

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

In the Matter of:

Jay E. Cox,

HUDOA No. 11-H-CH-LL25

Claim No.

7-802627930B

## Petitioner

David C. Werner, Esq. Malaise Law Firm 909 NE Loop 410, Ste. 300 San Antonio, TX 78209

For Petitioner

Carol Turner, Esq. U.S. Department of Housing and Urban Development Office of Regional Counsel For Midwest Field Offices 77 West Jackson Boulevard Chicago, IL 60604

For the Secretary

## **RULING ON SECRETARY'S MOTION TO DISMISS**

Petitioner was notified by a Due of 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. § 17.150 et. seq. and § 20.4(b), 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 24, 2011.

On April 21, 2011, a Motion to Dismiss was filed on behalf of the Secretary advising this Office that "the debt is not legally enforceable against Petitioner because in his Chapter 13 bankruptcy proceeding, the judge determined the debt was unsecured and Petitioner was later discharged on May 2, 2004. Offset payments in the amount [of] \$907.00 are being refunded to the Petitioner."

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 offset payments in the amount of \$907.00 be refunded to Petitioner.

The stay of referral of this matter to the Department of the Treasury is hereby made permanent.

This matter is **DISMISSED WITH PREJUDICE**.

Vanessa L. Hall

Administrative Judge

April 22, 2011