documented to occur after two years.

Analysis

The substantial increase in write-offs during FY 2005 provides evidence that substantial fluctuations in write-offs can significantly affect the year end totals of receivables and delinquencies. Write-offs do not affect collections, since agencies write-off uncollectible delinquent debts. However, future annual write-off levels are not predictable. Reductions in delinquencies in FY 2005, especially the oldest delinquencies (over 6 years delinquent), reduces the amount of debts for which write-off might be appropriate in the near future. Additionally, while government-wide write-off totals were relatively consistent from FY 2002 to FY 2004, there was a significant volatility in write-off numbers at the agency level. Thus, it is questionable whether the higher level of write-off achieved in FY 2005 will be repeated in future fiscal years.

4. Interest, Penalties and Costs

Agencies charge interest, penalties, and administrative costs on receivables in accordance with applicable loan documents and statutory requirements. See, e.g., 31 U.S.C. 3717. Of the $310.3 billion in receivables at the end of FY 2005, $6.9 billion represents unpaid interest, penalties and administrative costs.

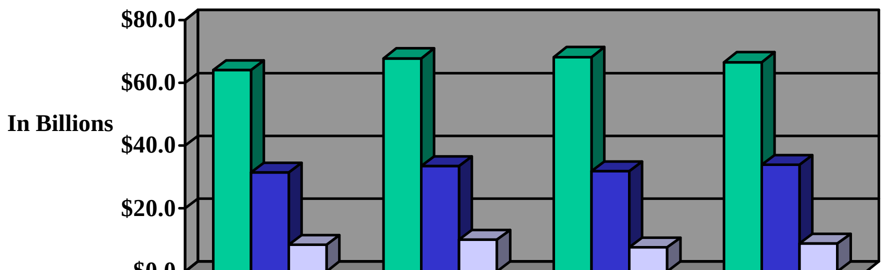
B - ANALYSIS OF MANDATORY REFERRAL TO TREASURY UNDER THE DCIA

- The DCIA specifically mandates that Federal agencies transfer nontax debts more than 180 days delinquent to Treasury for collection through TOP and/or Cross-Servicing.

  Each year, an analysis is done to determine the dollar amount of delinquent debts eligible for referral to TOP and Cross-Servicing in the upcoming fiscal year. **In the analysis, delinquent debts reported as CNC are added to debts reported as more than 180 days but less than 10 years delinquent to determine the "Starting Amount" for calculating the amounts eligible for referral.** Note that agencies, such as Education, that are not subject to the 10 year statute of limitations for collection through offset, include debts greater than 10 years delinquent in calculating their Starting Amounts.

- Certain debts are not eligible for referral to Treasury for either TOP or Cross-Servicing because of various exemptions permitted under the DCIA or otherwise required by law. Debts exempt from both TOP and Cross-Servicing include those in appeals or forbearance; debts referred to DOJ for litigation; debts in foreclosure or in bankruptcy; and foreign sovereign debts. Additional exemptions from Cross-Servicing include debts at PCAs, debts being collected by internal offset, and debts exempted from Cross-Servicing by Treasury. These exemptions are subtracted from the Starting Amount to determine "TOP Eligibility" and "Cross-Servicing Eligibility."

Mandatory Referral of Debt to Treasury



	FY 2002	FY 2003	FY 2004	FY 2005
Starting Amount	$64.0	$67.8	$68.2	$66.6
TOP Eligibility	$31.4	$33.4	$31.8	$33.8
Cross-servicing Eligibility	$8.5	$10.1	$7.7	$8.9

- At the end of FY 2005, debts eligible for referral to TOP increased by $2 billion and debts eligible for Cross-Servicing increased by $1.2 billion from amounts reported in FY 2004. During FY 2005, FMS and the reporting agencies continued to work cooperatively to improve the accuracy of these eligibility numbers.

Detailed data for 11 agencies with the largest dollar amounts of receivables in FY 2005 can be found on the *Federal Receivables and Delinquent Debt* table in Appendix I.

III - GOVERNMENT-WIDE DELINQUENT DEBT COLLECTION ACTIVITIES

A - USE OF PRIVATE COLLECTION AGENCIES (PCAS)

1. Description

- Education, Treasury, and HHS have each established contracts with PCAs to collect debts owed to the Federal Government. In addition to collecting debts, PCAs also help Federal agencies establish repayment agreements and resolve debts administratively (e.g., by determining if a debtor is bankrupt, disabled or deceased).

- Education uses PCAs to collect its portfolio of defaulted student loan debts. Education relies heavily on PCAs and refers every eligible debt to one of its seventeen (17) PCAs as quickly as possible. Education's PCAs also initiate Education's use of administrative wage garnishment as a debt collection tool.

- Treasury's PCA contract is administered by FMS and is used as part of its Cross-Servicing program. Debts that are not collected or resolved within 30 days after transfer to FMS for Cross-Servicing are referred to a PCA for collection action. FMS's PCAs have also begun using administrative wage garnishment as an effective collection tool.

- HHS's PCA contract is administered by its Program Support Center (PSC), which provides centralized debt collection services for HHS's agencies and bureaus, and several other Federal agencies. PSC refers debts to its PCA if payment in full is not made or a repayment agreement has not been established within 45 days after the PSC receives the debt for collection action.

- The American Jobs Creation Act signed by the President on October 22, 2004, created section 6306 of the Internal Revenue Code permitting private sector debt collection companies to collect federal tax debts. The Internal Revenue Service (IRS) is using competitive procurement process and is working with the General Services Administration (GSA) in this effort. The first collection efforts under a limited implementation phase are projected to begin in calendar year 2006.

2. Referrals

In FY 2005, $13.7 billion in Federal debts were referred to PCAs for collection action. Referrals decreased from the previous fiscal year primarily due to a substantial decrease in referrals by Education. The decrease at Education was due mostly to the transition to new PCA contracts and contractors. During the transition period, only a limited number of accounts were referred to the new contractors, and the old contractors held on to previously assigned accounts for a longer period of time than normal.

Referrals to PCAs (in millions)

Agency	FY 2002	FY 2003	FY 2004	FY 2005
HHS	$339	$65	$66	$45
FMS	$4,775	$3,631	$2,292	$2,280
Education	$10,588	$10,679	$14,256*	$11,376
Totals	$15,702	$14,375	$16,614*	$13,701

*Indicate corrections from amounts reported in the FY 2004 Report.

3. Collections

- Total PCA collections were $693.5 million in FY 2005, a 14 percent increase over FY 2004 collections. Total PCA collections have increased in each of the last four fiscal years.

Collections by PCAs (in millions)

Agency	FY2002	FY2003	FY2004	FY 2005
HHS	$13.8	$9.5	$7.5	$10.1
FMS*	$42.9	$73.3	$70.4	$80.3
Education*	$386	$464	$532.5	$603.1
Totals	$443	$546.8	$610.4	$693.5

*Includes collections by administrative wage garnishment

B - TREASURY OFFSET PROGRAM (TOP)

1. *Description*

TOP is a debt collection program that encompasses both "offsets" and "continuous levies."

<u>Offset</u>

- Offset is a program whereby Federal payments are reduced or "offset" to satisfy a person's overdue Federal nontax debt, child support obligation, or state income tax debt. A payee's name and taxpayer identification number (TIN) are matched against a Treasury/FMS database of delinquent debtors for automated offset of funds. Offset funds are then used to satisfy payment of the delinquent debt to the extent allowed by law.

- For FY 2005, payment types subject to offset included Office of Personnel Management (OPM) retirement payments, IRS tax refund payments, vendor payments (including vendor payments disbursed by DOD), Federal employee travel payments, Federal salary payments, and Social Security benefit payments.

- Offset of Federal salary payments through TOP has been implemented in partnership with USDA’s National Finance Center, Interior, the U.S. Postal Service and DOD's Defense Finance and Accounting Service. TOP provides a more efficient process than the alternative non-centralized salary offset process. In FY 2005, FMS completed the implementation of salary offset with GSA, the last of the four payroll providers selected as part of the E-Payroll initiative.

- In January 2000, FMS began collecting state income tax debts by offsetting Federal income tax refunds**,** as authorized by the 1998 Internal Revenue Service Restructuring and Reform Act. In FY 2005, the number of states and territories participating in this process was 37, along with the District of Columbia.

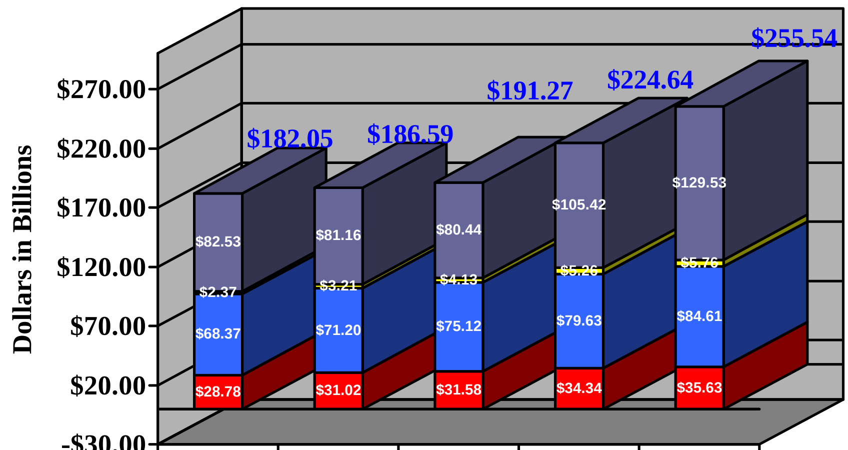
Continuous Tax Levy

- In July 2000, FMS initiated *Continuous Tax Levy*, a program whereby delinquent Federal income tax debts are collected by levying nontax payments, as authorized by the Taxpayer Relief Act of 1997. Continuous Tax Levy includes levy of vendor, Federal employee salary, OPM retirement, and Social Security benefit payments. Continuous Tax Levy is accomplished through a process almost identical to that of offset, which is matching of delinquent debtor data with payment record data. This automated collection of the debt at the time of payment occurs after the delinquent taxpayer has been afforded due process, in accordance with the Internal Revenue Code.

- In FY 2004, a multi-agency task force was established to improve the process for levying DOD contract payments. A number of action items were identified by the task force, including: maximizing delinquent tax debts available for matching; maximizing DOD payments available for matching; increasing data exchanges between FMS and DOD; and establishing a process to validate TINs of Federal contractors. As a result of the implementation of several of the action items identified, collections through tax levy increased significantly in FY 2005.

2. Referrals

TOTAL DEBT REFERRALS TO THE TREASURY OFFSET PROGRAM



	Sep. 2001	Sep. 2002	Sep. 2003	Sep. 2004	Sep. 2005
Federal Tax	$82.53	$81.16	$80.44	$105.42	$129.53
State Income Tax	$2.37	$3.21	$4.13	$5.26	$5.76
Child Support	$68.37	$71.20	$75.12	$79.63	$84.61
Federal Nontax Debt	$28.78	$31.02	$31.58	$34.34	$35.63

- As of September 30, 2005, the largest component of TOP's delinquent debtor database was $129.53 billion in Federal income tax debts, available for matching to identify potential levies. Of this amount, $36.43 billion of these tax debts have been "turned on" by IRS, that is, due process has been completed and payments are subject to continuous levy.

- Efforts by states, HHS' Office of Child Support Enforcement (OCSE), and FMS have resulted in more delinquent child support obligations being referred to TOP in each of the last four fiscal years. Referrals of $84.61 billion as of September 30, 2005, represent a 24 percent increase in referrals from September 30, 2001.

- Referrals of nontax debts increased to $35.63 billion as of September 30, 2005, a slight increase over last year's amount of $34.34 billion. As of September 30, 2005, 100 percent of the nontax debts eligible for mandatory referral to TOP have been referred. (See page 10 for a discussion on nontax debts eligible for referral to TOP.)

- Referrals of state income tax debts increased by 10 percent, from $5.26 billion at the end of FY 2004 to $5.76 billion at the end of FY 2005.

3. Collections

Total collections through TOP were $3.1 billion in FY 2005. Since enactment of the DCIA in April 1996, $23.8 billion has been collected through TOP. The chart below summarizes collections through TOP for the last five fiscal years.

Collections Through TOP In Millions of Dollars					
Type of Collection	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005**
Administrative Offset*	$25	$84	$88	$109	$123
Tax Refund Offset – Child Support (excluding tax rebates)	$1,377	$1,463	$1,428	$1,487	$1,580
Tax Refund Offset – Federal Nontax Debt (excluding tax rebates)	$1,147	$1,048	$1,025	$974	$990
Tax Refund Offset – State Income Tax Debt (excluding tax rebates)	$79	$119	$152	$218	$232
Tax Refund Offset – Tax Rebates*	$471	N/A	$207	--	--
Continuous Tax Levy	$16	$60	$89	$114	$197
Total Collected	$3,117**	$2,769	$2,990***	$2,902	$3,123**

*Collection of Federal nontax debts and child support debts by offsetting Federal nontax payments.
**Numbers in column do not equal total due to rounding.
***Tax rebate offsets for FY 2003 are for offsets of advance child tax credit payments.

- Total collections through TOP increased in FY 2005 by $221 million over total collections in FY 2004. While all types of collections in TOP increased in FY 2005, increases in two types (tax refund offset - child support, and tax levy) accounted for most of the total increase (79.6 percent).

- Tax refund offset collections in FY 2005 increased by $93 million for child support debts and $16 million for Federal nontax debts, as compared to FY 2004 totals.

- Collections under Continuous Tax Levy in FY 2005 were $197 million, a 72.8 percent increase over the $114 million collected in FY 2004. The large increase reflects the continued maturation of the tax levy program in TOP and the efforts of the multi-agency task force. IRS maintains control over which Federal tax debts can be collected through the levy process.

- In FY 2005, administrative offset collections were $123 million, $14 million more than the total collected in FY 2004.

- In FY 2005, total collections of state income tax debts by offsetting Federal tax refunds also increased by $14 million over the total collected in FY 2004.

C - CROSS-SERVICING AT FMS

1. *Description*

- Cross-Servicing is the process whereby agencies refer Federal nontax debts more than 180 days delinquent to FMS for collection. Treasury applies a variety of collection tools once agencies refer their debts. Collection tools include Treasury demand letters, telephone calls to debtors, referral of debts to TOP, credit bureau reporting, use of PCAs, and referral of debts to DOJ for litigation.

- Administrative wage garnishment (AWG) became available to Federal agencies through Cross-Servicing in FY 2001. Fourteen agencies currently utilize AWG through the program, which resulted in $3.7 million in collections from AWG in FY 2005. FMS continues to encourage Federal agencies to authorize the use of this debt collection tool through Cross-Servicing.

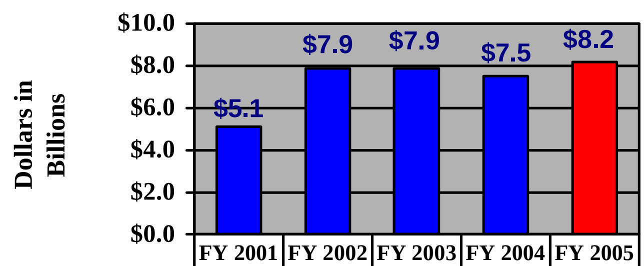
- Currently, FMS has five task orders with private collection agencies to perform debt collection services. The task orders were awarded using GSA's Financial and Business Solutions Schedule on October 1, 2001, and they will expire on September 30, 2006. FMS plans to award new task orders using the same GSA Schedule by September 30, 2006.

- Pursuant to the recent legislation allowing access to the Office of Child Support Enforcement’s National Directory of New Hires (NDNH), FMS has developed requirements for a process whereby FMS will receive address and employer information, as well as verified and corrected, if necessary, name and TIN, for debtors that have been referred to Cross-Servicing. The information will be used by FMS and PCAs to contact debtors to attempt to resolve the debt, or to initiate AWG when the debt cannot be otherwise resolved. FMS anticipates that the process will be implemented early in FY 2007.

2. *Referrals*

- The calculation of the amount of debts eligible for referral is described in this report in Section II-B, above. The calculation of Cross-Servicing referrals excludes those debts no longer actively collected at FMS.

CROSS-SERVICING REFERRALS



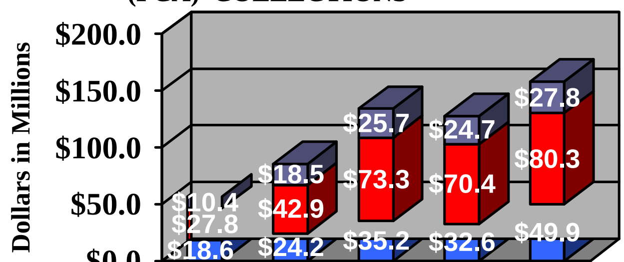
	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Referred by End of FY	$5.1	$7.9	$7.9	$7.5	$8.2

- At the end of FY 2005, $8.2 billion in delinquent debts were at FMS for Cross-Servicing, a 9 percent increase in the amount at FMS at the end of FY 2004. The increase in referrals was due to increased referrals from HHS, Federal Trade Commission, and Securities Exchange Commission.

- As of September 30, 2005, 92 percent of all eligible debts were submitted to FMS for Cross-Servicing. (See page10 for a discussion on nontax debts eligible for referral to Cross-Servicing.)

3. Collections

CROSS SERVICING & PRIVATE COLLECTION AGENCY (PCA) COLLECTIONS



	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
TOP	$10.4	$18.5	$25.7	$24.7	$27.8
PCA	$27.8	$42.9	$73.3	$70.4	$80.3
FMS	$18.6	$24.2	$35.2	$32.6	$49.9

- Since the inception of the Cross-Servicing program, FMS and the PCAs have brought in $637.9 million in collections.

- In FY 2005, FMS and its PCAs collected $158 million, a 24 percent increase in collections over the amount collected in FY 2004. The $30 million increase in the collection amount over FY 2004 was primarily the result of increases in collections on HHS debt referrals ($16 million) and HUD debt referrals ($7 million).

- In addition to collecting debts, PCAs under contract with FMS also helped resolve delinquent debts by identifying debts that are not collectible due to reasons such as bankruptcy or death. In FY 2005, PCAs resolved debts valued at $128 million, $17 million more than the amount of resolutions during FY 2004. Since the inception of the Cross-Servicing program in 1998, PCAs have resolved debts valued at over $489 million.

D - OTHER DEBT COLLECTION ACTIVITIES AT FMS

1. Debt Check – Barring Delinquent Debtors

Federal agencies are required to deny loans, loan insurance, and loan guarantees to entities that owe delinquent non-tax debt to the Federal government pursuant to 31 U.S.C. § 3720B and 31 C.F.R. § 285.13. Executive Order 13019 extends this bar to delinquent child support debtors whose debts have been referred to TOP for administrative offset. Debt Check, which became operational in February 2003, is an initiative under the FMS debt program that is being employed to help agencies electronically identify delinquent debtors and potentially bar them from receiving Federal loans, loan insurance, or loan guarantees. Presently, at least three other options exist for agencies and outside lenders to collect information on applicants: credit bureau reports, the Credit Alert Interactive Voice Response System (CAIVRS) managed by HUD, and the GSA sponsored web site listing those people or vendors barred from Federal procurement activities.

2. *Issuance of Guidance - Managing Federal Receivables*

In May 2005, FMS promulgated a revision of "Managing Federal Receivables," a guidance document for Federal agencies and their employees. This document, available on FMS's website at *http://fms.treas.gov/debt/Guidance_MFR.html*, includes chapters on Delinquent Debt Collection (Chapter 6) and Termination of Collection Action, Write-off and Close-out/Cancellation of Indebtedness (Chapter 7). These two chapters provide agencies with a single source for clear and comprehensive discussions of government-wide delinquent debt collection policies, and termination and write-off policies. The chapters incorporate and clarify important concepts from numerous other sources, including the Federal Claims Collection Standards, Treasury debt collection regulations, OMB Circular No. A-129, OPM regulations on salary offset, and IRS rules on discharge of indebtedness reporting.

3. *Revised Treasury Report on Receivables*

In FY 2005, FMS completed a revised Treasury Report on Receivables (TROR) form, an Instructional Workbook and various technical requirements documents for system development. The TROR provides information on the status of Federal receivables and collection, write-off and close-out of delinquent Federal nontax debts. The revised form provides more useful credit management and debt collection information for agency management and is easier for agencies to prepare. The TROR revision was developed through an inter-agency focus group made up of members from 15 Federal agencies, and the final product was reviewed by OMB. FMS plans implementation of the revised report government-wide in FY 2007.

4. *Training Initiatives*

Each year FMS develops a training plan that includes workshops and conferences, in its continuing effort to keep Federal agencies apprised of important developments regarding the DCIA and the debt program. From October 2004 through November 2005, FMS sponsored over 25 workshops and conferences open to all Federal agencies with approximately 1,400 agency participants in attendance. These training sessions covered topics such as general debt collection training (called "Debt Collection 101"), how to report on the TROR, and FedDebt implementation. Training was provided not only in Washington, DC, but throughout the country including in Atlanta, GA; Chicago, IL; Albany, NY; Charleston, SC; Albuquerque, NM; and Denver, CO. FMS also provided specialized training sessions to six individual agencies, as requested by those agencies.

5. *Response to Hurricane Katrina*

The destruction brought on by Hurricane Katrina created tremendous problems for many citizens, and the President directed Federal agencies to do all in their power to assist the victims of that disaster. On September 7, 2005, FMS issued a bulletin to agencies that participate in its cross-servicing program soliciting their input on whether they wished to suspend collection action for 120 days for all debts of debtors living in federally designated disaster areas. This bulletin resulted in 14 agencies requesting that we suspend collection action. Tangentially, as a result of the circulation of the FMS bulletin, Federal agencies not participating in the cross-servicing program also considered whether or not temporary suspension of delinquent debt collection in the affected areas was appropriate. Agencies participating directly in TOP also were contacted to determine what action they would take. Four agencies suspended collection action against individuals in the affected areas. Four other agencies reported that they would not suspend collection action, but would evaluate any offsets on a case by case basis.

6. *FedDebt Implementation*

- On October 1, 2005, FMS implemented the first phase of FedDebt. FedDebt is part of FMS's Enterprise Architecture initiative, which ensures that all of FMS's systems are being developed, maintained, and operated under a single standard. FedDebt is a web-based system that improves the Federal agencies' access to FMS's debt collection operations through a single debt management interface. FedDebt also provides FMS with operational efficiencies so that similar functions that were managed by different areas within FMS's debt collection operations can be combined to provide better customer service.

- The initial phase of the FedDebt system provides on-line access to the Federal agencies and the PCAs who previously did not have any access to the Cross-Servicing system, and improves control over the cross-servicing of debts at FMS from the referral by the Federal agency through the debt collection process. The system also provides more flexibility in handling the wide variety of delinquent debts referred by the Federal agencies. In the future, FedDebt will be enhanced to incorporate all of FMS's debt collection systems including TOP.

7. *Reorganization of Debt Functions at FMS*

In order to streamline operations, improve efficiencies, and yield significant net savings over the long term, FMS is in the process of realigning a major portion of its debt management business functions. This realignment takes advantage of the implementation of FedDebt. As part of the realignment, certain operations are being transferred from Headquarters in Washington, DC, to the Birmingham Debt Management Operations Center (BDMOC). Operations transferred include debt operations, testing, operational agency liaison, systems development and maintenance, TROR administration, Web development, and Business Continuity Planning. Functions that will remain at Headquarters include program and administrative management, accounting, program-wide agency liaison, agency liaison for TROR, training, private collection agency oversight, and referral of debts to DOJ for litigation.

E – HHS'S DEBT COLLECTION CENTER

1. *Description*

- The Program Support Center (PSC), established in 1995, is an operating division within HHS that collects debts on a fee-for-service basis for 10 different agencies within HHS and 10 agencies outside of HHS.

- In January 1999, Treasury granted a three-year debt collection center designation to the PSC to collect three types of HHS debts: Health Profession debts, Unfiled Cost Report debts, and Medicare Secondary Payer debts.

- In May 2002, PSC's designation as a debt collection center was renewed and revised by Treasury. The May 2002 designation was renewed in May 2005. The current debt collection center designation covers HHS debts less than 180 days delinquent, HHS debts exempt from mandatory transfer to Treasury (i.e., Health Profession debts and Unfiled Cost Report debts), and grant audit and program disallowances owed to HHS and other agencies for a period of 180 days following the completion of any appeals.

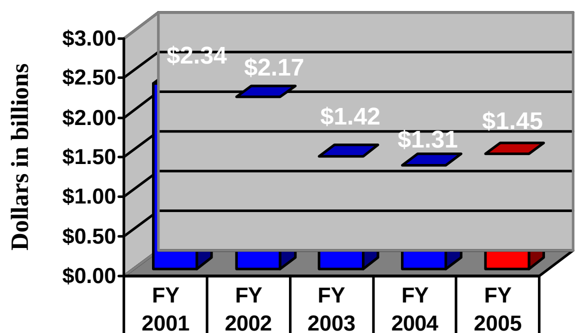
- PSC uses all appropriate and available debt collection tools to collect debts referred for collection, including: demand letters and telephone calls, internal offsets, credit bureau reporting, referrals to TOP, referrals to PCAs, and litigation. In addition, PSC applies special debt collection tools available to certain debt types. For example, PSC uses denial of Medicare/Medicaid participation and publication of debtor information in collecting Health Profession debts, where appropriate.

- PSC also serves as HHS's conduit for referrals of delinquent debts to FMS for both TOP and Cross-Servicing.

2. *Referrals to PSC*

- Debt referrals to PSC decreased significantly after 2002 due to the change in debt collection center designation in 2002. That change resulted in Medicare Secondary Payer debts being referred to FMS for Cross-Servicing rather than to the PSC.

Referrals to PSC



	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Referrals	$2.34	$2.17	$1.42	$1.31	$1.45

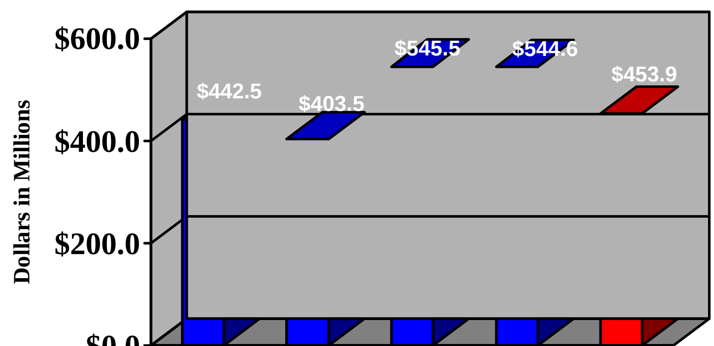
- PSC receivables do not include amounts referred to FMS for Cross-Servicing. PSC referrals of HHS delinquent debts to FMS for Cross-Servicing totaled $3.4 billion at the end of FY 2005.

3. Collections at PSC

- Since the inception of its debt collection program in 1995, PSC has brought in over $3.2 billion in collections.

- A sharp increase in collections began in FY 2001 primarily due to increases in administrative (grant audit and program disallowance) debt collections. The decrease in collections in FY 2005 from the FY 2004 amount was the result of the number of full monetary payments on disallowance debts which occurred in FY 2004.

PSC Collections

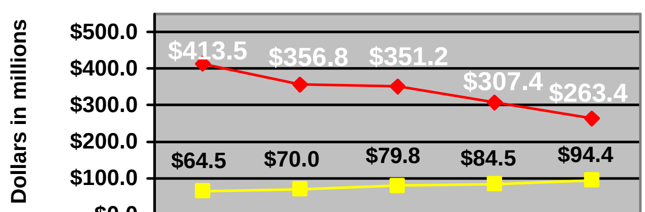


	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Collections	$442.5	$403.5	$545.5	$544.6	$453.9

Health Profession Debt

- Over the last five years, PSC has been especially effective in collecting Health Profession debts. During this time, debts more than 180 days delinquent have decreased by 36 percent, while annual collections have increased by 46 percent.

Health Profession Debt



	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Delinquencies > 180 days	$413.5	$356.8	$351.2	$307.4	$263.4
Collections	$64.5	$70.0	$79.8	$84.5	$94.4

F - LITIGATION AT THE DEPARTMENT OF JUSTICE (DOJ)

1. Description

- DOJ serves as the Federal Government's "collector of last resort." When a Federal agency cannot collect a debt administratively using debt collection tools such as those available under the DCIA, the agency may refer the debt to DOJ to pursue enforced collection through the courts. FMS's Cross-Servicing program also has the option to refer agency debts to DOJ.

- With judicial oversight, DOJ enforces collection by seizing bank, stock and similar accounts from debtors. In some cases, DOJ seizes and sells debtor-owned real estate and other property to enforce collection. DOJ also may garnish a higher percentage of the debtors' wages than AWG allows. The courts can assist in establishing and enforcing payment arrangements for some debtors.

- DOJ incorporates administrative debt collection tools, such as TOP, into the array of litigation tools available to enforce the collection of debts. DOJ supplements its litigation resources by contracting with private counsel in 16 judicial districts, and it plans to expand this program to additional districts in the future.

2. Referrals

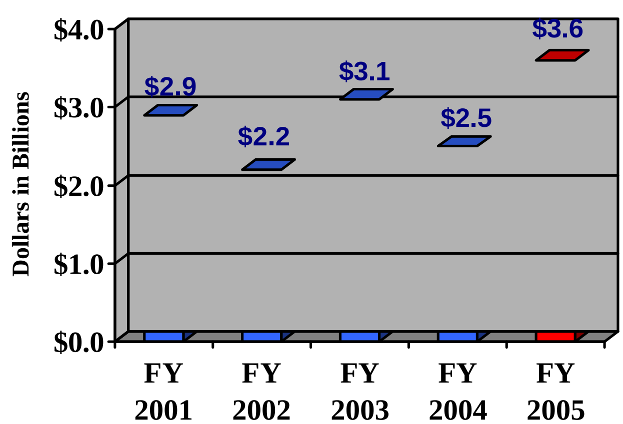
- Federal creditor agencies determine when to refer debts to DOJ. Both the numbers of debts referred and their value vary greatly from year to year for this reason. Although the number of referrals to DOJ has declined in recent years, the average value of a debt referred has increased substantially.

Fiscal Year	Total Civil Referrals - new debts opened	Value of New Debts (in billions)
2001	24,357	$5.4
2002	8,443	$3.0
2003	11,557	$2.1
2004	7,165	$2.5
2005	6,723	$5.0

- Debt referrals vary greatly in amount, complexity and collectibility. Referrals include loans with clear debtor liability as well as multi-jurisdictional fraud cases which require extensive and lengthy investigation over a period of years to be resolved.

3. Collections

CASH COLLECTIONS FROM CIVIL LITIGATION AT DOJ



- The amount DOJ collects in any fiscal year includes recoveries for debt referred in prior fiscal years.

- DOJ has collected $14.3 billion from civil litigation over the last five fiscal years.

- DOJ has placed a greater emphasis on using its own litigation resources in recent years to pursue those who defraud America's taxpayers. Much of the increase in the amounts collected by DOJ in recent years reflects the success of these efforts.

IV – SPECIFIC AGENCY ACTIVITIES

A - EDUCATION STUDENT LOANS

- Since November 1998, Treasury has exempted student loan debts collected by Education from mandatory transfer to Treasury for Cross-Servicing, based on Education's demonstrated expertise in collecting student loan debts. Federal Student Aid debt collection activities at Education are centralized in Education's Borrower Services-Collections (BSC). BSC services Education's *defaulted* student loans (loans delinquent more than 270 days). Use of the full range of debt collection tools outlined in Education's own statutes and the DCIA is authorized once the loan reaches *default* status. Additionally, BSC collects on student grant overpayments, which represent a very small amount of BSC's total delinquent debt portfolio.

- Total student loan receivables (principal and interest) serviced by BSC have increased from $13.7 billion at FY 2001 year-end to $18.9 billion at FY 2005 year-end; and collections have increased from $1.37 billion in FY 2001 to $2.08 billion in FY 2005.

Education's Use of Debt Collection Tools
(in millions)

Collection Tools	FY 2001 Collections	FY 2002 Collections	FY 2003 Collections	FY 2004 Collections	FY 2005 Collections
Private Collection Agency	$229	$260	$322	$362	$378
Litigation (DOJ)	$30	$30	$27	$22	$18
Internal Offset	$3	$3	$2	$2	$1
AWG (at Education and PCAs)	$134	$136	$150	$186	$237
Treasury Offset	$450	$368	$398	$389	$415
Other Tools at Education	$39	$68	$59	$59	$50
Total Loan Consolidations (at Education and at PCAs)	$464	$365	$290	$206	$197
Total Loan Rehabilitations (at Education and at PCAs)	$25	$102	$369	$587	$786

- Recoveries from TOP increased, by 7 percent, from FY 2004 to FY 2005. Education still relies heavily on PCAs and refers every eligible debt as quickly as practicable to one of its 17 PCAs. Education effectively uses AWG to collect debts, primarily through its PCAs, which collected $225 million of the $237 million collected through AWG in FY 2005. Education also uses loan consolidations and loan rehabilitations to further reduce delinquencies by moving debts back into current repayment status.

- Collections by PCAs and by AWG have steadily increased over the last five years. Regarding PCAs, Education also tracks collection costs as a percent of collections. These costs have shown a declining trend from 18.6 percent in FY 1999 to

16.6 percent in FY 2005. The decline in costs is the direct result of reduced negotiated rates in the FY 2000 and FY 2004 PCA task orders and increased usage of lower cost PCA recovery tools such as loan rehabilitation.

- PCAs rehabilitated $786 million in defaulted loans in FY 2005, up substantially from the $587 million in FY 2004. Student loan statutes allow borrowers to rehabilitate if they make 12 consecutive on-time monthly payments, which is the preferred method for borrowers to cure defaults (other than paying the debt in full).

- Education has continued its successful matching program with HHS's National Directory of New Hire Database that, for FY 2005, resulted in the capture of new debtor location information on over one million accounts. Use of the New Hire Database led to an additional $468 million in student loan recoveries.

- BSC does not currently participate in the salary offset component of TOP, but plans to do so in FY 2006 when it phases in the applicable software component as part of its comprehensive upgrade of its debt collection systems. In the interim, Education uses all other available debt collection tools to collect debts owed by Federal employees.

B - HUD AND SBA LOAN ASSET SALES

Fiscal Year	Dept. of Housing and Urban Development		Small Business Administration	
	Unpaid Principal Balance	Gross Proceeds	Unpaid Principal Balance	Gross Proceeds
2001	$623 million	$432 million	$2.4 billion	$1.6 billion
2002	$502 million	$291 million	$1.27 billion	$871 million
2003	$1 billion	$510 million	$651 million	$444 million
2004	$1.2 billion	$777 million	0	0
2005	$1.4 billion	$908 million	0	0
TOTALS	$4.7 billion	$2.9 billion	$4.3 billion	$2.9 billion

- HUD and SBA established Loan Asset Sales programs to sell performing and non-performing loans to the public. HUD's Federal Housing Administration is taking action to sell HUD's entire inventory of single family and multifamily mortgage notes held by the Secretary of HUD. SBA's asset sales program included the sale of direct loans and defaulted guaranteed loans.

- SBA did not conduct any asset sales in FYs 2004 and 2005, and has no plans for future sales at this time. However, SBA is exploring the possibility of partnering with another Federal agency to include groups of loans in another agency's sales.

- Over the last five fiscal years, SBA and HUD have sold $9 billion in loan assets and collected $5.8 billion in gross proceeds from these sales.

APPENDIX I: FEDERAL RECEIVABLES AND DELINQUENT DEBT

The table below presents the ending balances, collections, write-offs, delinquencies, delinquencies greater than 180 days, and debts that have been written off and classified as currently not collectible for the credit agencies with the highest ending balances at the end of FY 2005. The table groups all other agencies into a single category. At the end of FY 2005, 95 percent of the receivables belonged to the 11 agencies listed in the table below.

Federal Receivables and Delinquent Debt as of September 30, 2005 (in millions)

Agency	Ending Balance	Collections	Write-offs	Delinquencies	Delinquencies > 180*	Currently Not Collectible
Education	$118,959	$27,162	$1,015	$34,951	$22,688	$419
USDA	$102,242	$28,801	$2,619	$3,889	$3,334	$626
HUD	$12,504	$6,428	$44	$541	$432	$227
SSA	$13,314	$2,591	$842	$2,864	$2,019	$8,592
EXIM[1]	$9,061	$1,820	$269	$1,920	$1,761	0
DOD	$8,358	$10,911	$194	$4,592	$3,951	$315
AID[2]	$6,297	$1,171	$755	$559	$530	0
SBA	$8,296	$1,260	$500	$3,656	$2,966	$1,587
Energy	$4,095	$4,496	$2,111	$122	$95	$2,112
HHS	$5,261	$16,961	$782	$1,803	$1,314	$6,864
FATP[3]	$5,706	$1,045	$16	$1,408	$1,383	0
All Other	$16,229	$42,375	$6,914	$9,572	$4,776	$1,266
Gov't Total	$310,322	$145,021	$16,061	$61,992	$45,249	$22,008

[1]Export Import Bank
[2]Agency for International Development
[3]Funds Appropriated to the President

Amounts reported as write-offs represent the dollar amount of uncollectible receivables written off during FY 2005.

"Currently Not Collectible" (CNC) represents the dollar amount of all debts that have been written off by the agency but not yet closed out. Debts classified as CNC for any reporting period continue to be reported in that category in subsequent reporting periods until closed-out or collected.

* Does not include write-offs reported as Currently Not Collectible.

APPENDIX II: SOURCES OF DATA

Data contained in this report were obtained from the following sources:

Part II – Government Debt Portfolio, Collection and Write-offs and Appendix I

Source – Treasury Report on Receivables Due From the Public – Fourth Quarter 2005, as reported by Federal agencies to the Department of the Treasury.

Part III – Government-Wide Collection Activities

A – Use of Private Collection Agencies

Sources – Department of Education, Borrower Services-Collections
Department of the Treasury, Financial Management Service
Department of Health and Human Services, Program Support Center

B & C & D – Treasury Offset Program & Cross-Servicing & Other Debt Collection Activities at FMS

Source – Department of the Treasury, Financial Management Service

E – HHS' Debt Collection Center

Source – Department of Health and Human Services, Program Support Center

F – Litigation at the Department of Justice

Source – Department of Justice, Office of Debt Collection Management

Part IV – Specific Agency Activities

A – Education Student Loans

Source - Department of Education, Borrower Services-Collections

B – SBA and HUD Loan Asset Sales

Sources – U.S. Small Business Administration
Department of Housing and Urban Development