

FISCAL YEAR 2015
REPORT TO THE CONGRESS

*U.S. Government
Receivables and Debt Collection
Activities of Federal Agencies*

Department of the Treasury
April 2016





DEPARTMENT OF THE TREASURY
WASHINGTON, DC

OFFICE OF THE FISCAL ASSISTANT SECRETARY

A MESSAGE FROM THE FISCAL ASSISTANT SECRETARY

I am pleased to present the *Fiscal Year 2015 Report to the Congress on United States Government Receivables and Debt Collection Activities of Federal Agencies*. This annual report provides important information to the American public on the status and collection of the Federal government's non-tax receivables (current and delinquent).

At the end of Fiscal Year (FY) 2015, outstanding non-tax receivables owed to the United States was \$1.3 trillion.¹ These receivables include loans to students, small business owners, homeowners, farmers, and veterans. They also include administrative non-tax receivables, including fines and penalties, overpayments, and fees.

Most citizens pay their debt on time. However, at the end of FY 2015, delinquent non-tax debt owed to the Federal government totaled \$162.1 billion. The timely and efficient collection of delinquent debts helps fund government operations, maintain key programs, and reduce the Federal deficit. Thus, it is very important to continue to find ways to cost-effectively collect the delinquent debt owed to the government while, at the same time, providing debtors with due process and the opportunity to repay debt in accordance with their financial ability to pay.

Federal agencies face many challenges collecting and resolving delinquent debts. Despite these challenges, in FY 2015 the Department of the Treasury, Bureau of the Fiscal Service (Fiscal Service), collected \$7.3 billion owed to Federal and State agencies. Fiscal Service continues to collaborate with agencies to maximize collections and resolve those debts for which collection is not possible because of a debtor's circumstances.

Information about the Federal government's management of receivables and is available at www.Transparency.Treasury.gov. This website provides the public with easy-to-understand data about the Federal government's finances.

David A. Lebryk

**FISCAL YEAR 2015 REPORT TO THE CONGRESS:
U.S. GOVERNMENT RECEIVABLES AND
DEBT COLLECTION ACTIVITIES OF FEDERAL AGENCIES**

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I. Introduction

The Secretary of the Treasury (Secretary) reports to Congress annually on the Federal government's non-tax receivables and debt collection activities. As required by Federal law (31 U.S.C. § 3719), this report includes information that Federal creditor agencies provide to the Secretary on the status of their accounts receivable, as reported on the [*Treasury Report on Receivables and Debt Collection Activities \(TROR\)*](#).

Based on policies from Congress and the President, Federal creditor agencies make loans to borrowers, guarantee loans made by private lending institutions, and impose fines and penalties. These activities result in the creation of accounts receivable as assets of the government. In addition, Federal creditor agencies award grants, make payments, and provide other services, which, in certain circumstances, can also result in the creation of accounts receivable.

At the end of FY 2015, the government's outstanding non-tax receivables totaled \$1.3 trillion, an increase of \$122.8 billion (10 percent) from FY 2014. A receivable is current when it is not yet due or is being repaid as agreed. When the government's receivables are not paid by the due date they generally become delinquent debt. At the end of FY 2015, delinquent non-tax debt owed to the United States totaled \$162.1 billion, an increase of \$22.8 billion (16 percent) from FY 2014.

Each Federal creditor agency is required to make every reasonable effort to collect its receivables. The Bureau of the Fiscal Service and the Department of Justice (DOJ) share the responsibility for setting government-wide policy on delinquent non-tax debt collection, and each play a major role in the centralized collection of delinquent non-tax debt. In FY 2015, Federal creditor agencies collected \$36.7 billion of delinquent non-tax debt, an increase of \$6.8 billion (23 percent) from FY 2014.

This report provides summary data on the value of receivables owed to the Federal government, the portion of those receivables that are delinquent, and efforts to collect or write-off delinquent debt. The report provides comparative information from previous fiscal years to FY 2015, and focuses on specific aspects of government-wide non-tax receivables and debt collection activities

Note: Delinquencies and collections result from various events and conditions that can occur over multiple reporting periods. Depending on the structure of repayment terms, for example, the date that a receivable is due may be in the same fiscal year that it is recorded or it may be in a future fiscal year. Similarly, collections during FY 2015 may be associated with non-tax debt that became delinquent either in FY 2015 or in a prior year, and are most often associated with receivables that were recorded in a prior fiscal year. Therefore, use caution when comparing annual totals and year-over-year changes of receivables, delinquencies, and collections.

II. Federal Non-Tax Receivables Owed to the United States

A. Total Federal Non-Tax Receivables

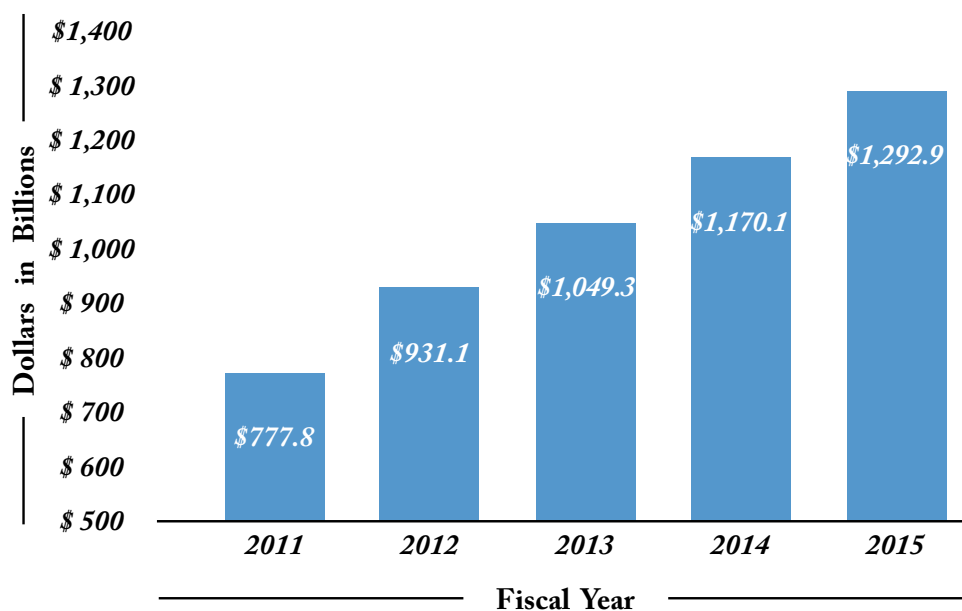
Federal non-tax receivables are amounts owed to the Federal government by a person (including individuals, organizations, and other entities). Receivables are categorized as being either current or delinquent. Delinquent receivables are also referred to as delinquent debt.

At the end of FY 2015, total Federal non-tax receivables owed to the United States totaled \$1.3 trillion, an increase of \$122.8 billion (10 percent) from FY 2014. The total outstanding receivable balance at the end of a fiscal year is the net of receivables that remained unpaid from prior fiscal years, and new receivables recorded during that fiscal year, less collections, adjustments, and amounts written off.

New Federal non-tax receivables recorded as of the end of FY 2015 totaled \$391.8 billion, an increase of \$20.5 billion (6 percent) from FY 2014. Collection of Federal non-tax receivables in FY 2015 was \$300.1 billion, an increase of \$21.0 billion (8 percent) from FY 2014.

FIGURE 1

Outstanding Federal Non-Tax Receivables: FY 2011-2015
(Dollars in Billions)



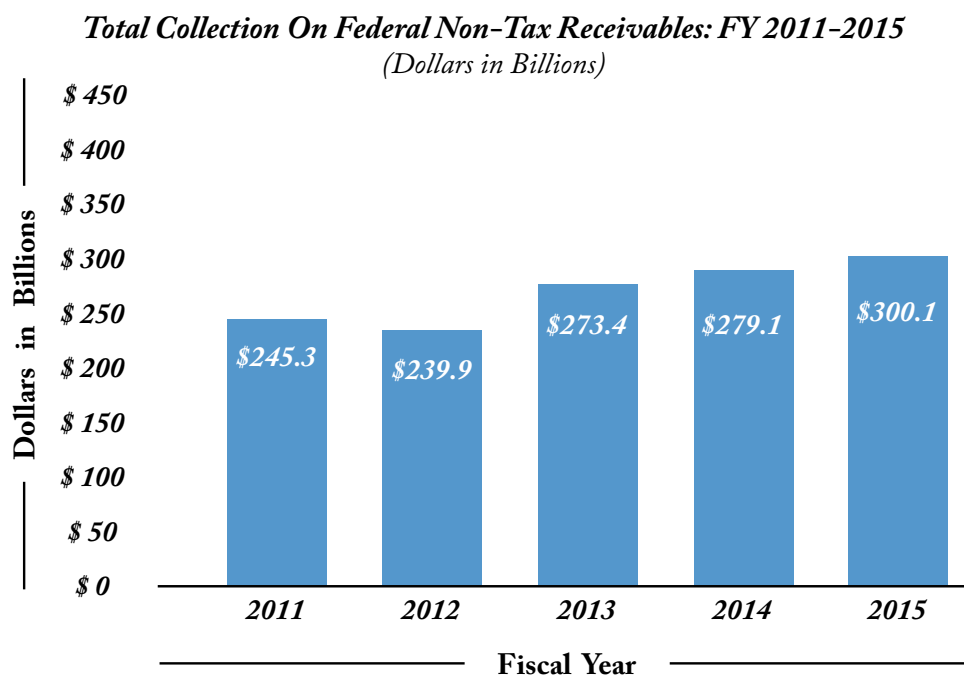
SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2011 - 2015

FIGURE 2



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2011 - 2015

FIGURE 3



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2011 - 2015

B. By Creditor Agency

Receivables owed to the Department of Education (Education)² and the Department of Agriculture (USDA) at the end of FY 2015 accounted for \$1.1 trillion (84 percent) of the government's total outstanding receivables.

FIGURE 4

***FY 2014 to FY 2015 Percentage Change in Outstanding Federal
Non-Tax Receivables:³ FY 2015 Top Five Creditor Agencies***
(Dollars in Billions)

<i>Agency</i>	<i>FY 2014</i>	<i>FY 2015</i>	<i>% Change from FY 2014 to FY 2015</i>
<i>Department of Education</i>	<i>\$874.3</i>	<i>\$980.9</i>	<i>12.2%</i>
<i>Department of Agriculture</i>	<i>\$114.0</i>	<i>\$111.6</i>	<i>- 2.1%</i>
<i>Department Housing and Urban Development</i>	<i>\$23.7</i>	<i>\$28.2</i>	<i>19.0%</i>
<i>Department of Health and Human Services</i>	<i>\$15.7</i>	<i>\$27.9</i>	<i>77.7%</i>
<i>Export-Import Bank</i>	<i>\$22.9</i>	<i>\$24.1</i>	<i>5.2%</i>
<i>All Others</i>	<i>\$119.5</i>	<i>\$120.2</i>	<i>0.6%</i>
<i>Total Government</i>	<i>\$1,170.1</i>	<i>\$1,292.9</i>	<i>10.4%</i>

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2014 - 2015

In FY 2015, Education, the Department of Health and Human Services (HHS), USDA, the Department of Housing and Urban Development (HUD), and the Department of Defense (DoD) collected a combined \$198.7 billion (66 percent) in Federal non-tax receivables.

FIGURE 5

***FY 2014 to FY 2015 Percentage Change in Collection of Federal Non-Tax
Receivables: FY 2015 Top Five Creditor Agencies***
(Dollars in Billions)

<i>Agency</i>	<i>FY 2014</i>	<i>FY 2015</i>	<i>% Change from FY 2014 to FY 2015</i>
<i>Department of Education</i>	<i>\$71.7</i>	<i>\$89.3</i>	<i>24.5%</i>
<i>Department of Health and Human Services</i>	<i>\$55.6</i>	<i>\$48.8</i>	<i>- 12.2%</i>
<i>Department of Agriculture</i>	<i>\$22.3</i>	<i>\$28.1</i>	<i>26.0%</i>
<i>Department of Housing and Urban Development</i>	<i>\$20.3</i>	<i>\$18.6</i>	<i>- 8.4%</i>
<i>Department of Defense</i>	<i>\$16.3</i>	<i>\$13.9</i>	<i>- 14.7%</i>
<i>All Others</i>	<i>\$92.9</i>	<i>\$101.4</i>	<i>9.1%</i>
<i>Total Government</i>	<i>\$279.1</i>	<i>\$300.1</i>	<i>7.5%</i>

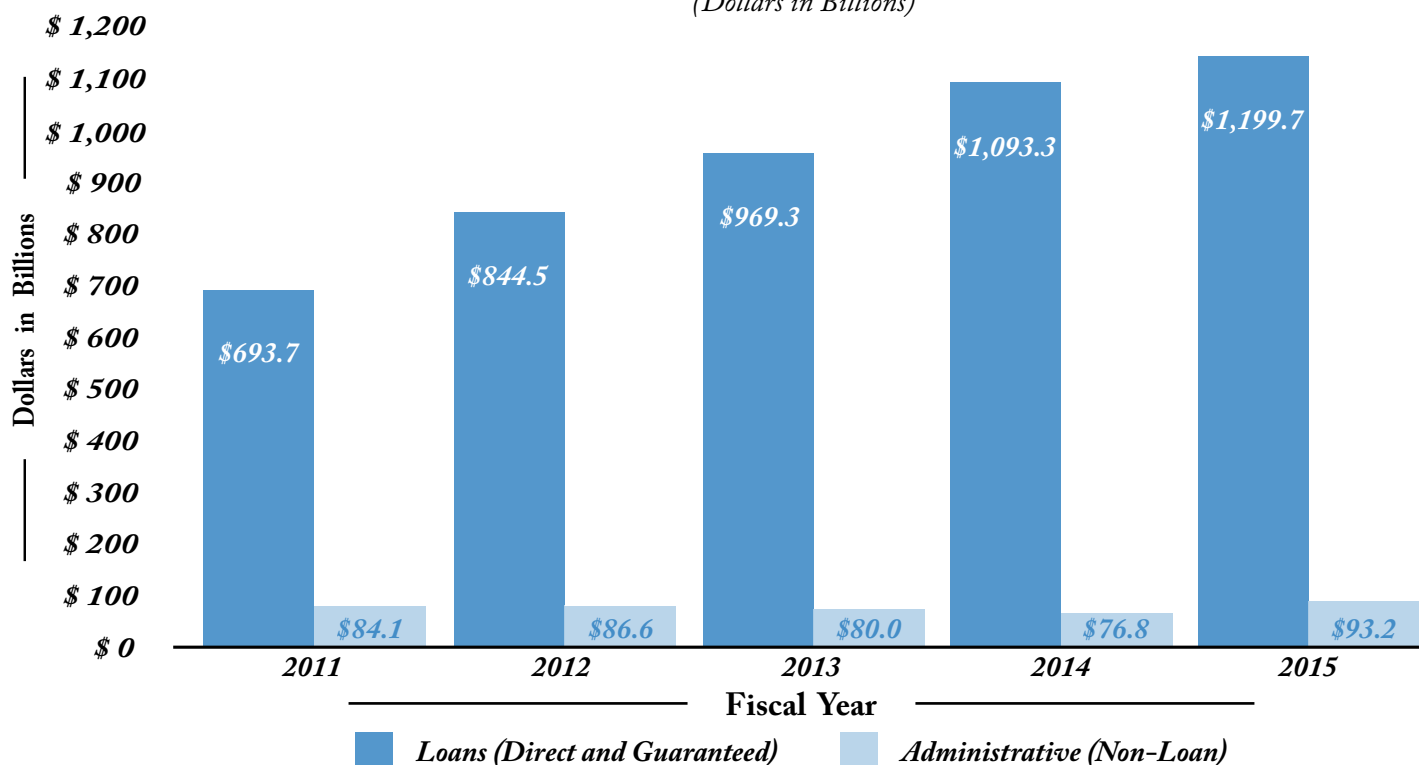
SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2014 - 2015

C. By Receivable Type

Of the \$1.3 trillion in Federal non-tax receivables outstanding (both current and delinquent) in FY 2015, Federal loan receivables (direct loans and defaulted guaranteed loans) represented \$1.2 trillion (93 percent) of total outstanding receivables. Receivables attributable to direct loans and defaulted guaranteed loans increased by \$106.4 billion (10 percent) from FY 2014 to FY 2015. Administrative receivables (all non-loan receivables⁴) represented \$93.2 billion of the total outstanding receivables at the end of FY 2015, an increase of \$16.4 billion (21 percent) from FY 2014.

FIGURE 6

Outstanding Federal Non-Tax Receivables, By Type : FY 2011 - 2015 (Dollars in Billions)



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2011-2015

D. Interest, Penalties, and Administrative Costs

Generally, Federal creditor agencies assess interest on outstanding loan receivables. Federal creditor agencies are also generally required to assess interest, penalties, and administrative costs when receivables become delinquent. The rate of interest is governed by 31 U.S.C. § 3717 and published by the [Department of the Treasury](#). Of the \$1.3 trillion in outstanding current and delinquent receivables at the end of FY 2015, \$70.8 billion (5 percent) represented unpaid interest, penalties, and administrative costs.

III. Delinquent Federal Non-Tax Debt Owed to the United States

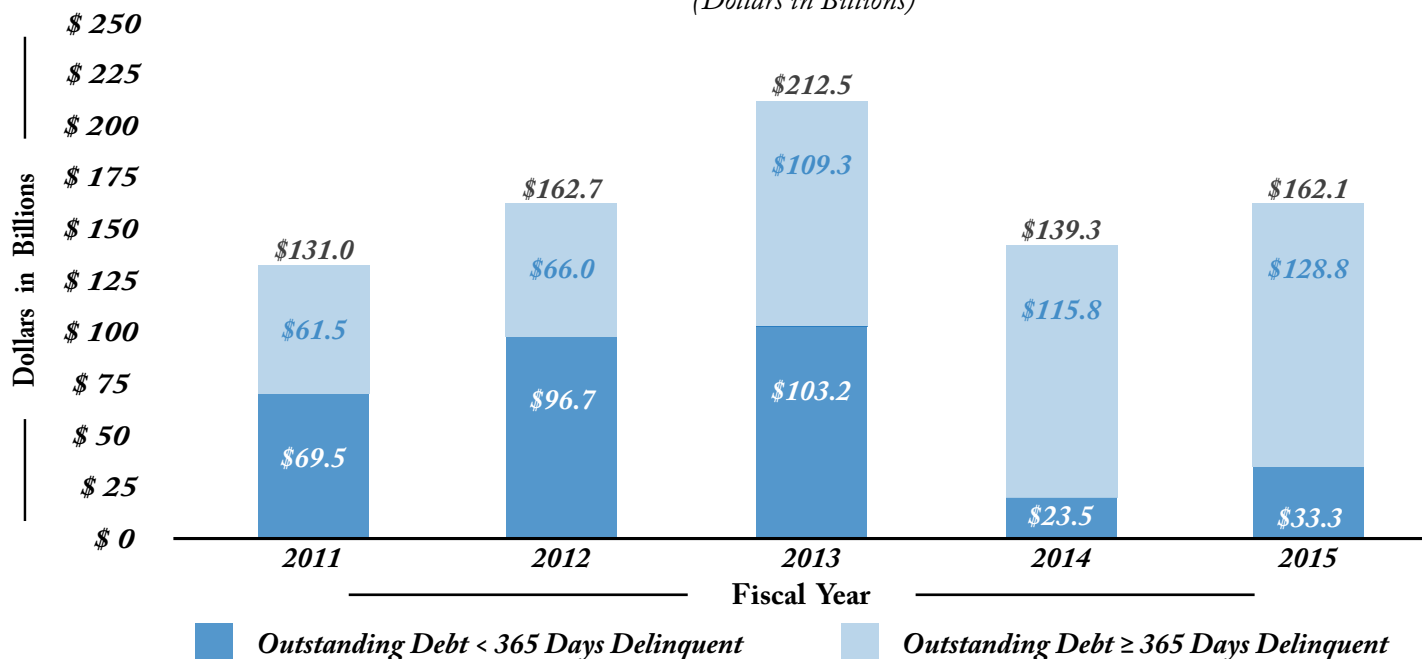
A. Total Delinquent Federal Non-Tax Debt

A non-tax debt is considered delinquent if it has not been paid by the date specified in an agency's initial written demand for payment or applicable agreement. A non-tax debt may become delinquent during the same fiscal year that it was recorded as a receivable or during a subsequent fiscal year.

At the end of FY 2015, outstanding delinquent non-tax debt owed to the United States totaled \$162.1 billion, an increase of \$22.8 billion (16 percent) from FY 2014.⁵ The total outstanding delinquent debt balance at the end of a fiscal year is the net of debt that remained delinquent from previous fiscal years and debt that became delinquent during that fiscal year less collections, adjustments, and amounts written off.

FIGURE 7

Delinquent Federal Non-Tax Debt:⁶ FY 2011-2015 (Dollars in Billions)



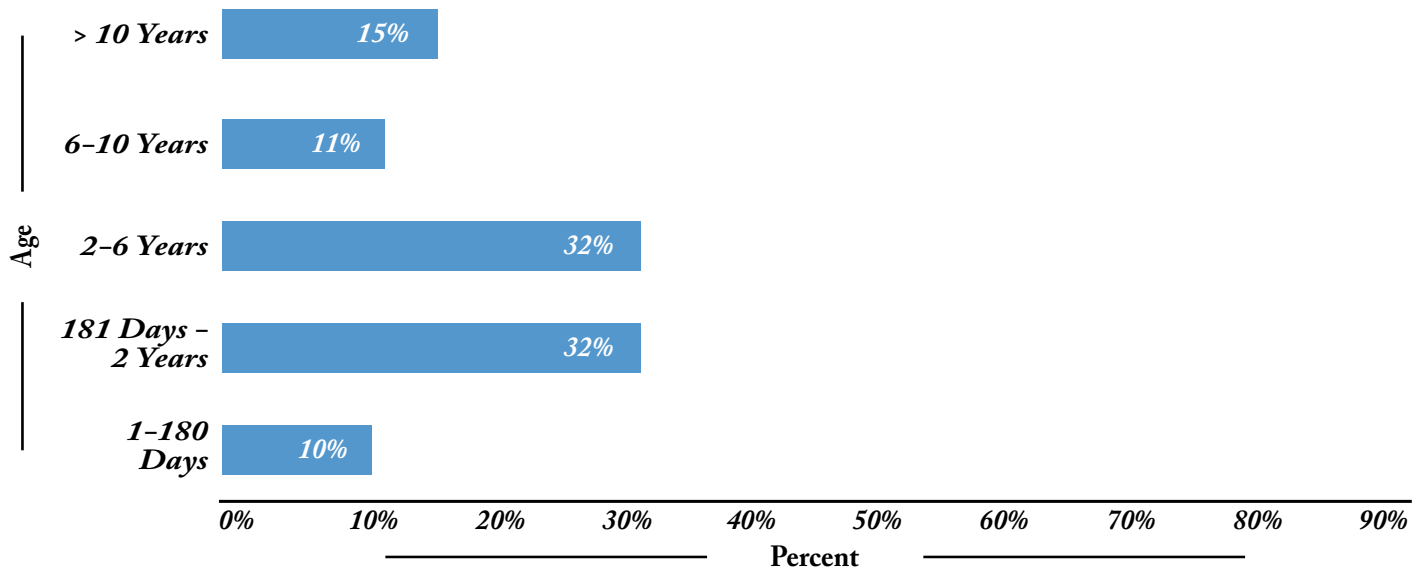
SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2011-2015

B. By Age

Of the total \$162.1 billion of outstanding delinquent debt at the end of FY 2015, \$94.6 billion (58 percent) of outstanding delinquent Federal non-tax debt was more than two years delinquent and \$67.5 billion was less than two years delinquent.

FIGURE 8

Percentages of Federal Non-Tax Delinquencies, By Age: FY 2015
(Percentage of Total Delinquent Debt)



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2015

FIGURE 9

Total Federal Non-Tax Delinquencies, By Age : FY 2011 - 2015
(Dollars in Billions)

<i>Delinquency Age</i>	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>
<i>1-180 Days</i>	\$49.7	\$72.2	\$81.1	\$15.4	\$16.2
<i>181 Days - 2 Years</i>	\$37.7	\$44.0	\$54.9	\$47.6	\$51.3
<i>2-6 Years</i>	\$26.5	\$26.4	\$51.0	\$51.3	\$52.5
<i>6-10 Years</i>	\$5.2	\$8.2	\$11.3	\$12.6	\$17.4
<i>> 10 Years</i>	\$11.9	\$11.9	\$14.2	\$12.4	\$24.7
<i>Total</i>	<i>\$131.0</i>	<i>\$162.7</i>	<i>\$212.5</i>	<i>\$139.3</i>	<i>\$162.1</i>

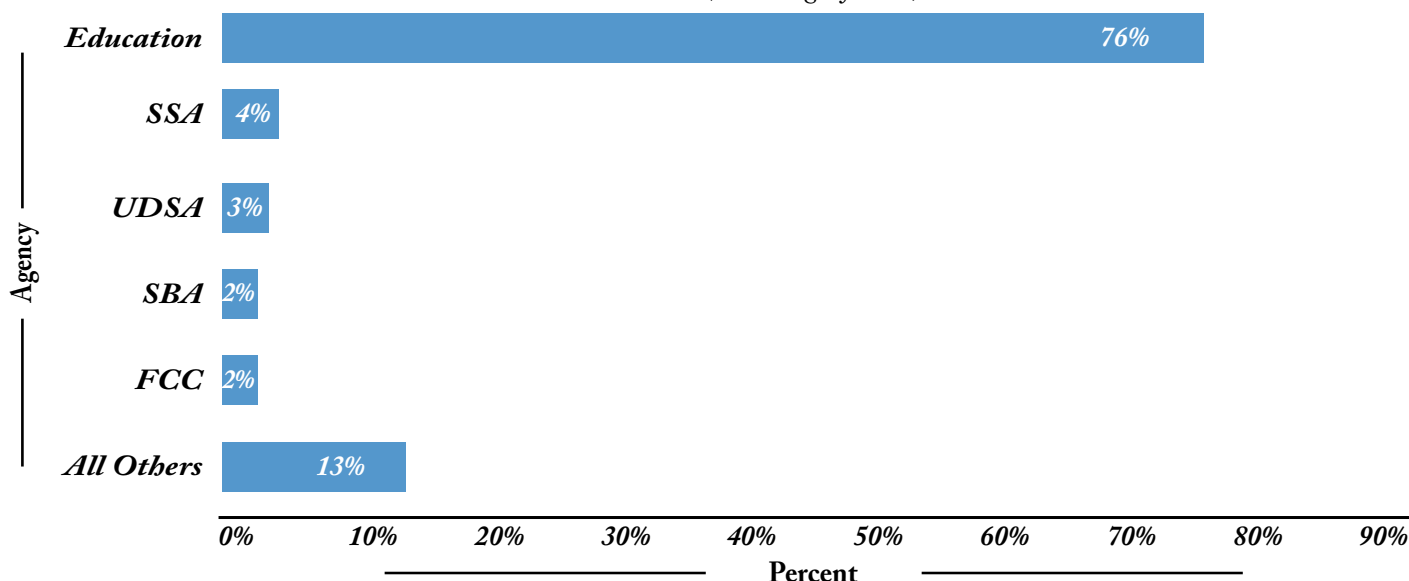
SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2011 - 2015

C. By Creditor Agency

At the end of FY 2015, more than \$143.0 billion (88 percent) in delinquent debt was owed to five Federal creditor agencies: Education, Social Security Administration (SSA), USDA, Small Business Administration (SBA), and Federal Communications Commission (FCC).

FIGURE 10

Federal Non-Tax Delinquencies: Top Five Creditor Agencies (Percentage of Total)



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2015

FIGURE 11

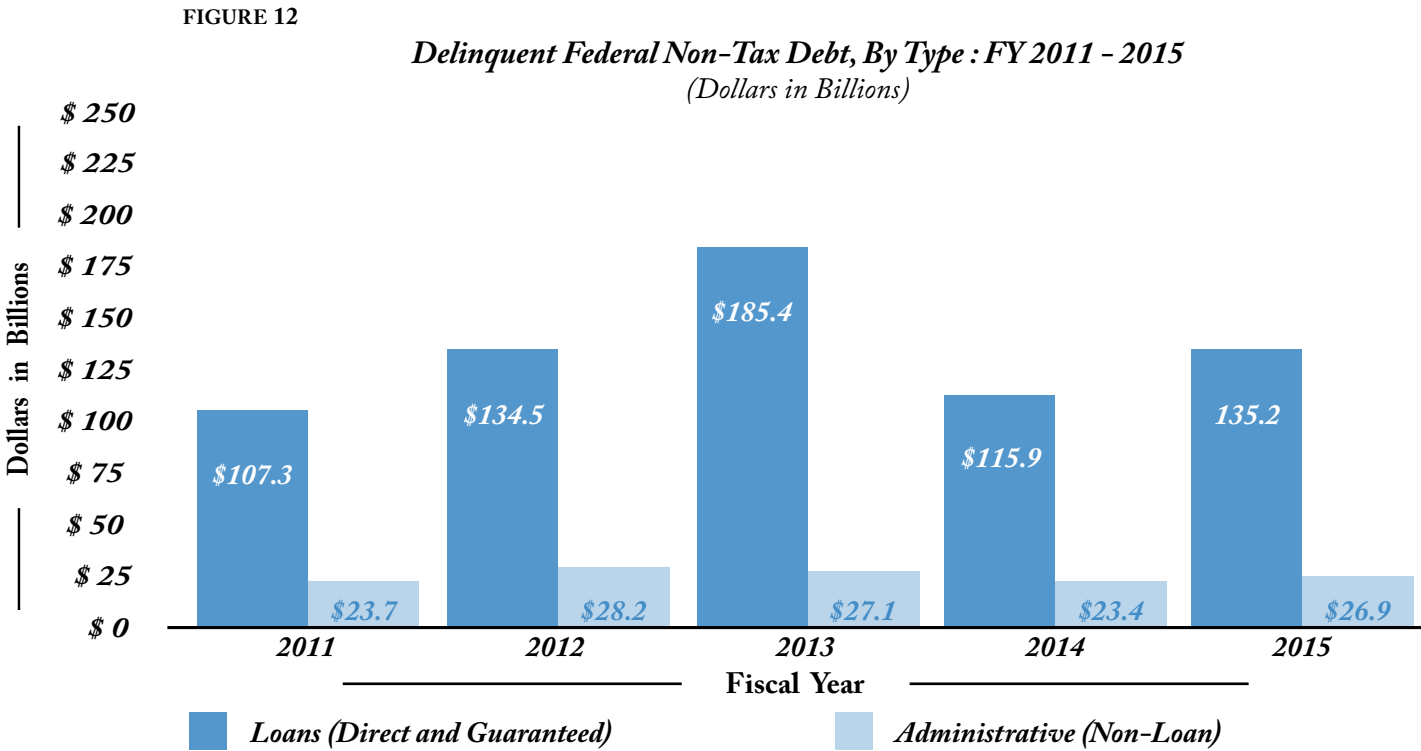
FY 2014 to FY 2015 Percentage Change in Federal Non-Tax Delinquencies: FY 2015 Top Five Creditor Agencies (Dollars in Billions)

Agency	FY 2014	FY 2015	% Change from FY 2014 to FY 2015
Department of Education	\$102.6	\$123.6	20.5%
Social Security Administration	\$6.3	\$7.2	14.3%
Department of Agriculture	\$5.0	\$5.0	0.0%
Small Business Administration	\$5.3	\$3.9	- 26.4%
Federal Communications Commission	\$0.4	\$3.6	800.0% ⁷
All Others	\$19.7	\$18.8	- 4.6%
Total Government	\$139.3	\$162.1	16.4%

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2014 - 2015

D. By Debt Type

Federal loan program delinquencies (direct and guaranteed) totaled \$135.2 billion (83 percent) of total delinquencies at the end of FY 2015, an increase of \$19.3 billion (17 percent) from FY 2014. Administrative delinquencies totaled \$26.9 billion at the end of FY 2015, an increase of \$3.5 billion (15 percent) from FY 2014.

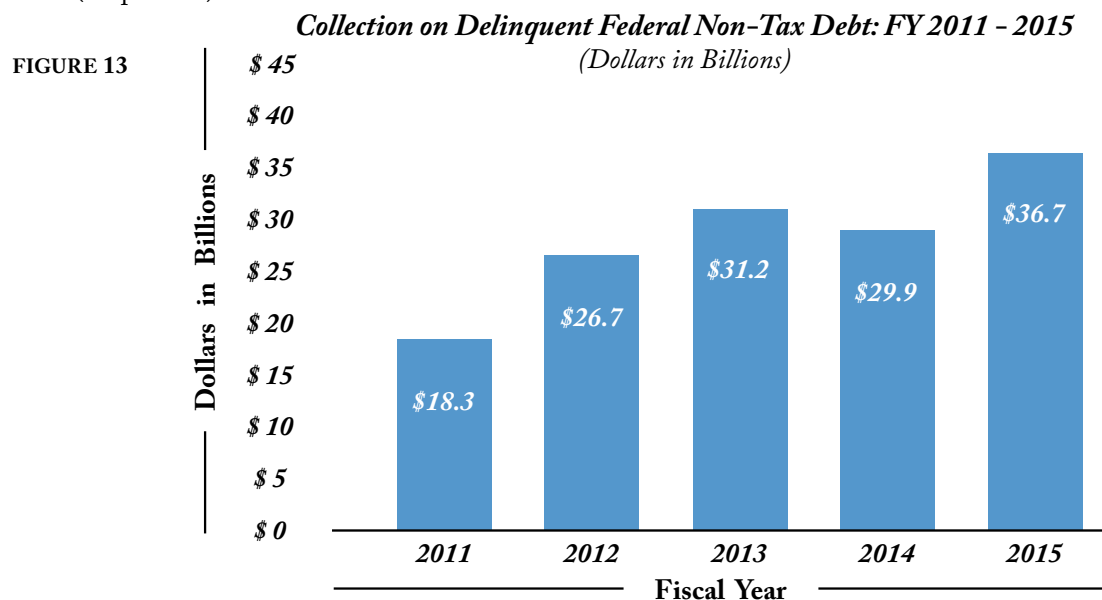


SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2011-2015

IV. Delinquent Federal Non-Tax Debt Collection Activities

A. Total Delinquent Federal Non-Tax Debt Collection

In FY 2015, Federal creditor agencies collected \$36.7 billion in delinquent non-tax debt, an increase of \$6.8 billion (23 percent) from FY 2014.



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2011-2015

B. By Creditor Agency

More than \$27.0 billion (74 percent) of the delinquent non-tax debt collected in FY 2015 was owed to five Federal creditor agencies: Education (41 percent), HUD (15 percent), Commodity Futures Trading Commission (CFTC) (8 percent), Environmental Protection Agency (EPA) (7 percent), and DoD (5 percent).

FIGURE 14

FY 2014 to FY 2015 Percentage Change in Collection of Federal Non-Tax Delinquencies: FY 2015 Top Five Creditor Agencies
(Dollars in Billions)

Agency	FY 2014	FY 2015	% Change from FY 2014 to FY 2015
Department of Education	\$12.4	\$15.0	21.0%
Department of Housing and Urban Development	\$4.5	\$5.5	22.2%
Commodity Futures Trading Commission	\$0.8	\$2.8	250.0% ⁸
Environmental Protection Agency	\$0.7	\$2.4	242.9% ⁹
Department of Defense	\$2.6	\$1.7	-34.6%
All Others	\$8.9	\$9.3	4.5%
Total Government	\$29.9	\$36.7	22.7%

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2014-2015

Federal creditor agencies utilize a combination of debt collection tools. Among these collection tools are administrative wage garnishment (AWG), use of private collection agencies (PCAs), offset of Federal and State payments through the Treasury Offset Program (TOP), use of the Bureau of the Fiscal Service's Cross-Servicing Program, and litigation. Before using most collection tools, Federal creditor agencies must first provide debtors with due process. This includes providing notice and an opportunity to enter into a repayment agreement based on the debtor's financial circumstances, dispute the debt, or object to the intended collection action.

1. Administrative Wage Garnishment

Federal law authorizes Federal creditor agencies to garnish a delinquent debtor's wages without obtaining a court order. 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 Federal non-tax debt owed to the agency. AWG serves as an effective tool in collecting delinquent non-tax debt from those debtors who are unwilling to voluntarily pay their obligations. In FY 2015, Federal creditor agencies collected \$685.3 million through the use of AWG, an increase of \$213.3 million (45 percent) from FY 2014.¹⁰

FIGURE 15

AWG Collections: FY 2011-2015 (Dollars in Millions)

	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>
<i>AWG</i>	\$296.0	\$796.5	\$254.1	\$472.0	\$685.3

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2011-2015

2. Private Collection Agencies

PCAs assist Federal creditor agencies in many ways, including locating debtors, establishing repayment agreements, and resolving debt administratively when a debtor is deceased, unable to pay, bankrupt, or out of business. In FY 2015, PCAs assisted Federal creditor agencies by collecting \$465.2 million, an increase of approximately \$307.6 million (195 percent) from FY 2014 to FY 2015.¹¹

FIGURE 16

PCA Collections: FY 2011-2015 (Dollars in Millions)

	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>
<i>PCAs</i>	\$740.3	\$6,093.7	\$387.5	\$157.6	\$465.2

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2011-2015

C. Centralized Government-Wide Debt Collection Programs

Generally, Federal creditor agencies are required to refer delinquent Federal non-tax debt to the Bureau of the Fiscal Service for collection through its delinquent debt collection programs, known as the Cross-Servicing Program and TOP. Federal creditor agencies generally are required to refer debts at no later than 120 days delinquent to the Cross-Servicing Program and TOP.¹² Before referring a debt to the Bureau of the Fiscal Service for collection, Federal creditor agencies must provide debtors with notice and an opportunity to enter into a repayment agreement based on the debtor's financial circumstances, dispute the debt, or object to the intended collection action. While Federal creditor agencies are responsible for providing this required due process, the Bureau of the Fiscal Service also provides debtors with additional opportunities to resolve their debts prior to the initiation of adverse collection action. For example, prior to initiating a collection action, the Cross-Servicing Program sends a demand letter to each debtor, and TOP sends a warning letter to payees before offsetting recurring payments.

1. Treasury's Cross-Servicing Program Collections

In FY 2015, the Bureau of the Fiscal Service collected \$387.8 million of delinquent Federal non-tax debt through its Cross-Servicing Program, which includes debt collected through TOP, a decrease of \$28.1 million (7 percent) from FY 2014. For non-tax debt submitted to the Cross-Servicing Program, the Bureau of the Fiscal Service services the delinquent non-tax debts on behalf of Federal creditor agencies by contacting debtors through demand letters and telephone calls, negotiating payment agreements, submitting delinquent debt to TOP, referring delinquent debt to PCAs, referring delinquent debt to DOJ for litigation, reporting debt to credit bureaus, and initiating administrative wage garnishments.

2. Treasury Offset Program Collections

For non-tax debt submitted to TOP, the Bureau of the Fiscal Service intercepts eligible Federal and State payments and applies them to a payee's delinquent non-tax debt. Eligible payments include Federal tax refunds and Federal non-tax payments, including Social Security, civil service and military retirement, salary, vendor, and other Federal payments, as well as State tax refunds and other payments made by the several States participating in TOP's State Reciprocal Program.¹³ For more information about the TOP program, see Appendix IV, which lists the various Federal and State collections obtained using this program. Appendix V lists the types of payments for which exemptions from centralized administrative offset were approved by Treasury in FY 2011 - FY 2015.

In FY 2015, the Bureau of the Fiscal Service collected \$7.0 billion through TOP for Federal and State agencies. Of the \$7.0 billion collected, \$3.3 billion was from debtors who owed delinquent Federal non-tax debt, \$724.4 million from debtors who owed delinquent Federal tax debt, and \$3.0 billion from debtors who owed debt to State agencies, including delinquent child support obligations. Figure 17 shows a breakdown of TOP offsets by payment type for the collection of Federal non-tax debt. See Appendix IV for additional information about all TOP collections for Federal and State Agencies.

FIGURE 17

TOP Collection of Federal Non-Tax Debt by Payment Type:¹⁴ FY 2011-2015
(Dollars in Millions)

<i>Payment Type</i>	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>
<i>Federal Tax Refund Payments</i>	\$2,180.5	\$2,019.0	\$2,702.9	\$2,670.0	\$2,708.6
<i>Federal Non-Tax Payments</i>	\$378.6	\$380.3	\$596.5	\$508.4	\$508.0
<i>State Payments</i>	\$11.8	\$18.8	\$30.8	\$36.6	\$35.3
<i>Total</i>	\$2,570.9	\$2,418.1	\$3,330.2	\$3,215.0	\$3,251.9

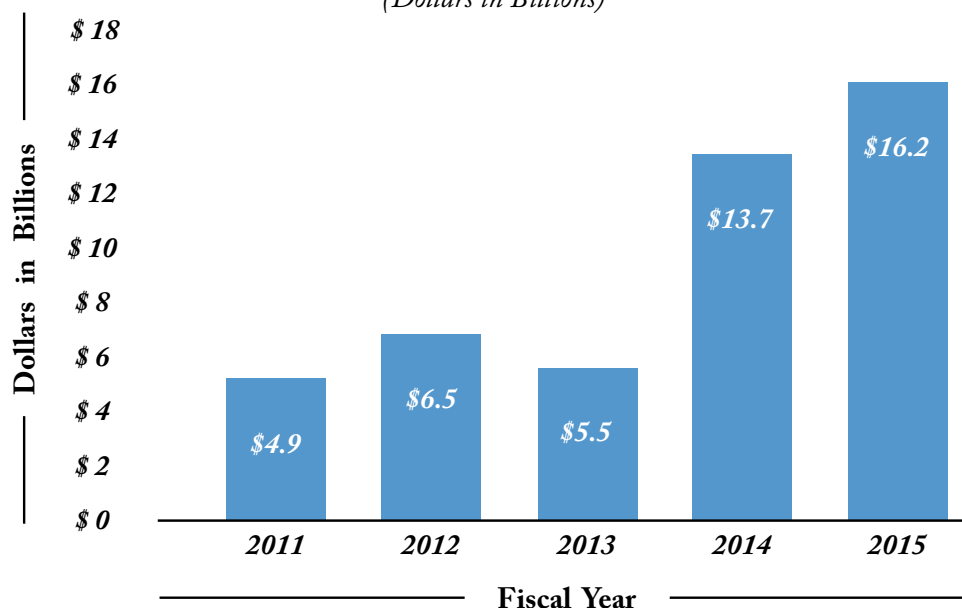
SOURCE: DEPARTMENT OF THE TREASURY, BUREAU OF THE FISCAL SERVICE

3. Enforced Collection by the Department of Justice

In FY 2015, DOJ collected a total of \$16.2 billion on behalf of Federal creditor agencies, an increase of \$2.5 billion (18 percent) from FY 2014. When a Federal creditor agency cannot collect a non-tax debt administratively, the agency may refer the debt to DOJ to pursue enforced collection¹⁵ through the judicial process.

FIGURE 18

Civil Litigation Cash Collection: FY 2011-2015
(Dollars in Billions)



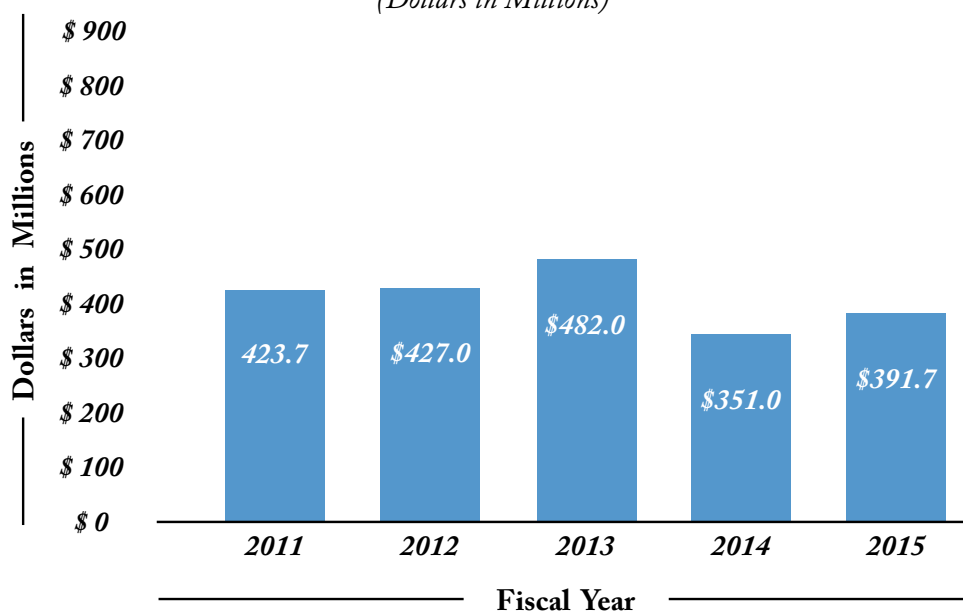
SOURCE: DEPARTMENT OF JUSTICE, OFFICE OF DEBT COLLECTION MANAGEMENT

4. Department of Health and Human Services Program Support Center

HHS's Program Support Center (PSC) is a Treasury-designated debt collection center that collects non-tax debt for Federal creditor bureaus within HHS and several Federal creditor agencies outside of HHS. In addition, the PSC serves as the HHS conduit for referrals to the Bureau of the Fiscal Service for both TOP and Cross-Servicing. In FY 2015, the PSC collected \$391.7 million, an increase of \$40.7 million (12 percent) from FY 2014.

FIGURE 19

PSC Collection: FY 2011-2015
(Dollars in Millions)



SOURCE: DEPARTMENT OF HEALTH AND HUMAN SERVICES, PROGRAM SUPPORT CENTER

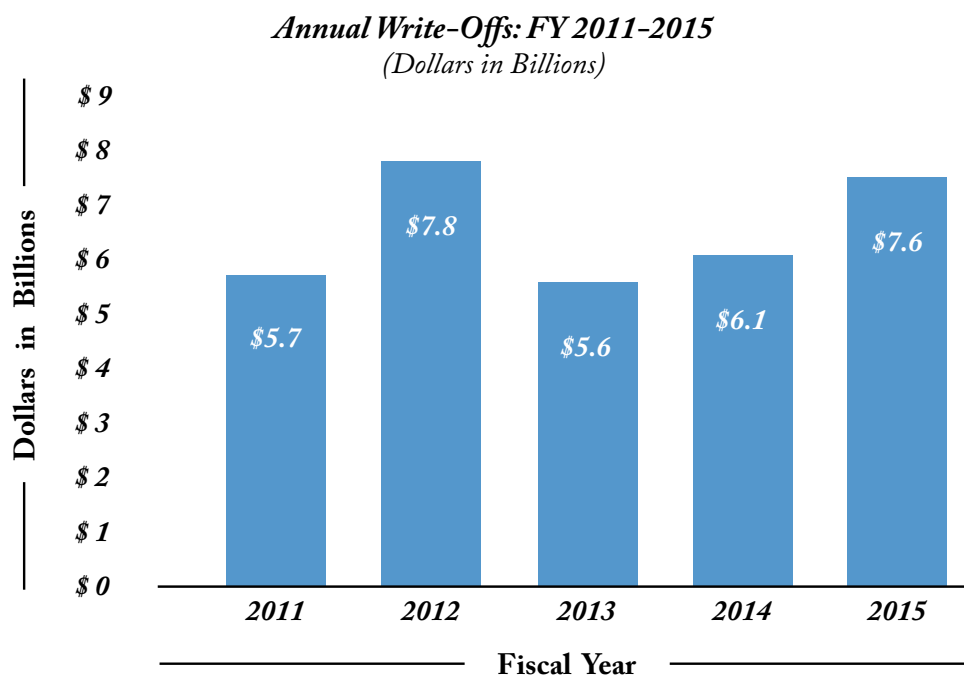
V. Write-Offs Of Delinquent Federal Non-Tax Debt

Federal creditor agencies are generally required to write off non-tax debt that is two years delinquent¹⁶ (see [*Office of Management and Budget Circular A-129*](#)). By writing off delinquent Federal non-tax debt as uncollectible, Federal creditor agencies more accurately reflect the value of their receivables on the books of the United States. Certain write-offs are categorized as “currently not collectible” (CNC), which means that collection efforts may continue until the agency determines it should terminate those efforts.

Other write-offs are categorized as “closed out,” which means that a Federal creditor agency has terminated all debt collection action. Consequently, a Federal creditor agency may be required to report such write-offs to the Internal Revenue Service (IRS) as potential income to the debtor.

In FY 2015, Federal non-tax debt that was written off and categorized as “closed out” totaled \$7.6 billion, an increase of \$1.5 billion (25 percent) from FY 2014. The Federal creditor agencies with the largest write-off amounts in FY 2015 include Education (\$5.5 billion), SSA (\$609.4 million) and USDA (\$503.9 million).

FIGURE 20



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2011-2015

Appendix I: Total Federal Non-Tax Receivables by Creditor Agency

At the end of FY 2015, 96 percent of Federal receivables were from programs administered by the 10 Federal creditor agencies listed below.

FIGURE 21

***Total Federal Non-Tax Receivables and Delinquent
Federal Non-Tax Debt: Top Ten Creditor Agencies***
(Dollars in Millions)

<i>Agency</i>	<i>Receivables Balance (FY 2015)</i>	<i>Delinquent Debt Balance (FY 2015)</i>
<i>Department of Education</i>	<i>\$980,865.7</i>	<i>\$123,554.0</i>
<i>Department of Agriculture</i>	<i>\$111,554.0</i>	<i>\$4,983.7</i>
<i>Department of Housing and Urban Development</i>	<i>\$28,176.0</i>	<i>\$1,492.5</i>
<i>Department of Health and Human Services</i>	<i>\$27,931.8</i>	<i>\$1,795.9</i>
<i>Export-Import Bank</i>	<i>\$24,134.7</i>	<i>\$1,122.0</i>
<i>Department of Energy</i>	<i>\$20,391.6</i>	<i>\$600.0</i>
<i>Social Security Administration</i>	<i>\$19,361.0</i>	<i>\$7,151.4</i>
<i>Small Business Administration</i>	<i>\$12,468.9</i>	<i>\$3,890.1</i>
<i>Department of Treasury</i>	<i>\$12,324.4</i>	<i>\$52.3</i>
<i>Department of Transportation</i>	<i>\$9,745.8</i>	<i>\$109.2</i>
<i>Top 10 Total</i>	<i>\$1,246,953.9</i>	<i>\$144,751.1</i>
<i>All Others</i>	<i>\$45,963.0</i>	<i>\$17,329.8</i>
<i>Government Total</i>	<i>\$1,292,916.9</i>	<i>\$162,080.9</i>

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2015

Appendix II: Total FY 2015 Collection of Delinquent Federal Non-Tax Debt by Creditor Agency

In FY 2015, 92 percent of collection of delinquent Federal non-tax debt was associated with debt administered by the 10 Federal creditor agencies listed below.

FIGURE 22

Total Collection of Delinquent Federal Non-Tax Debt: Top Ten Creditor Agencies
(Dollars in Millions)

<i>Agency</i>	<i>FY 2015 Collections</i>
<i>Department of Education</i>	<i>\$15,007.3</i>
<i>Department of Housing and Urban Development</i>	<i>\$5,532.0</i>
<i>Commodity Futures Trading Commission</i>	<i>\$2,842.8</i>
<i>Environmental Protection Agency</i>	<i>\$2,351.4</i>
<i>Department of Defense</i>	<i>\$1,681.7</i>
<i>Department of Health and Human Services</i>	<i>\$1,314.9</i>
<i>Securities and Exchange Commission</i>	<i>\$1,306.0</i>
<i>Department of Agriculture</i>	<i>\$1,267.9</i>
<i>Department of Veterans Affairs</i>	<i>\$1,261.4</i>
<i>General Services Administration</i>	<i>\$1,100.2</i>
<i>Top 10 Total</i>	<i>\$33,665.6</i>
<i>All Other</i>	<i>\$2,984.8</i>
<i>Government Total</i>	<i>\$36,650.4</i>

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2015

Appendix III: Total FY 2015 Write-Offs by Creditor Agency

In FY 2015, 98 percent of Federal debt write-offs that were “closed out” arose from programs administered by the 10 Federal creditor agencies listed below.

FIGURE 23

Total Federal Write-Offs: Top Ten Creditor Agencies
(Dollars in Millions)

<i>Agency</i>	<i>FY 2015 Write-Offs</i>
<i>Department of Education</i>	<i>\$5,530.6</i>
<i>Social Security Administration</i>	<i>\$609.4</i>
<i>Department of Agriculture</i>	<i>\$503.9</i>
<i>Department of Veterans Affairs</i>	<i>\$249.2</i>
<i>Securities and Exchange Commission</i>	<i>\$190.0</i>
<i>Department of Housing and Urban Development</i>	<i>\$155.0</i>
<i>Federal Communications Commission</i>	<i>\$75.4</i>
<i>Department of Health and Human Services</i>	<i>\$60.1</i>
<i>Department of Defense</i>	<i>\$46.6</i>
<i>Department of Labor</i>	<i>\$39.5</i>
<i>Top 10 Total</i>	<i>\$7,459.7</i>
<i>All Other</i>	<i>\$128.1</i>
<i>Government Total</i>	<i>\$7,587.8</i>

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2015

Appendix IV: TOP Collections Including Debts Owed to the Internal Revenue Service and State Agencies

TOP is the centralized process through which Federal and State disbursing agencies intercept, or “offset,” eligible Federal and State payments to satisfy delinquent debts owed to Federal and State agencies. Delinquent debts owed to Federal agencies include loans, overpayments, fines, penalties, and more. In addition, the Federal Payment Levy Program, processed through TOP, allows the IRS to continuously levy Federal payments due to delinquent Federal taxpayers.¹⁷ Delinquent debts owed to State agencies include child support and unemployment insurance obligations.

In FY 2015, the Bureau of the Fiscal Service collected \$7.0 billion through TOP for Federal and State¹⁸ agencies, of which \$4.0 billion was for debts owed to Federal agencies and \$3.0 billion for debts owed to State agencies. Highlights include:

- \$1.9 billion was collected for delinquent child support obligations submitted to TOP by HHS’s Office of Child Support Enforcement on behalf of States and territories.
- \$571.2 million was collected for the 40 States and the District of Columbia that participated in TOP’s State Income Tax Program, whereby, Federal tax refunds are offset to collect delinquent State income tax obligations.
- \$47.7 million was collected for the 10 States and the District of Columbia that participated in TOP’s State Reciprocal Program, whereby eligible Federal payments are intercepted to collect debt owed to States, and States intercept State payments to collect delinquent Federal non-tax debt. \$35.3 million was collected for Federal creditor agencies through the offset of state payments.
- \$547.8 million in Federal tax refunds were intercepted to collect unemployment compensation debt owed to 41 States and the District of Columbia.
- TOP collected \$724.4 million of delinquent Federal taxes through the Federal Payment Levy Program.

FIGURE 24

TOP Collection – Federal Debt: FY 2011 – 2015 (Dollars in Millions)

<i>Type of Debt</i>	<i>Type of Payment Offset / Levy</i>	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>
<i>Federal Non-tax Debt</i>	<i>Tax Refund Offset</i>	<i>\$2,180.5</i>	<i>\$2,019.0</i>	<i>\$2,702.9</i>	<i>\$2,670.0</i>	<i>\$2,708.6</i>
<i>Federal Non-tax Debt</i>	<i>Administrative Offset¹⁹</i>	<i>\$378.6</i>	<i>\$380.3</i>	<i>\$596.5</i>	<i>\$508.4</i>	<i>\$508.1</i>
<i>Federal Non-tax Debt</i>	<i>State Payments</i>	<i>\$11.8</i>	<i>\$18.8</i>	<i>\$30.8</i>	<i>\$36.6</i>	<i>\$35.3</i>
<i>Federal Tax Debt</i>	<i>Tax Levy (Federal Payments)</i>	<i>\$614.3</i>	<i>\$601.6</i>	<i>\$601.6</i>	<i>\$579.9</i>	<i>\$724.4</i>
<i>Total</i>		<i>\$3,185.2</i>	<i>\$3,019.7</i>	<i>\$3,931.8</i>	<i>\$3,794.9</i>	<i>\$3,976.4</i>

SOURCE: DEPARTMENT OF THE TREASURY, BUREAU OF THE FISCAL SERVICE

FIGURE 25

TOP Collection – State Debt: FY 2011 – 2015
(Dollars in Millions)

<i>Type of Debt</i>	<i>Type of Payment Offset</i>	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>
<i>Child Support</i>	<i>Tax Refund Offset</i>	<i>\$2,302.4</i>	<i>\$2,246.7</i>	<i>\$1,941.4</i>	<i>\$1,901.3</i>	<i>\$1,889.1</i>
<i>State Income Tax Debt</i>	<i>Tax Refund Offset</i>	<i>\$475.5</i>	<i>\$561.8</i>	<i>\$605.3</i>	<i>\$546.5</i>	<i>\$571.2</i>
<i>State Unemployment Compensation Debt ‡</i>	<i>Tax Refund Offset</i>	<i>\$25.9</i>	<i>\$132.9</i>	<i>\$326.2</i>	<i>\$370.7</i>	<i>\$547.8</i>
<i>Child Support</i>	<i>Administrative Offset</i>	<i>\$10.4</i>	<i>\$8.1</i>	<i>\$8.6</i>	<i>\$8.7</i>	<i>\$7.6</i>
<i>State Income Tax Debt (Reciprocal Program)</i>	<i>Administrative Offset</i>	<i>\$7.4</i>	<i>\$9.2</i>	<i>\$16.0</i>	<i>\$16.7</i>	<i>\$15.0</i>
<i>Other State Debt (Reciprocal Program)</i>	<i>Administrative Offset</i>	<i>\$28.8</i>	<i>\$44.6</i>	<i>\$21.8</i>	<i>\$35.7</i>	<i>\$32.6</i>
<i>State Unemployment Compensation Debt (Reciprocal Program)</i>	<i>Administrative Offset</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
<i>Total</i>		<i>\$2,850.4</i>	<i>\$3,003.3</i>	<i>\$2,919.3</i>	<i>\$2,879.6</i>	<i>\$3,063.3</i>

SOURCE: DEPARTMENT OF THE TREASURY, BUREAU OF THE FISCAL SERVICE

‡ The Bureau of the Fiscal Service implemented the TOP Unemployment Insurance Compensation program in FY 2011.

*Offsets of Federal non-tax payments to collect state unemployment insurance compensation debts through the State Reciprocal Program totaled \$5,521 in FY 2015.

Appendix V: Payments Exempted from Centralized Administrative Offset by the Secretary of Treasury

As authorized by Federal law, 31 U.S.C. § 3716(c)(3)(B), the Secretary of the Treasury, at the request of a paying agency, may exempt certain classes of Federal payments from the requirement that they be offset for the purpose of collecting non-tax debt owed to the United States. In FY 2015, the Bureau of the Fiscal Service approved three exemption requests. A [complete list of payment classes exempt from centralized administrative offset is available on Treasury’s website](#).

FIGURE 26

Payments Exempt by Action of the Secretary of the Treasury: FY 2015

<i>Payment Agency</i>	<i>Type of Payment</i>
<i>Department of Justice</i>	<i>Attorney fee payments made under prevailing party fee-shifting statutes to satisfy court judgments or settlements in actions certified as class actions pursuant to Federal Rule of Civil Procedure; agency request approved on December 15, 2014.</i>
<i>Department of Justice</i>	<i>Payments made by the U.S. Marshals Service for the purpose of providing awards to confidential sources who have provided information or assistance directly related to violations of criminal drug laws of the United States; agency request approved on March 1, 2015.</i>
<i>Department of the Treasury, Bureau of the Fiscal Service</i>	<i>Payments paid through the State and Local Government Securities program are issued to State and local governments to pay off tax-exempt bond issues; agency request approved on May 28, 2015.</i>

SOURCE: DEPARTMENT OF THE TREASURY, BUREAU OF THE FISCAL SERVICE

Appendix VI: Sources of Data

Data in this report were obtained from the following sources and reported as of September 30, 2015:

Sources

Treasury Report on Receivables and Debt Collection Activities — Fourth Quarter 2015, as reported by Federal creditor agencies to the Department of the Treasury

Department of the Treasury, Bureau of the Fiscal Service

Department of Health and Human Services, Program Support Center

Department of Justice, Office of Debt Collection Management

Endnotes

¹ Dollar figures in this report have been rounded to the tenth decimal point.

² More information on Education's Student Aid programs can be found in the *Federal Student Aid Annual Report*.

³ All year-over-year changes are calculated based on the exact value in whole dollars and may differ from the change calculated based on the rounded values expressed in millions or billions of dollars.

⁴ Non-loan receivables include fines, penalties, and overpayments.

⁵ At the beginning of FY 2014, Education revised its methodology for calculating the amount of delinquent debt reported on the Treasury Report on Receivables by including only the value of past-due payments. Prior to FY 2014, Education reported the entire outstanding balance of the delinquent loan.

⁶ The calculation of the amount that became delinquent during FY 2015 is based on debt that was between 1 and 365 days delinquent as of September 30, 2015.

⁷ FCC's delinquencies increased substantially in FY 2015 as a result of an unusually large debt incurred by two vendors.

⁸ FY 2015 reported increases in delinquent debt collections for CFTC was the result of systems changes.

⁹ During FY 2015, the U.S. District Court for the Southern District of New York approved a \$1.6 billion settlement, which resolved EPA's claims against a petroleum corporation and its subsidiaries. The majority of the settlement amount was collected during the third quarter of FY 2015.

¹⁰ This amount does not include collections resulting from the use of AWG by the Bureau of the Fiscal Service's Cross-Servicing Program or from judicial garnishment action.

¹¹ This amount does not include collections resulting from the use of PCAs by the Bureau of the Fiscal Service's Cross-Servicing Program or from the use of private counsel by DOJ. This amount also does not include collections from AWG.

¹² The Digital Accountability and Transparency Act (P.L. 113-101), which was passed into law May 9, 2014, changed the requirement that Federal creditor agencies refer their debts to Treasury for collection through administrative offset from 180 days to 120 days.

¹³ Generally, one-time payments (tax refunds and vendor payments) may be offset up to 100% of the payment amount. For recurring payments (Social Security, retirement, and salary), the offset amount is generally limited to a percentage of the payment.

¹⁴ A change in methodology to standardize the formula for TOP collection of delinquent Federal non-tax debt may have resulted in some TOP collection figures varying from previous years' versions of this report.

¹⁵ An "enforced" collection action refers to an action taken by DOJ (or by another Federal creditor agency with independent litigation authority) to obtain a judgment against the debtor and to pursue available post-judgment remedies (including wage and bank garnishment and liens filed against property).

¹⁶ "Write-off" of a delinquent debt is an accounting system. The Federal creditor agency may pursue collection of a delinquent Federal non-tax debt, however, without regard to whether it has been written off.

¹⁷ A "levy" is legally distinct from an "offset." While offset involves the netting out of mutual obligations between two parties, a levy is a legal seizure of property, usually in the hands of a third party, to satisfy a tax debt.

¹⁸ For more detail on Treasury's collection on behalf of the states, see Treasury's *Annual Report to the States*.

¹⁹ "Administrative offset" refers to the offset of Federal non-tax payments to collect delinquent Federal non-tax debts.