

RESOLUTION OF DEBT-RELATED ISSUES

(10/28/03)

I. A credit report account coded 3, 4, 5, 8, or 9 when the amount of the delinquent payment on a single account or cumulative accounts is \$1,000.00 or more, must be resolved prior to receiving approval to work on a DEA contract.

II. Bankruptcy, unpaid judgments, and referrals for collection that are a matter of public record, and regardless of the amount, must be resolved prior to receiving approval to work on a DEA contract.

III. Delinquent payments or default on CHILD SUPPORT, ALIMONY, STUDENT LOANS, or FEDERAL, STATE, AND/OR LOCAL TAXES are matters of serious concern and must be resolved, regardless of the unpaid or overdue amounts, prior to receiving approval to work on a DEA contract.

IV. Accounts coded 2 on a credit report must be resolved when any of the conditions in Paragraphs I, II, or III are on the credit report.

A. The applicant must provide a written statement that explains the reason(s) for the indebtedness (e.g., why the debt has not been paid in a timely manner) and his/her intentions of paying the debt.

B. The individual must provide evidence (documentation) from the creditor(s) that a repayment plan has been mutually agreed upon, and/or:

1. If the obligation/debt has been repaid in full, a letter or statement from the creditor absolving the debt must be provided.

2. If a payment to an account has not been made in the past 60 days, arrangements must be made to satisfy the account in full. A copy of the request and the creditor's response must be provided.

3. If currently in the process of satisfying the cited debt, copies of the past three (3) monthly account statements must be provided.

4. If the debt has been paid in full or the monthly payments are current, but the credit report indicates an outstanding past due balance, a copy of a letter from the creditor or a copy of the current monthly statement that indicates there is no past due balance must be provided.

5. If the applicant claims that a reported debt is not a just debt, documents must be provided that clearly show the debt does not belong to him/her or that the debt is the responsibility of another party; e.g., copy of a divorce or legal separation court document, a letter from the creditor, or other acceptable document that refutes the debt.

6. If the applicant is involved in bankruptcy, a copy of the declaration and a copy of the trustee's statement covering the most recent three (3) month period must be provided, along with a written explanation of the cause of the bankruptcy. (Generally, bankruptcy trustee statements are provided quarterly instead of monthly.)

V. COUNSELING REGARDING DEBTS: The applicant, or contractor's employee if the subject of a reinvestigation, must be advised that they must satisfy in good faith their obligations as citizens, including all just financial obligations... (5 C.F.R. 2635).
