

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

In the Matter of:

FELIX RIOS COLLAZO,

Petitioner.

21-AM-0249-AO-035  
(Claim No. 7-21018165)

December 15, 2023

**DECISION AND ORDER UPON RECONSIDERATION**

On August 29, 2023, the Tribunal issued its *Decision and Order* (“Decision”) in Felix Rios Collazo, HUDOHA No. 21-AM-0249-AO-035, finding Felix Rios Collazo (“Petitioner”) indebted to the U.S. Department of Housing and Urban Development (“HUD” or “the Secretary”) when, after Petitioner’s home was foreclosed when he fell behind on his mortgage payments, Petitioner failed to repay the Secretary a Subordinate Note in the principal amount of \$26,453.30. The Decision permitted the Secretary to seek repayment of the debt (in addition to accumulated interest, fees, and penalties) by administrative offset. On September 7, 2023, in its *Order for Response*, the Tribunal granted Petitioner’s *Motion for Reconsideration* based on documents related to the foreclosure submitted by Petitioner to support his contention that the Subordinate Note was paid upon the foreclosure.

Upon careful consideration, the Tribunal finds altering the Decision is unwarranted. Petitioner remains indebted to the Secretary for the full amount owed.

**PROCEDURAL HISTORY**

On or about August 3, 2021, Petitioner filed a *Request for Hearing* (“Request”) with the Tribunal in response to a *Notice of Intent to Collect by Treasury Offset* he received from HUD. On August 29, 2023, the Tribunal issued its Decision. On September 6, 2023, Petitioner timely submitted the aforementioned additional evidence. The Tribunal treated the submission as a *Motion for Reconsideration* and ordered the Secretary to file a response. On October 2, 2023, the Secretary submitted the *Secretary’s Memorandum in Opposition to Petitioner’s Motion for Reconsideration*.

**DISCUSSION**

The purpose of reconsidering a previously decided matter is not to afford a party the opportunity to reassert contentions the Tribunal has already considered and adjudicated. See Mortgage Capital of America, Inc., *infra*; Louisiana Housing Finance Agency, HUDBCA No. 02-D-CH-CC006 (March 1, 2004); Charles Waltman, HUDBCA No. 97-A-NY-W196 (Sept. 21,

1999). As a general matter of law, a motion to reconsider must be based on newly discovered evidence, a patent error such as an error in mathematical computation or a clear error of fact or law, a need for clarification of the decision, or other good cause such as evidence that the debt has become legally unenforceable since the issuance of the previous decision. See Lawrence Svrovatka, HUDOA No. 07-A-CH-HH10 (Jan. 8, 2009); Mortgage Capital of America, Inc., HUDBCA No. 04-D-NY-EEO32 (Sept. 19, 2005); Paul Dolman, HUDBCA No. 99-A-NY-Y41 (Nov. 4, 1999); Anthony Mesker, HUDBCA No. 94-C-CH-S379 (May 10, 1995); and Appeals of Walber Const. Co., HUDBCA No. 79-385-C17 (Sept. 2, 1982). In such cases, the Tribunal, at its discretion, will review a previous decision only when such compelling circumstances require it. If the grounds for review will only have a collateral effect and will not result in a change in the decision, the decision will be maintained. See Mastic-Tar Co., Inc., ASBCA No. 7272, 1962 BCA ¶ 3429; 1962 BCA ¶ 3365.

Here, Petitioner cites no compelling circumstances such as a clear error of fact or law to warrant changing the Decision. While Petitioner's additional documentation evidences the mortgagee foreclosed on Petitioner's home such that mortgage balance was satisfied,<sup>1</sup> no evidence reveals that HUD was a party to the foreclosure or received any proceeds from the foreclosure. More specifically, no funds remained after the foreclosure to satisfy the debt to the Secretary. As the Secretary was therefore unable to enforce the Subordinate Note on that property, the Secretary may collect the now unsecured debt based on the obligations in the Subordinate Note. See In re John Bilotta HUDBCA No. 99-A-CH-Y258, 1999 HUD Appeals LEXIS 13 (Dec. 29, 1999) citing Kimberly S. (King) Thede, HUDBCA No. 89-4587-L74 (April 23, 1990).

Accordingly, Petitioner is held to the express language of the Subordinate Note he signed and agreed to which states, under "Borrower's Promise to Pay," "[i]n return for a loan received from Lender, Borrower promises to pay the principal sum Twenty Six Thousand Four Hundred Fifty Three Dollars and Thirty Cents (\$26,453.30), without interest to the order of Lender" (emphasis removed). Thus, in the absence of a release from HUD discharging Petitioner from the obligation to repay the debt, Petitioner remains indebted to the Secretary for the full amount owed, in addition to interest, fees, and penalties. See In re Juanita Mason, HUDOA No. 08-H-NY-AWG70, at 3 (Dec. 8, 2008) ("... [F]or Petitioner not to be held liable for the debt, there must either be a release in writing from the lender... or valuable consideration accepted by the lender from Petitioner..." (citations omitted)).

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<sup>1</sup> Petitioner fails to explain why the documents and the information contained therein that he submitted for reconsideration were not presented prior to issuance of the Decision, especially as the documents and the information contained therein appear to have been in his possession or available to him before he made his Request. See Thomas Dunwoodie, HUDOA No. 11-H-NY-LL11 (July 13, 2012) (denying reconsideration, in part, because Petitioner's evidence was available for the Tribunal's consideration prior to the issuance of its decision).

## ORDER

For the reasons set forth above, the Tribunal finds Petitioner remains indebted to the Secretary for the full amount owed. Thus, the Tribunal's Decision and Order in Felix Rios Collazo, HUDOHA No. 21-AM-0249-AO-035 (August 29, 2023) **REMAINS IN EFFECT** and constitutes the final agency decision with respect to the past due status and enforceability of the debt. See 24 C.F.R. § 17.73(a).

**SO ORDERED,**

**ALEXANDER  
FERNANDEZ-  
PONS**

Digitally signed by: ALEXANDER  
FERNANDEZ-PONS  
DN: CN = ALEXANDER FERNANDEZ-  
PONS C = US O = U.S. Government  
OU = Department of Housing and Urban  
Development, Office of the Secretary  
Date: 2023.12.15 09:00:45 -05'00'

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Alexander Fernández-Pons  
Administrative Law Judge