



Office of Appeals
U.S. Department of Housing and Urban Development
Washington, D.C. 20410-0001

In the Matter of:

Orville W. Price,

Petitioner

HUDOA No. 10-H-CH-LL119
Claim No. 7-7064702-9

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For Petitioner

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For the Secretary

RULING ON THE SECRETARY'S MOTION TO DISMISS

Petitioner was notified by Due Process Notice, pursuant to 31 U.S.C. §§ 3716 and 3720A, that the Secretary of the U.S. Department of Housing and Urban Development ("HUD") intended to seek administrative offset by the United States Department of the Treasury of any federal payments due to Petitioner to recover a claimed past-due, legally enforceable debt of Petitioner to HUD.

Petitioner filed a timely request to present evidence that the debt was not past-due or not legally enforceable. Pursuant to 24 C.F.R. § 17.152 and 17.153, the Administrative Judges of the HUD Office of Appeals are authorized to determine whether these debts are past due and legally enforceable. As a result of Petitioner's request, referral of the debt to the U.S. Department of the Treasury was temporarily stayed by this Office on March 30, 2010.

On May 14, 2010, a Motion to Dismiss was filed on behalf of the Secretary advising this Office that the Secretary has determined that "through counsel, Petitioner has raised the defense of Petitioner's capacity to enter into this contract." The Secretary further states that he "has elected not to challenge Petitioner's defense," and that "the Secretary will not pursue any

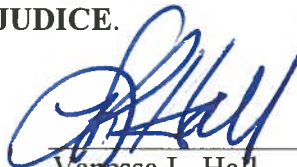
additional collection actions. (Motion to Dismiss, Ex. 1, Declaration of Brian Dillon, Director, Asset Recovery Division, HUD's Financial Operations Center, ¶¶ 7-8.) The Secretary finally states that he "has written of[f] this debt, but will be required to report the cancelled debt to the IRS, as required by law." (Id., at ¶ 9.)

Upon due consideration, the Secretary's Motion to Dismiss is **GRANTED**. It is hereby

ORDERED that the Secretary shall not seek to collect the claimed debt of Petitioner by means of administrative offset of any federal payment due Petitioner. It is hereby

FURTHER ORDERED that the Secretary report the cancelled debt to the IRS as a forgiven debt, as required under 24 C.F.R. § 17.150 (d) and § 17.159.

The stay of referral of this matter to the Department of the Treasury is made permanent. This matter is **DISMISSED WITH PREJUDICE**.



Vanessa L. Hall
Administrative Judge

May 18, 2010