

FISCAL YEAR 2014  
REPORT TO THE CONGRESS

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

Department of the Treasury  
May 2015





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 2014 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 and delinquent debt.

At the end of Fiscal Year (FY) 2014, outstanding non-tax receivables (current and delinquent) owed to the United States was \$1.2 trillion.<sup>1</sup> These receivables include loans to students, small business owners, homeowners, farmers, and veterans. They also represent administrative non-tax receivables, including fines and penalties, overpayments, and fees.

Most citizens pay their debt on time. However, at the end of FY 2014, delinquent non-tax debt owed to the Federal government totaled \$139.3 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.

Government agencies face many challenges collecting and resolving delinquent debts. Despite these challenges, in FY 2014, the Department of the Treasury, Bureau of the Fiscal Service, collected \$6.9 billion owed to Federal and State agencies at a relatively small cost to the Federal government — \$53.16 are collected for every \$1 spent. 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 delinquent debt is available at [www.Transparency.Treasury.gov](http://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 2014 REPORT TO THE CONGRESS:  
U.S. GOVERNMENT RECEIVABLES AND  
DEBT COLLECTION ACTIVITIES OF FEDERAL AGENCIES**

**CONTENTS**

*A Message from the Fiscal Assistant Secretary*

<b>I. INTRODUCTION.....</b>	<b>1</b>
<b>II. NON-TAX RECEIVABLES OWED TO THE UNITED STATES .....</b>	<b>2</b>
<b>A. Total Non-Tax Receivables .....</b>	<b>2</b>
1. by Creditor Agency .....	4
2. by Receivable Type .....	5
<b>B. Interest, Penalties, and Administrative Costs .....</b>	<b>5</b>
<b>III. DELINQUENT NON-TAX DEBT OWED TO THE UNITED STATES .....</b>	<b>6</b>
<b>A. Total Delinquent Federal Non-Tax Debt .....</b>	<b>6</b>
1. by Age .....	7
2. by Creditor Agency .....	8
3. by Debt Type .....	9
<b>IV. DELINQUENT FEDERAL NON-TAX DEBT COLLECTION ACTIVITIES .....</b>	<b>10</b>
<b>A. Total Delinquent Non-Tax Debt Collection.....</b>	<b>10</b>
1. by Creditor Agency .....	10
2. by Collection Tool .....	11
a. Administrative Wage Garnishment .....	11
b. Private Collection Agencies .....	11
<b>V. CENTRALIZED GOVERNMENT-WIDE DEBT COLLECTION PROGRAMS .....</b>	<b>12</b>
<b>A. Treasury's Debt Collection Programs .....</b>	<b>12</b>
1. Treasury's Cross-Servicing Program Collections .....	12
2. Treasury Offset Program Collections .....	12
<b>B. Enforced Non-Tax Debt Collection by the Department of Justice .....</b>	<b>13</b>
<b>C. Department of Health and Human Services Program Support Center.....</b>	<b>14</b>
<b>VI. WRITE-OFFS OF DELINQUENT NON-TAX DEBT .....</b>	<b>15</b>
<b>APPENDICES .....</b>	<b>16</b>
Appendix I: Total Federal Non-Tax Receivables and Delinquent Federal Non-Tax Debt by Creditor Agency ....	16
Appendix II: Total FY 2014 Collection of Delinquent Federal Non-Tax Debt by Creditor Agency .....	17
Appendix III: Total FY 2014 Write-Offs by Creditor Agency .....	18
Appendix IV: TOP Collections Including Debts Owed to the Internal Revenue Service and State Agencies .....	19
Appendix V: Payments Exempted from Centralized Administrative Offset by the Secretary of the Treasury .....	21
Appendix VI: Sources of Data .....	22
<b>ENDNOTES .....</b>	<b>23</b>

## *I. Introduction*

The Secretary of the Treasury (Secretary) reports to Congress annually on the Federal government's non-tax receivables, delinquent debt owed, 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 and delinquent debt, as reported on the [\*Treasury Report on Receivables and Debt Collection Activities \(TROR\)\*](#).

In furtherance of the policies promulgated by 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.

By the end of FY 2014, the government's outstanding non-tax receivables totaled \$1.2 trillion, an increase of \$120.8 billion (11 percent) from FY 2013. A receivable is current when the obligation is not yet due or is being repaid as agreed. For example, in the case of a government loan, a total receivable of \$100,000 is an outstanding receivable even though it is being repaid in accordance with a loan agreement that requires monthly payments. When the government's receivables are not paid by the applicable due date they generally become delinquent debt. In FY 2014, delinquent non-tax debt owed to the United States totaled \$139.3 billion, a decrease of \$73.2 billion (34 percent) from FY 2013.

Each Federal creditor agency is required to make every reasonable effort to collect its receivables and delinquent debt, using collection tools described in this report. The Treasury and the Department of Justice (DOJ) share responsibility for setting government-wide policy on delinquent non-tax debt collection, and each plays a major role in the centralized collection of delinquent non-tax debt. In FY 2014, Federal creditor agencies collected nearly \$30.0 billion of delinquent non-tax debt, a decrease of \$1.3 billion (4 percent) from FY 2013.

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 2014, 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. Therefore, use caution when comparing annual totals and year-over-year changes of receivables, delinquencies, and collections. 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 2014 may be associated with non-tax debt that became delinquent either in FY 2014 or in a prior year, and are most often associated with receivables that were recorded in a prior fiscal year.

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

### A. Total Non-Tax Receivables

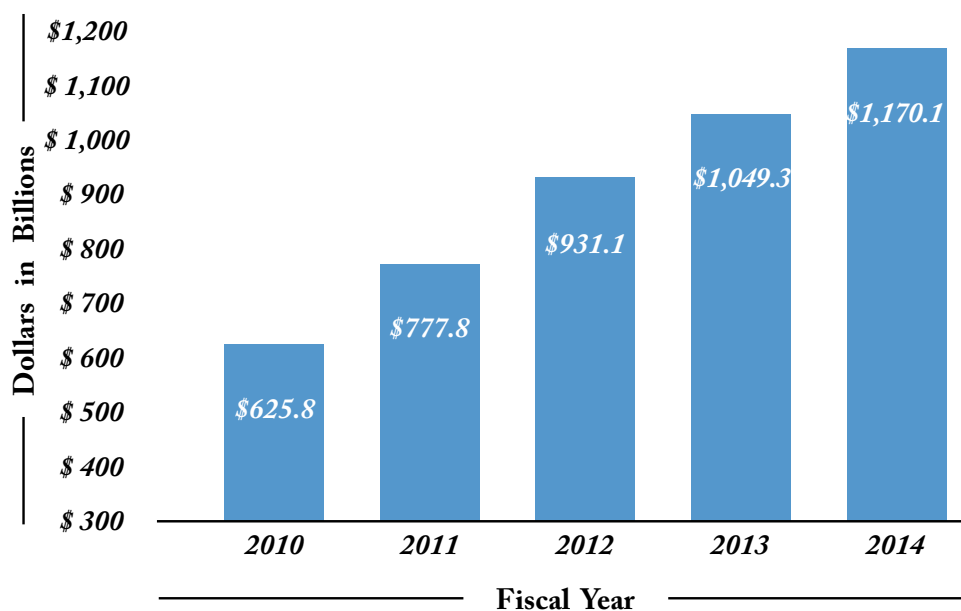
Federal non-tax receivables are amounts owed to the Federal government by a person (including individuals, organizations, and other entities). Receivables are categorized as being either current or delinquent. Delinquent receivables are also referred to as delinquent debt.

At the end of FY 2014, total Federal non-tax receivables (current and delinquent) owed to the United States totaled \$1.2 trillion, an increase of \$120.8 billion (11 percent) from FY 2013. The total outstanding receivable balance at the end of a fiscal year is the net of new receivables recorded during that fiscal year, plus receivables owed from prior years (that have not been collected or written off) less collections, adjustments, and amounts written off.

New Federal non-tax receivables recorded during FY 2014 totaled \$371.3 billion, a decrease of \$19.7 billion (5 percent) from FY 2013. Collection during FY 2014 on Federal non-tax receivables was \$279.1 billion, an increase of \$5.7 billion (2 percent) from FY 2013.

FIGURE 1

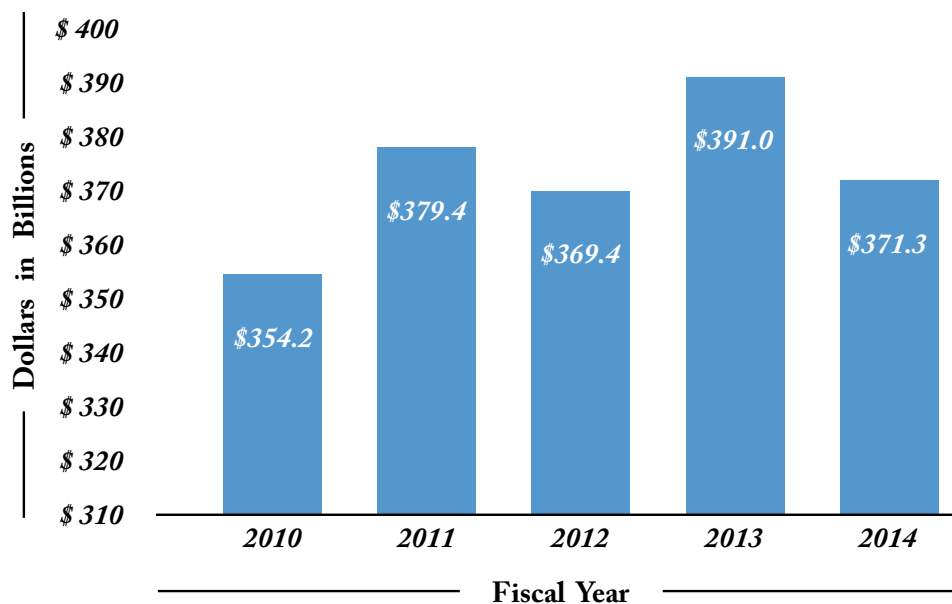
*Outstanding Federal Non-Tax Receivables as of September 30: FY 2010-2014*  
(Dollars in Billions)



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2010 - 2014

FIGURE 2

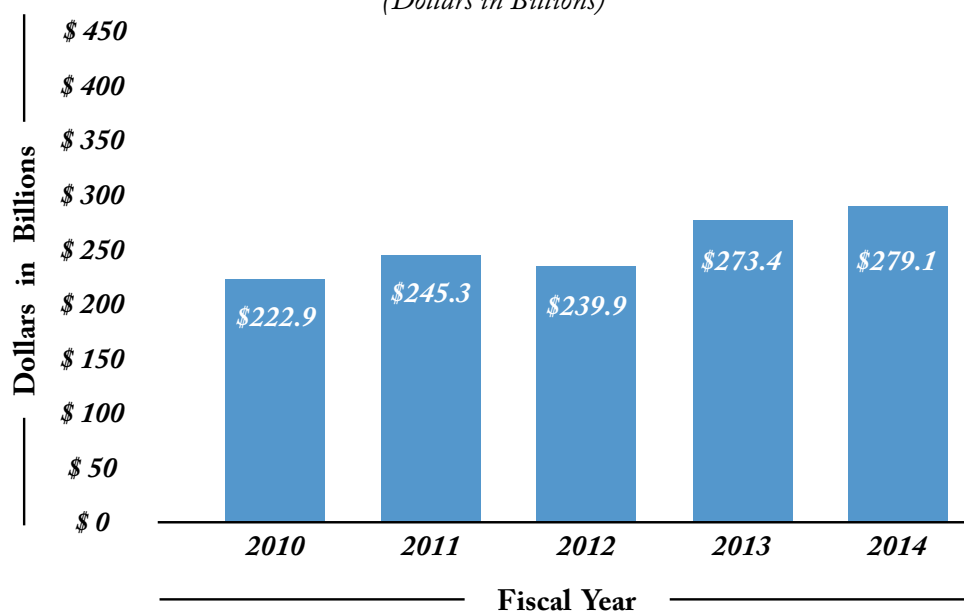
*New Federal Non-Tax Receivables, by Fiscal Year Recorded: FY 2010-2014*  
(Dollars in Billions)



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2010 - 2014

FIGURE 3

*Total Collection On Federal Non-Tax Receivables: FY 2010-2014*  
(Dollars in Billions)



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2010 - 2014



## 1. By Creditor Agency

Receivables owed to the Department of Education (Education)<sup>2</sup> and the Department of Agriculture (USDA) at the end of FY 2014 accounted for \$988.3 billion (84 percent) of the government's total outstanding receivables.

FIGURE 4

***FY 2013 to FY 2014 Percentage Change in Outstanding Federal  
Non-Tax Receivables:<sup>3</sup> FY 2013 Top Five Creditor Agencies***  
(Dollars in Billions)

<i>Agency</i>	<i>FY 2013 (Billions)</i>	<i>FY 2014 (Billions)</i>	<i>% Change from FY 2013 to FY 2014</i>
<i>Department of Education</i>	760.1	\$874.3	15.0%
<i>Department of Agriculture</i>	\$114.5	\$114.0	- 0.4%
<i>Department Housing and Urban Development</i>	\$18.1	\$23.7	30.9%
<i>Export-Import Bank</i>	\$19.7	\$22.9	16.2%
<i>Department of Energy</i>	\$18.5	\$19.2	3.8%
<i>All Others</i>	\$118.4	\$116.0	-2.0%
<b><i>Total Government</i></b>	<b><i>\$1,049.3</i></b>	<b><i>\$1,170.1</i></b>	<b><i>11.5%</i></b>

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2013 - 2014

At the end of FY 2014 Education, the Department of Health and Human Services (HHS), USDA, the Department of Housing and Urban Development (HUD), and the Department of Defense (DoD) combined collected \$186.2 billion (67 percent) in Federal non-tax receivables.

FIGURE 5

***FY 2013 to FY 2014 Percentage Change in Collection of Federal Non-Tax  
Receivables: FY 2014 Top Five Creditor Agencies***  
(Dollars in Billions)

<i>Agency</i>	<i>FY 2013 (Billions)</i>	<i>FY 2014 (Billions)</i>	<i>% Change from FY 2013 to FY 2014</i>
<i>Department of Education</i>	\$59.1	\$71.7	21.3%
<i>Department of Health and Human Services</i>	\$53.2	\$55.6	4.5%
<i>Department of Agriculture</i>	\$30.1	\$22.3	- 25.9%
<i>Department of Housing and Urban Development</i>	\$18.3	\$20.3	10.9%
<i>Department of Defense</i>	\$15.3	\$16.3	6.5%
<i>All Others</i>	\$97.4	\$92.9	-4.6%
<b><i>Total Government</i></b>	<b><i>\$273.4</i></b>	<b><i>\$279.1</i></b>	<b><i>2.1%</i></b>

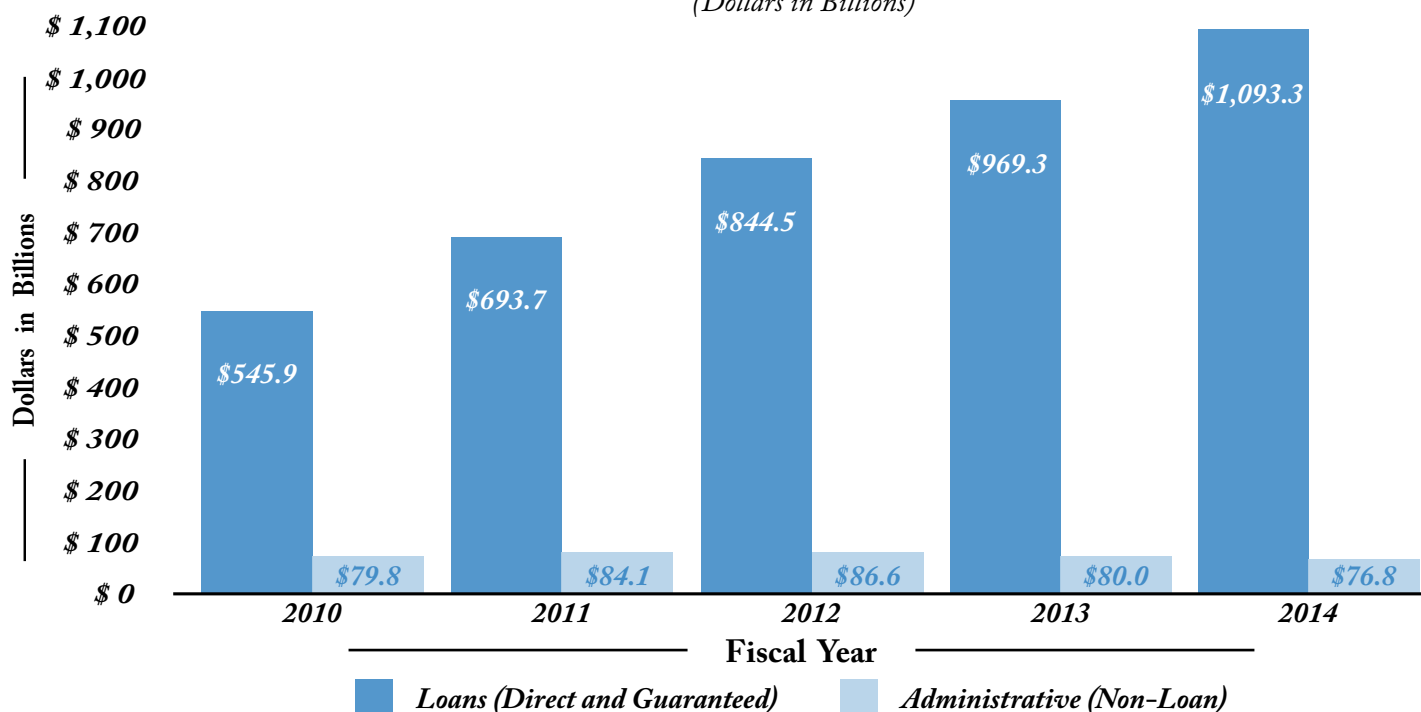
SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2013 - 2014

## 2. By Receivable Type

Of the \$1.2 trillion in Federal non-tax receivables outstanding (both current and delinquent) at the end of FY 2014, Federal loan receivables (direct loans and defaulted guaranteed loans) represented \$1.1 trillion (93 percent) of total outstanding receivables. Direct loans and defaulted guaranteed loans increased by \$124.0 billion (13 percent) from FY 2013 to FY 2014. Administrative receivables (all non-loan receivables<sup>4</sup>) represented \$76.8 billion (7 percent) of the total outstanding receivables by the end of FY 2014, a decrease of \$3.2 billion (4 percent) from FY 2013.

FIGURE 6

*Outstanding Federal Non-Tax Receivables as of September 30, By Type : FY 2010 - 2014*  
(Dollars in Billions)



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2010-2014

## B. 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. Of the \$1.2 trillion in outstanding current and delinquent receivables at the end of FY 2014, \$62.3 billion (5 percent) represented unpaid interest, penalties, and administrative costs.



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

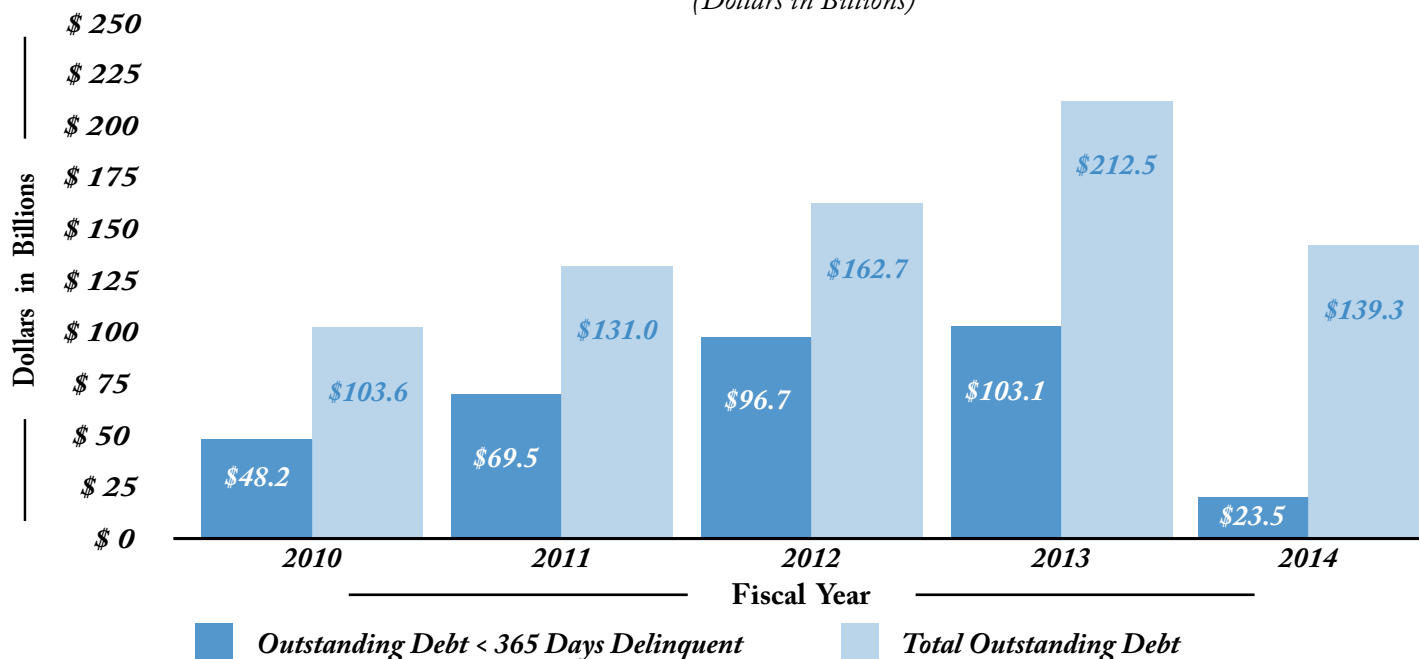
#### *A. Total Delinquent Federal Non-Tax Debt*

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 2014, outstanding delinquent non-tax debt owed to the United States totaled \$139.3 billion, a decrease of \$73.2 billion (34 percent) from FY 2013. The decrease was primarily driven by Education's revision to its methodology for calculating the amount of delinquent debt reported on the Treasury Report on Receivables (see endnote 5 for more information).<sup>5</sup> 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 as of September 30:<sup>6</sup> FY 2010–2014* (Dollars in Billions)



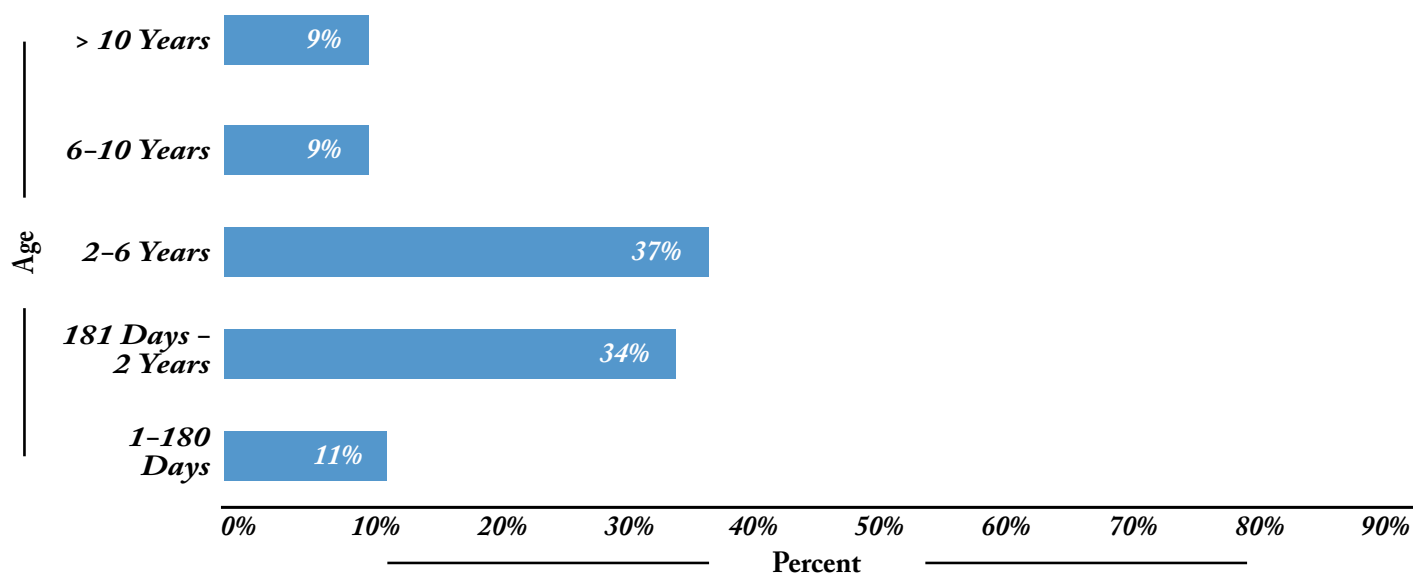
SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2010–2014

## 1. By Age

Of the total \$139.3 billion of outstanding delinquent debt at the end of FY 2014, \$76.3 billion (55 percent) of outstanding delinquent Federal non-tax debt was more than two years delinquent and \$63.0 billion (45 percent) was less than two years delinquent.

FIGURE 8

*Percentages of Federal Non-Tax Delinquencies, By Age: FY 2014*  
(Percentage of Total)



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

FIGURE 9

*Total Federal Non-Tax Delinquencies, By Age : FY 2010 - 2014*  
(Dollars in Billions)

<i>Delinquency Age</i>	<i>FY 2010</i>	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>
1-180 Days	\$34.3	\$49.7	\$72.2	\$81.1	\$15.4
181 Days - 2 Years	\$29.7	\$37.7	\$44.0	\$54.9	\$47.6
2-6 Years	\$22.9	\$26.5	\$26.4	\$51.0	\$51.3
6-10 Years	\$5.4	\$5.2	\$8.2	\$11.3	\$12.6
> 10 Years	\$11.3	\$11.9	\$11.9	\$14.2	\$12.4
<i>Total</i>	<i>\$103.6</i>	<i>\$131.0</i>	<i>\$162.7</i>	<i>\$212.5</i>	<i>\$139.3</i>

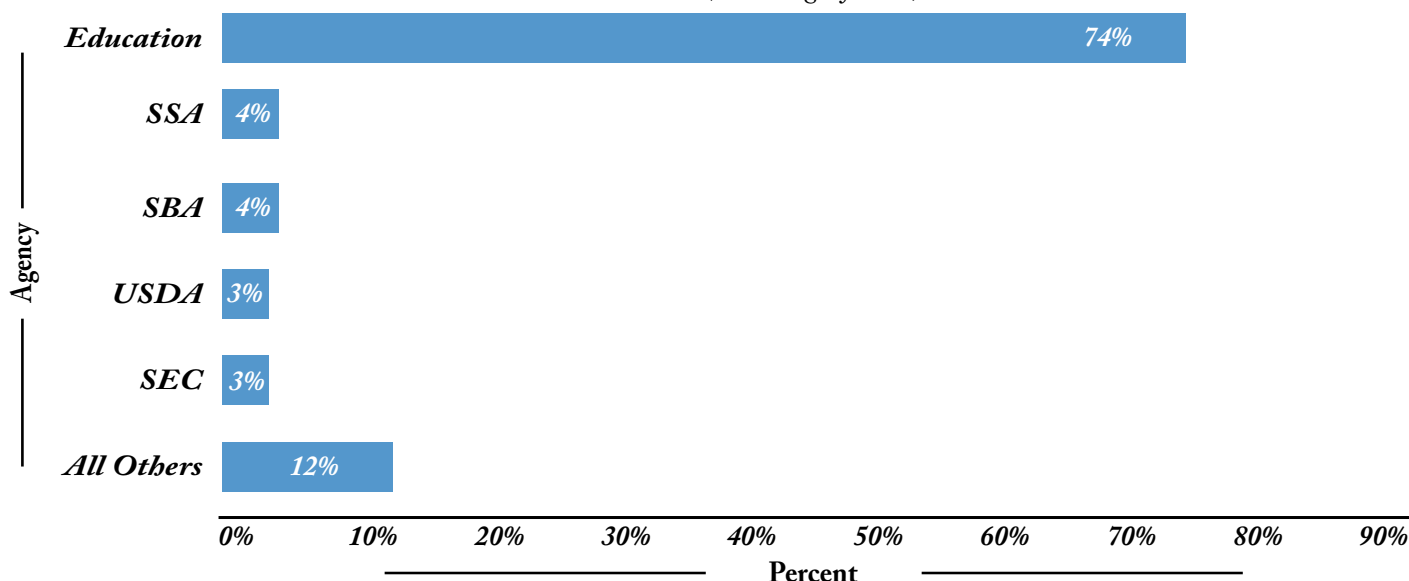
SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2010 - 2014

## 2. By Creditor Agency

At the close of FY 2014, \$122.7 billion (88 percent) in delinquent debt was owed to five Federal creditor agencies: Education, Social Security Administration (SSA), Small Business Administration (SBA), USDA, and Securities & Exchange Commission (SEC).

FIGURE 10

### *Federal Non-Tax Delinquencies in FY 2014: Top Five Creditor Agencies* (Percentage of Total)



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

FIGURE 11

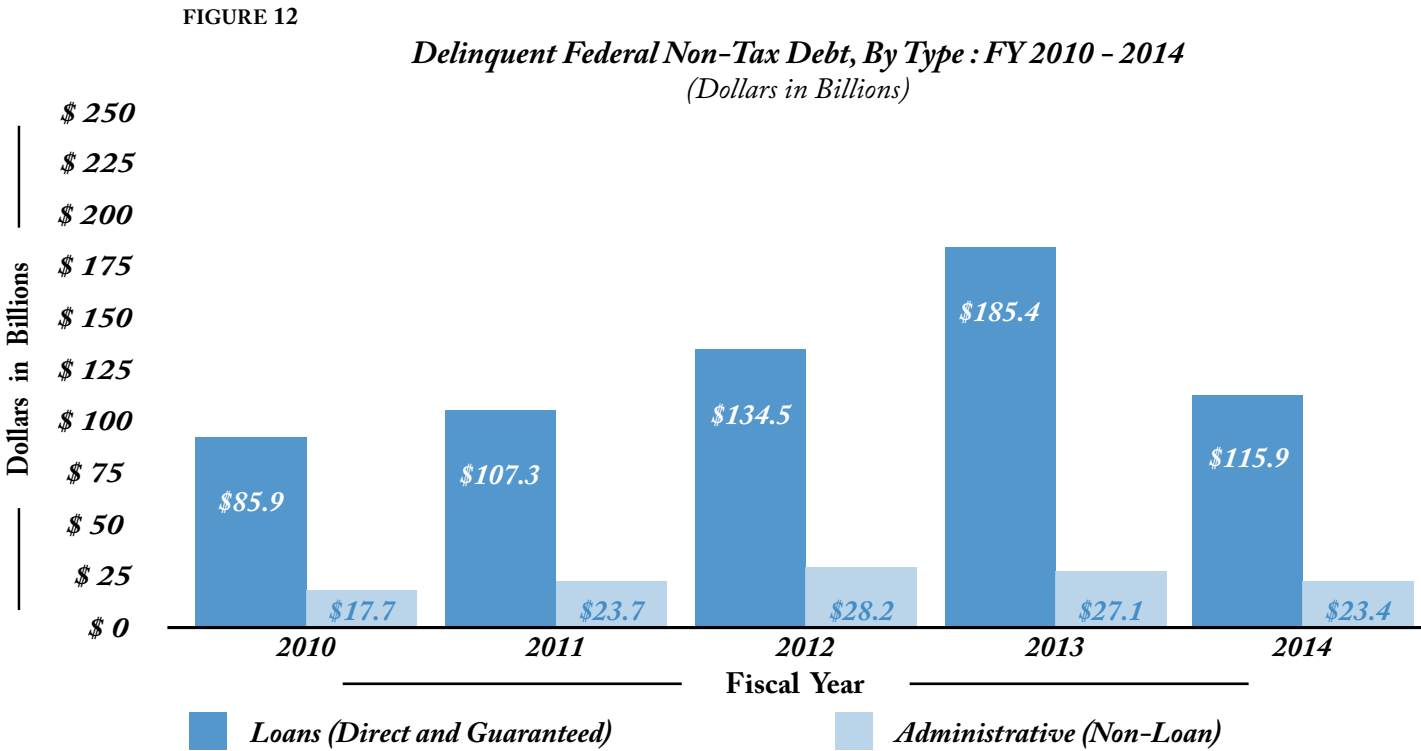
### *FY 2013 to FY 2014 Percentage Change in Federal Non-Tax Delinquencies: FY 2014 Top Five Creditor Agencies* (Dollars in Billions)

Agency	FY 2013 (Billions)	FY 2014 (Billions)	% Change from FY 2013 to FY 2014
Department of Education	\$170.8	\$102.6	- 39.9%
Social Security Administration	\$5.8	\$6.3	8.6%
Small Business Administration	\$5.9	\$5.3	- 10.2%
Department of Agriculture	\$5.0	\$5.0	0.0%
Securities & Exchange Commission	\$3.8	\$3.5	- 7.9%
All Others	\$21.2	\$16.6	- 21.7%
<b>Total Government</b>	<b>\$212.5</b>	<b>\$139.3</b>	<b>- 34.4%</b>

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2013 - 2014

3. By Debt Type

Federal loan program delinquencies (direct and guaranteed) comprised \$115.9 billion (83 percent) of total delinquencies at the end of FY 2014, a decrease of \$69.5 billion (37 percent) from FY 2013. Administrative delinquencies for FY 2014 totaled \$23.4 billion, a decrease of \$3.7 billion (14 percent) from FY 2013.

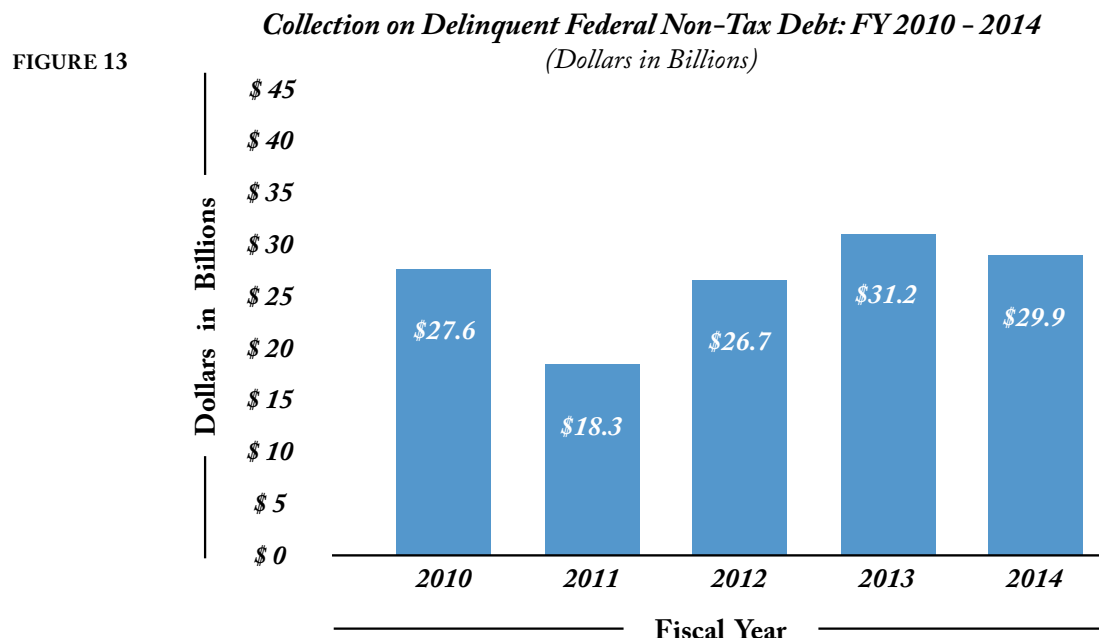


SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2010-2014

## IV. Delinquent Federal Non-Tax Debt Collection Activities

### A. Total Delinquent Federal Non-Tax Debt Collection

In FY 2014, Federal creditor agencies collected \$29.9 billion in delinquent non-tax debt, a decrease of \$1.3 billion (4 percent) from FY 2013.



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2010-2014

### 1. By Creditor Agency

More than \$23.0 billion (78 percent) of the delinquent non-tax debt collected in FY 2014 was owed to five Federal creditor agencies: Education (41 percent), HUD (15 percent), HHS (9 percent), DoD (9 percent), and USDA (4 percent).

**FIGURE 14**

**FY 2013 to FY 2014 Percentage Change in Collection of Federal Non-Tax Delinquencies: FY 2014 Top Five Creditor Agencies**  
(Dollars in Billions)

Agency	FY 2013 (Billions)	FY 2014 (Billions)	% Change from FY 2013 to FY 2014
Department of Education	\$12.0	\$12.4	3.3%
Department of Housing and Urban Development	\$5.8	\$4.5	- 22.4%
Department of Health and Human Services	\$3.3	\$2.8	- 15.1%
Department of Defense	\$2.1	\$2.6	23.8%
Department of Agriculture	\$1.2	\$1.3	8.3%
All Others	\$6.8	\$6.3	- 7.3%
<b>Total Government</b>	<b>\$26.7</b>	<b>\$31.2</b>	<b>- 4.2%</b>

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2013-2014

## 2. By Collection Tool

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 collection tools, Federal creditor agencies must first provide debtors with appropriate 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.

### a. Administrative Wage Garnishment (AWG)

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 non-tax delinquent 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 2014, Federal creditor agencies collected nearly \$472.0 million through the use of AWG, an increase of \$217.9 million (86 percent) from FY 2013.

### b. Private Collection Agencies (PCAs)

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 2014, PCAs assisted Federal creditor agencies by collecting \$157.6 million, a decrease of approximately \$230.0 million (59 percent) from FY 2013 to FY 2014.

FIGURE 15

#### *Collection by Tool : AWG and PCAs: FY 2010–2014* (Dollars in Millions)

<i>Collection Tool</i>	<i>FY 2010</i>	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>
<i>AWG</i>	\$272.7	\$296.0	\$796.5	\$254.1	\$472.0
<i>PCAs</i>	\$6,214.3	\$740.3	\$6,093.7	\$387.5	\$157.6
<i>Total</i>	<i>\$6,487.0</i>	<i>\$1,036.3</i>	<i>\$6,890.2</i>	<i>\$641.6</i>	<i>\$629.6</i>

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2010–2014



## *V. Centralized Government-Wide Debt Collection Programs*

### *A. Treasury's Debt Collection Programs*

Generally, Federal creditor agencies are required to refer delinquent Federal non-tax debt to Treasury for collection through its delinquent debt collection programs, known as the Cross-Servicing Program and TOP. The law requires Federal agencies to refer non-tax debts to TOP when the debts are 120 days delinquent<sup>7</sup> and to the Cross-Servicing Program when the debts are 180 days delinquent. To be compliant with the TOP referral requirement, agencies that rely on the Cross-Servicing Program to refer debts to TOP must refer those debts when they are 120 days delinquent.

#### *1. Treasury's Cross-Servicing Program Collections*

In FY 2014, the Bureau of the Fiscal Service collected \$415.9 million of delinquent Federal non-tax debt through its Cross-Servicing Program, which includes debt collected through TOP, an increase of \$111.6 million (37 percent) from FY 2013<sup>8</sup>. For non-tax debt submitted to the Cross-Servicing Program, the Bureau of the Fiscal Service services the delinquent 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, Treasury intercepts eligible Federal and State payments and applies them to a payee's delinquent non-tax debt. TOP-eligible payments include Federal tax refunds and Federal non-tax payments, for example, Social Security, civil service and military retirement, salary, vendor, and other Federal payments, as well as State tax refunds and other payments made by several States participating in TOP.<sup>9</sup> For more information about the TOP program, see Appendix IV. Appendix V lists the types of payments for which exemptions from offset were approved by Treasury in FY 2010 - FY 2014, and where to find the complete list of exempt payments.

In FY 2014, Treasury collected \$6.7 billion through TOP for Federal and State agencies. Of the \$6.7 billion collected, \$3.2 billion was for delinquent Federal non-tax debt, \$579.9 million was for delinquent Federal tax debt, and \$2.9 billion was for debt owed to State agencies, including delinquent child support obligations. Figure 16 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 16

***TOP Collection of Federal Non-Tax Debt by Payment Type:<sup>10</sup> FY 2010-2014***  
(Dollars in Millions)

<i>Payment Type</i>	<i>FY 2010</i>	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>
<i>Federal Tax Refund Payments</i>	\$1,854.3	\$2,180.5	\$2,019.0	\$2,702.9	\$2,670.0
<i>Federal Non-Tax Payments</i>	\$286.8	\$378.6	\$380.3	\$596.5	\$508.4
<i>State Payments</i>	\$12.5	\$11.8	\$18.8	\$30.8	\$36.6
<b><i>Total</i></b>	<b><i>\$2,153.6</i></b>	<b><i>\$2,570.9</i></b>	<b><i>\$2,418.1</i></b>	<b><i>\$3,330.2</i></b>	<b><i>\$3,215.0</i></b>

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

### *B. Enforced Non-Tax Debt Collection by the Department of Justice*

In FY 2014, DOJ collected a total of \$13.7 billion on behalf of Federal creditor agencies, an increase of \$8.2 billion (149 percent) from FY 2013. When a Federal creditor agency cannot collect a non-tax debt administratively, the agency may refer the debt to DOJ to pursue enforced collection<sup>11</sup> through the judicial process. In FY 2014, Federal creditor agencies referred 9,805 cases valued at \$44.3 billion to DOJ for enforced collection.

FIGURE 17

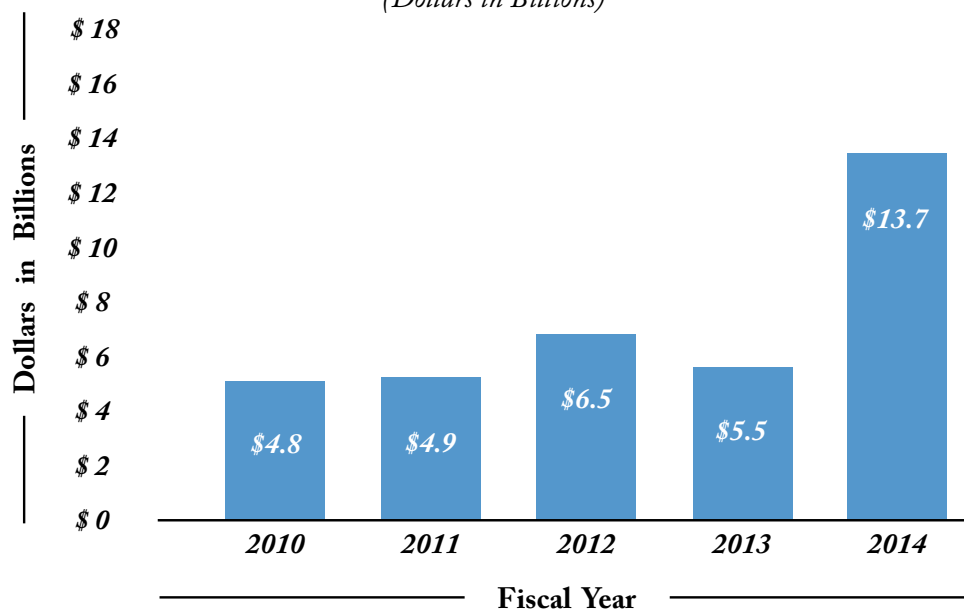
#### *Civil Debt Referrals to DOJ*

<i>Fiscal Year</i>	<i>Total Referrals (New)</i>	<i>Value of New Debt (Dollars in Billions)</i>
2010	11,531	\$7.6
2011	16,487	\$6.1
2012	7,109	\$13.1
2013	6,456	\$9.1
2014	9,805	\$44.3

SOURCE: DEPARTMENT OF JUSTICE, OFFICE OF DEBT COLLECTION MANAGEMENT

FIGURE 18

#### *Civil Litigation Cash Collection: FY 2010–2014* (Dollars in Billions)



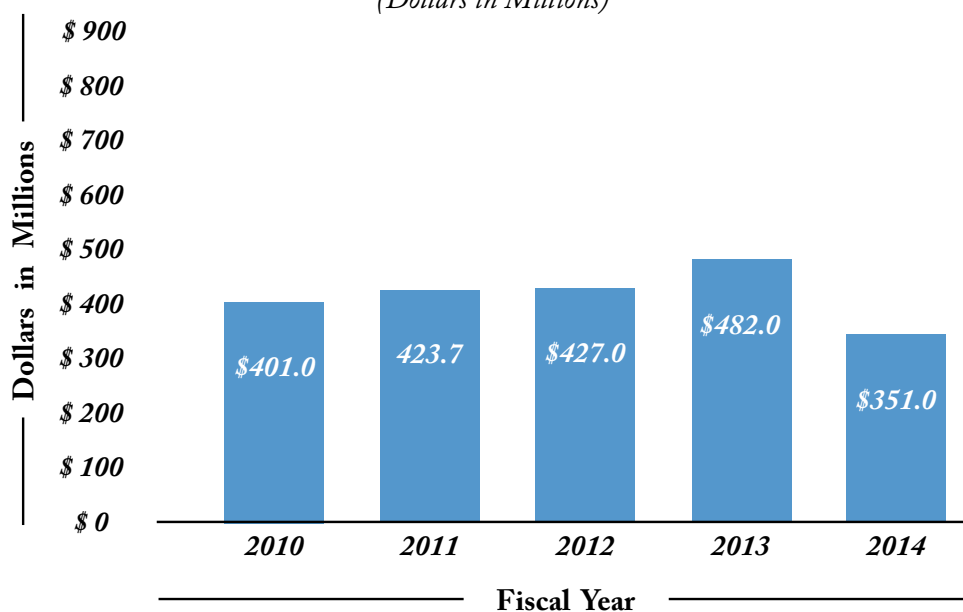
SOURCE: DEPARTMENT OF JUSTICE, OFFICE OF DEBT COLLECTION MANAGEMENT

### *C. 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 Treasury for both TOP and Cross-Servicing. In FY 2014, the PSC collected \$351.0 million, a decrease of \$131.0 million (27 percent) from FY 2013.

FIGURE 19

***PSC Collection: FY 2010-2014***  
(Dollars in Millions)



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

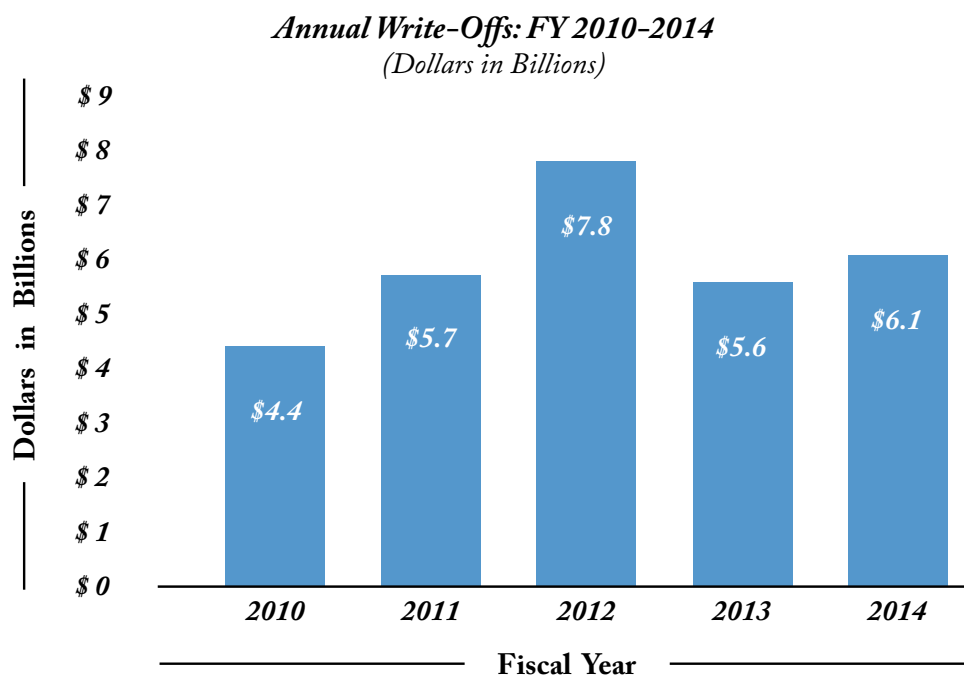
## VI. Write-Offs Of Delinquent Federal Non-Tax Debt

Federal creditor agencies are generally required to “write off” non-tax debt that is two years delinquent<sup>12</sup> (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 2014, Federal non-tax debt that was written off as “closed out” totaled \$6.1 billion, an increase of \$0.5 billion (9 percent) from FY 2013. The Federal creditor agencies with the largest write-off amounts in FY 2014 include Education (\$2.3 billion), Treasury (\$0.8 billion) and SSA (\$0.8 billion).

FIGURE 20



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2010-2014

### Appendix I: Total Federal Non-Tax Receivables and Delinquent Federal Non-Tax Debt by Creditor Agency

At the end of FY 2014, 96 percent of Federal receivables arose 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 (as of September 30, 2014)</i>	<i>Delinquent Debt Balance (as of September 30, 2014)</i>
<i>Department of Education</i>	<i>\$874,281.7</i>	<i>\$102,645.1</i>
<i>Department of Agriculture</i>	<i>\$113,994.2</i>	<i>\$4,972.4</i>
<i>Department of Housing and Urban Development</i>	<i>\$23,714.8</i>	<i>\$1,628.9</i>
<i>Export-Import Bank</i>	<i>\$22,916.2</i>	<i>\$1,385.0</i>
<i>Department of Energy</i>	<i>\$19,188.3</i>	<i>\$610.8</i>
<i>Department of the Treasury</i>	<i>\$18,342.7</i>	<i>\$219.4</i>
<i>Social Security Administration</i>	<i>\$18,252.0</i>	<i>\$6,356.6</i>
<i>Department of Health and Human Services</i>	<i>\$15,706.6</i>	<i>\$1,428.2</i>
<i>Small Business Administration</i>	<i>\$14,483.3</i>	<i>\$5,277.5</i>
<i>Department of Transportation</i>	<i>\$8,658.7</i>	<i>\$64.6</i>
<b><i>Top 10 Total</i></b>	<b><i>\$1,129,538.5</i></b>	<b><i>\$124,588.5</i></b>
<i>All Others</i>	<i>\$40,570.9</i>	<i>\$14,736.9</i>
<b><i>Government Total</i></b>	<b><i>\$1,170,109.4</i></b>	<b><i>\$139,325.4</i></b>

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

*Appendix II: Total FY 2014 Collection of Delinquent Federal Non-Tax Debt by Creditor Agency*

At the end of FY 2014, 93 percent of Federal collection of delinquent Federal non-tax debt was associated with debt administered by the 10 Federal creditor agencies listed below. The remaining 7 percent of collections arose from all other agencies.

FIGURE 22

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

<i>Agency</i>	<i>FY 2014 Collections</i>
<i>Department of Education</i>	<i>\$12,413.2</i>
<i>Department of Housing and Urban Development</i>	<i>\$4,540.0</i>
<i>Department of Health and Human Services</i>	<i>\$2,828.3</i>
<i>Department of Defense</i>	<i>\$2,636.6</i>
<i>Department of Agriculture</i>	<i>\$1,318.6</i>
<i>Department of Veterans Affairs</i>	<i>\$1,139.4</i>
<i>General Services Administration</i>	<i>\$803.1</i>
<i>Commodity Futures Trading Commission</i>	<i>\$769.1</i>
<i>Environmental Protection Agency</i>	<i>\$708.5</i>
<i>Department of Homeland Security</i>	<i>\$615.3</i>
<b><i>Top 10 Total</i></b>	<b><i>\$27,772.1</i></b>
<i>All Other</i>	<i>\$2,109.6</i>
<b><i>Government Total</i></b>	<b><i>\$29,881.7</i></b>

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



### Appendix III: Total FY 2014 Write-Offs by Creditor Agency

In FY 2014, 95 percent of Federal debt write-offs that were “closed out” arose from programs administered by the 10 Federal creditor agencies listed below. The remaining 5 percent of Federal debt write-offs arose from all other agencies.

FIGURE 23

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

<i>Agency</i>	<i>FY 2014 Write-Offs</i>
<i>Department of Education</i>	<i>\$2,311.7</i>
<i>Department of the Treasury</i>	<i>\$828.3</i>
<i>Social Security Administration</i>	<i>\$775.2</i>
<i>Department of Transportation</i>	<i>\$463.8</i>
<i>Department of Agriculture</i>	<i>\$414.2</i>
<i>Department of Homeland Security</i>	<i>\$312.5</i>
<i>Department of Veterans Affairs</i>	<i>\$287.3</i>
<i>Securities and Exchange Commission</i>	<i>\$249.0</i>
<i>Department of Health and Human Services</i>	<i>\$149.9</i>
<i>Commodities Futures Trading Commission</i>	<i>\$72.7</i>
<b><i>Top 10 Total</i></b>	<b><i>\$5,864.6</i></b>
<i>All Other</i>	<i>\$275.1</i>
<b><i>Government Total</i></b>	<b><i>\$6,139.7</i></b>

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

### *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.<sup>13</sup> Delinquent debts owed to State agencies include child support and unemployment insurance obligations.

During FY 2014, Treasury collected \$6.7 billion through TOP for Federal and State<sup>14</sup> agencies, of which \$3.8 billion was for debts owed to Federal agencies and \$2.9 billion for debts owed to State agencies. Highlights include:

- \$1.9 billion was collected for delinquent child support obligations submitted to TOP by the HHS, Office of Child Support Enforcement (OCSE), on behalf of States and territories.
- \$546.5 million was collected for 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.
- \$52.4 million was collected for the eight 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.
- \$370.7 million in Federal tax refunds were intercepted to collect unemployment compensation debt owed to 41 States and the District of Columbia.
- TOP collected \$579.9 million of unpaid Federal taxes through the Federal Payment Levy Program.

**FIGURE 24**

#### ***TOP Collection – Federal Debt: FY 2009 – 2013*** (Dollars in Millions)

<i>Type of Debt</i>	<i>Type of Payment Offset / Levy</i>	<i>FY 2010</i>	<i>FY 2011</i>	<i>FY 2012</i>	<i>FY 2013</i>	<i>FY 2014</i>
<i>Federal Non-tax Debt</i>	<i>Tax Refund Offset</i>	<i>\$1,854.3</i>	<i>\$2,180.5</i>	<i>\$2,019.0</i>	<i>\$2,702.9</i>	<i>\$2,670.0</i>
<i>Federal Non-tax Debt</i>	<i>Administrative Offset<sup>15</sup></i>	<i>\$286.8</i>	<i>\$378.6</i>	<i>\$380.3</i>	<i>\$596.5</i>	<i>\$508.4</i>
<i>Federal Non-tax Debt</i>	<i>State Payments</i>	<i>\$12.5</i>	<i>\$11.8</i>	<i>\$18.8</i>	<i>\$30.8</i>	<i>\$36.6</i>
<i>Federal Tax Debt</i>	<i>Tax Levy (Federal Payments)</i>	<i>\$618.4</i>	<i>\$614.3</i>	<i>\$601.6</i>	<i>\$601.6</i>	<i>\$579.9</i>
<b><i>Total</i></b>		<b><i>\$2,772.0</i></b>	<b><i>\$3,185.2</i></b>	<b><i>\$3,019.7</i></b>	<b><i>\$3,931.8</i></b>	<b><i>\$3,794.9</i></b>

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

FIGURE 25

**TOP Collection - State Debt: FY 2010 - 2014**  
(Dollars in Millions)

Type of Debt	Type of Payment Offset	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Child Support	Tax Refund Offset	\$2,089.4	\$2,302.4	\$2,246.7	\$1,941.4	\$1,901.3
State Income Tax Debt	Tax Refund Offset	\$434.5	\$475.5	\$561.8	\$605.3	\$546.5
State Unemployment Compensation Debt ‡	Tax Refund Offset	N/A	\$25.9	\$132.9	\$326.2	\$370.7
Child Support	Administrative Offset	\$17.3	\$10.4	\$8.1	\$8.6	\$8.7
State Income Tax Debt (Reciprocal Program)	Administrative Offset	\$8.8	\$7.4	\$9.2	\$16.0	\$16.7
Other State Debt (Reciprocal Program)	Administrative Offset	\$7.2	\$28.8	\$44.6	\$21.8	\$35.7
State Unemployment Compensation Debt (Reciprocal Program)	Administrative Offset	N/A	N/A	N/A	N/A	*
<b>Total</b>		<b>\$2,557.2</b>	<b>\$2,850.4</b>	<b>\$3,003.3</b>	<b>\$2,919.3</b>	<b>\$2,879.6</b>

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

‡ TOP Unemployment Insurance Compensation program implemented in FY 2011

\*Offsets of Federal non-tax payments to collect state unemployment insurance compensation debts through the State Reciprocal Program totaled \$8,000 in FY 2014.

### *Appendix V: Payments Exempted from Centralized Administrative Offset by the Secretary of the 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. The most recent TOP payment exemptions in FY 2010, FY 2013, and FY 2014 were approved at the request of HHS, Interior, and Transportation. No payment exemptions were approved in FY 2008, 2009, 2011, and 2012. A [complete list of payment classes exempt](#) from offset through TOP is available on Treasury's website.

FIGURE 26

#### *FY 2010 - 2014 Payments Exempt by Action of the Secretary of the Treasury*

<i>Payment Agency</i>	<i>Type of Payment</i>
<i>Department of Health and Human Services</i>	<i>Coverage Gap rebate payments for eligible Medicare Part D enrollees (temporary); agency request approved on May 20, 2010</i>
<i>Department of the Interior</i>	<i>Payments made under Bureau of Indian Affairs Welfare Assistance Program; agency request approved on April 3, 2013</i>
	<i>Payments made by the Office of Special Trustee for American Indians to individual Indians from the Individual Indian Money accounts; agency request approved on September 12, 2014</i>
<i>Department of Transportation</i>	<i>Federal Highway Administration and other Federal agencies authorized to make payments under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act) for displaced individuals and businesses; agency request approved on September 3, 2010</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, 2014:

### Sources

**Treasury Report on Receivables and Debt Collection Activities — Fourth Quarter 2014, 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

<sup>1</sup> All reported figures in this report have been rounded to the tenth decimal point.

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

<sup>3</sup> 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.

<sup>4</sup> Non-loan receivables include fines, penalties, and overpayments.

<sup>5</sup> 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.

<sup>6</sup> The calculation of the amount that became delinquent during FY 2014 is based on debt that was between 1 and 365 days delinquent as of September 30, 2014.

<sup>7</sup> The Digital Accountability and Transparency Act (P.L. 113-101) changed the requirement that agencies refer their debts to Treasury for collection through TOP from 180 days to 120 days on May 9, 2014.

<sup>8</sup> In the FY 2013 Annual Report Cross-Servicing collections were reported as \$306.2 million. As a result of a methodology change that number has been revised to \$304.3 million.

<sup>9</sup> 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 statutorily limited to a percentage of the payment.

<sup>10</sup> 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.

<sup>11</sup> An "enforced" collection occurs when DOJ uses a legal process to force the involuntary payment of a debt by a debtor. Examples of enforced collection processes include a court-ordered wage garnishment sent to the debtor's employer or a bank garnishment filed with the debtor's bank.

<sup>12</sup> "Write-off" of a delinquent debt is an accounting action. Collection of the delinquent Federal non-tax debt, however, may still be pursued by the Federal creditor agency.

<sup>13</sup> A "levy" is legally distinct from "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.

<sup>14</sup> For more detail on Treasury's collection on behalf of the states, see *Treasury's Annual Report to the States*.

<sup>15</sup> "Administrative offset" refers to the offset of Federal non-tax payments to collect delinquent Federal non-tax debts.