

Treasury Report on Receivables and Debt Collection Activities

Reporting Entity Code: A-20-04-9000

Fiscal Year: 2008

Quarter: 4th

Type of Receivable: _____

Defaulted Guaranteed Loans: _____

Administrative: XX

Part I - Status of Receivables		
	Number	Dollars
(1) Beginning FY Balance	2,549	\$ 3,945,934
(2) New Receivables (+)	24,435	\$ 166,929,448
(3) Accruals (+)		\$ 459,923
(4) Collections on Receivables (-)		\$ 165,609,730
(A) At Agency		\$ 164,837,413
(B) At Third Party		\$ -
(C) Asset Sales		\$ -
(D) Collections by Treasury through Offset and Cross-Servicing (-)		\$ 769,594
(E) Collections by Sale After Foreclosure (-)		\$ -
(F) Collections by Department of Justice (-)		\$ 2,723
(G) Other - must footnote (-)		\$ -
(5) Adjustments (+ or -)	1,560	\$ 459,657
(A) Reclassified/Adjusted Amounts (+ or -)		\$ -
(B) Adjustments Due to Sale of Assets (+ or -)		\$ -
(C) Consolidations (+ or -)		\$ -
(D) Foreclosure Adjustments (+ or -)		\$ -
(E) Written-Off Debts Reinstated for Collections (+)		\$ 459,657
(6) Amounts Written Off (-)	1,120	\$ 1,315,852
(A) Currently not Collectible (-)	660	\$ 759,635
(B) Written off and Closed Out (-)	460	\$ 556,217
(/) Ending Balance	2,871	\$ 4,869,380
(1) Subsets of Ending Balance		
(A) Foreign/Sovereign Government (+)	0	\$ -
(B) State and Local Government (+)	0	\$ -
(C) Rescheduled Debt - Delinquent (+)	139	\$ 707,984
(D) Rescheduled Debt - Non-Delinquent (+)	143	\$ 394,274
(E) Interest & Late Charges (+)		\$ 62,683
(1) Delinquencies by Age		
(A) 1-90 Days (+)		\$ 1,391,030
(B) 91-180 Days (+)		\$ 255,596
(C) 181-365 Days (+)		\$ 332,668
(D) 1-2 Years (+)		\$ 9,439
(E) 2-6 Years (+)		\$ 131
(F) 6-10 Years		\$ -
(G) Over 10 Years (+)		\$ -
(H) Total Delinquencies by Age		\$ 1,988,864
(2) Delinquencies by Category		
(A) Commercial (+)	0	\$ -
(B) Consumer (+)	1,721	\$ 1,988,864
(C) Foreign/Sovereign Government (+)	0	\$ -
(D) State and Local Government (+)	0	\$ -
(E) Total Delinquencies by Category	1,721	\$ 1,988,864

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Part II - Debt Management Tool and Technique Performance Data		
	Number	Dollars
Section A Delinquent Debt 180 Days or Less		
(1) Total Delinquencies 1-180 Days		
(A) In Bankruptcy (+)	5	\$ 10,573
(B) In Forbearance or In Formal Appeals Process (+)	0	\$ -
(C) In Foreclosure (+)	0	\$ -
(D) At Private Collection Agencies (+)	0	\$ -
(E) In Litigation (At DOJ or Agency Counsel) (+)	0	\$ -
(F) In the Process of Internal Offset (+)	4	\$ 20,453
(G) In Wage Garnishment (+)	0	\$ -
(H) At Treasury for Cross-Servicing (+)	21	\$ 74,516
(I) At Treasury for Offset (+)	0	\$ -
(J) At Agency (+)	1,226	\$ 1,541,084
(K) Other - must footnote (+)	0	\$ -
(L) Total Delinquencies 1-180 Days		\$ 1,646,626
Section B Delinquent Debt (Over 180 Days Delinquent) Eligible for Referral to Treasury for Offset and Cross-Servicing		
(1) Debt Eligible for Referral to Treasury for Collection		
(A) Delinquent Debt Over 180 Days (+)		\$ 342,238
(B) Currently Not Collectible Debts (+)		\$ 3,486,124
(C) Total Delinquent Debt Over 180 Days and CNC Debts		\$ 3,828,362
<i>Debts Ineligible for Treasury Offset Program (TOP) and Cross-Servicing (lines D through G)</i>		
(D) In Bankruptcy (-)	1	\$ 146
(E) In Forbearance or Formal Appeals Process (including Litigation) (-)	0	\$ -
(F) In Foreclosure (-)	0	\$ -
(G) Other - must footnote (+ or -)	0	\$ -
(H) Balance of Debt Eligible for Referral to Treasury for Collection	2,439	\$ 3,828,216
(2) Debt Eligible for Referral to Treasury Offset Program		
(A) Debt Eligible for Referral to Treasury for Collection (from 1H)	2,439	\$ 3,828,216
(B) Foreign/Sovereign Debt (-)	0	\$ -
(C) Debt in Litigation for Enforced Collection (-)	0	\$ -
(D) Other - must footnote (+ or -)	0	\$ -
(E) Debt Required to be Referred to Treasury Offset Program by Agency	2,439	\$ 3,828,216
(F) Debt Referred to Treasury Offset Program (-)	0	\$ -
(G) Debt Referred to Treasury Offset Program through Cross Servicing (-)	2,346	\$ 3,772,243
(H) Balance Remaining to be Referred	93	\$ 55,973
(3) Debt Eligible for Referral to Treasury or a Designated Debt Collection Center for Cross-Servicing		
(A) Debt Eligible for Referral to Treasury for Collection (from 1H)	2,439	\$ 3,828,216
(B) Foreign/Sovereign Debt (-)	0	\$ -
(C) Debt in Litigation for Enforced Collection (-)	0	\$ -
(D) At Private Collection Agency (-)	0	\$ -
(E) In the Process of Internal Offset (-)	0	\$ -
(F) Debt Exempted by Treasury from Cross-Servicing (-)	0	\$ -
(G) Debt Returned from Cross Servicing (-)	0	\$ -
(H) Other - must footnote (+ or -)	0	\$ -
(I) Debt Required To Be Referred To Treasury for a Designated Debt Collection Cent for Cross-Servicing	2,439	\$ 3,828,216
(J) Debt Referred to Treasury or a Designated Debt Collection Center for Cross-Servicing (-)	2,346	\$ 3,772,243
(K) Balance Remaining to be Referred <u>1/</u>	93	\$ 55,973

Section C Collections on Delinquent Debt		
(1) Collections on Delinquent Debt		
(A) By Private Collection Agencies (+)	0	\$ -
(B) By Litigation (+)	4	\$ 1,776
(C) By Internal Offset (+)	2	\$ 327
(D) By Third Party (+)	0	\$ -
(E) By Asset Sales (+)	0	\$ -
(F) By Wage Garnishment (+)	0	\$ -
(G) By Treasury/Designated Debt Collection Center Cross-Servicing (+)	1,553	\$ 420,717
(H) By Treasury for Offset (+)	0	\$ -
(I) By Agency (+)	4,231	\$ 2,498,983
(J) Other - must footnote (+)	0	\$ -
(K) Total Collections on Delinquent Debt		\$ 2,921,803
Section D CNC Debt Status		
(1) Currently Not Collectible Debts (Written Off and Not Closed Out)		
(A) At Private Collection Agencies (+)	0	\$ -
(B) At Treasury or a Designated Debt Collection Center for Cross Servicing (+)	1,975	\$ 3,486,124
(C) At Treasury for Offset (+)	0	\$ -
(D) Other - must footnote (+)	0	\$ -
(E) Total-Currently Not Collectible Debts (1A thry 1D not mutually exclusive)	1,975	\$ 3,486,124
(2) CNC Debts Closed Out During the Current FY (+)	415	\$ 544,326
Section E Disposition of Closed-Out Debts		
(1) Debts Closed Out During the Previous Calendar Year (CNC and Non-CNC Debts) (+)	203	\$ 128,531
(A) Reported to IRS on Form 1099-C (+)	0	\$ -
(B) At Not Reported to IRS on Form 1099-C - (must footnote) (1-1A) <u>2</u>	24	\$ 36,198
	179	\$ 92,333

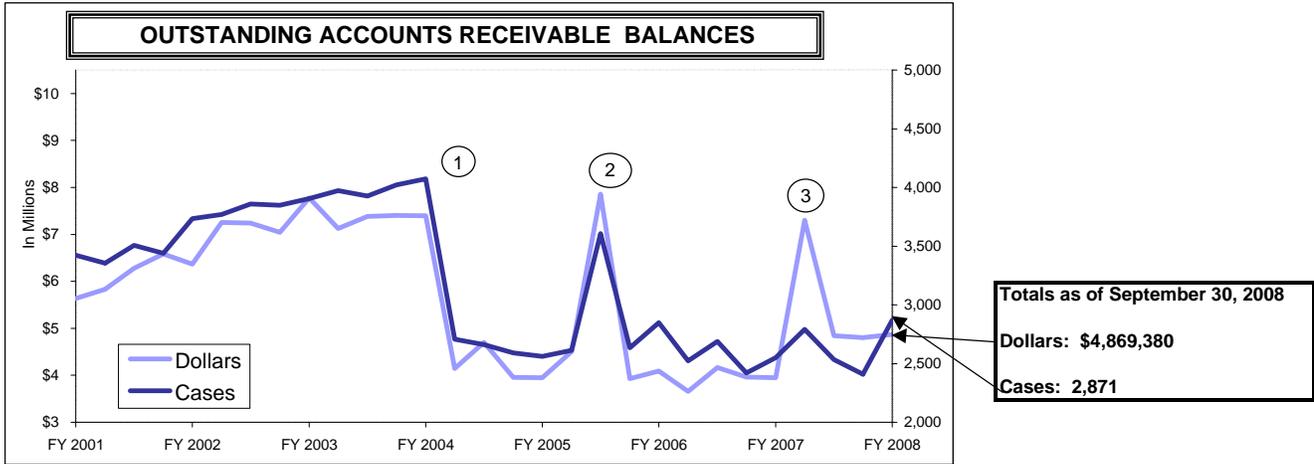
Treasury Report on Receivables and Debt Collection Activities

Part III - Footnotes	
<p>1. In process of being referred. Will be sent when due process per DCIA is completed.</p> <p>2. Accounts do not meet IRS requirements to issue a 1099-C.</p>	
<u>Agency Contact Information</u>	
Preparer's Name: Kimberley Kiser Krupinski Preparer's Facsimile No.: (304) 480-7960 Supervisor's Name: R. Paul Phillips Address: 200 3rd Street, PO Box 2188 City: Parkersburg State: WV	Telephone Number: (304) 480-6278 E-Mail Address: Kimberley.Krupinski@bpd.treas.gov Telephone Number: (304) 480-6409 E-Mail Address: Paul.Phillips@bpd.treas.gov Zip Code: 26106

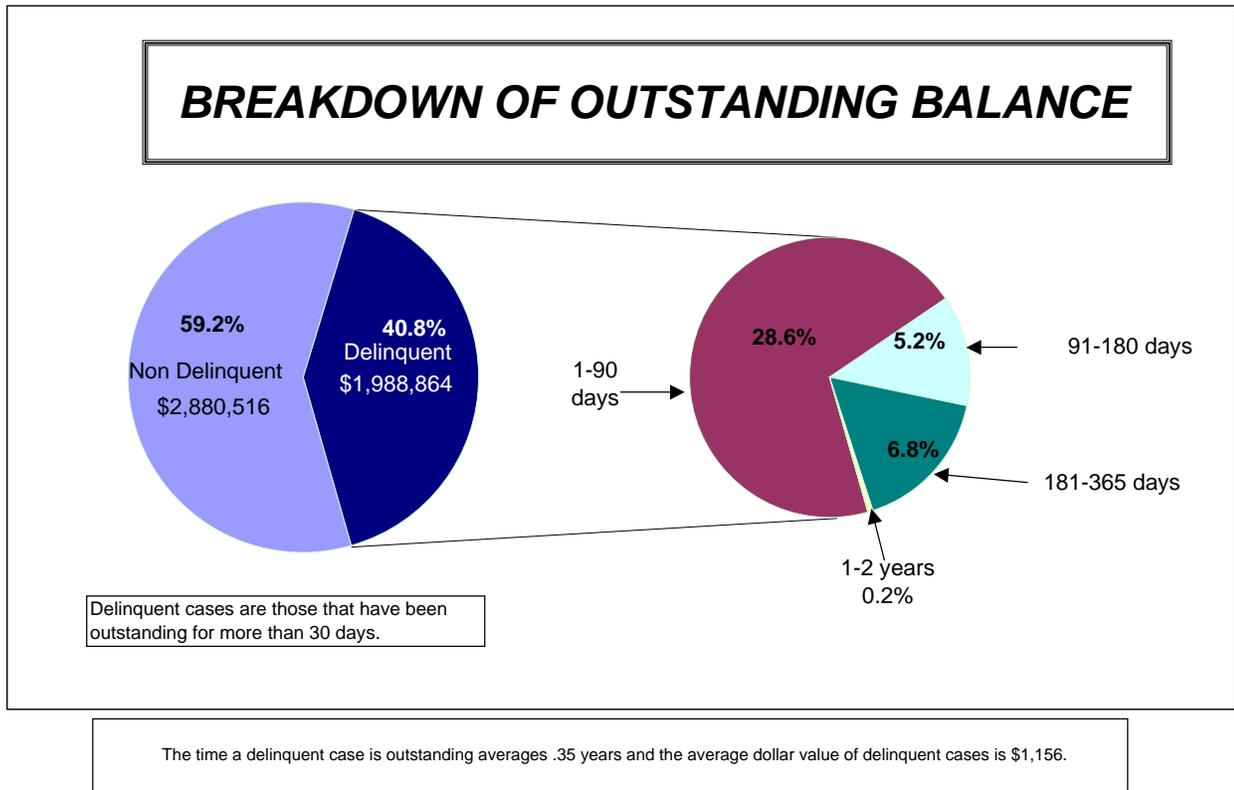
Bureau of the Public Debt

Accounts Receivable Analysis

As of September 30, 2008

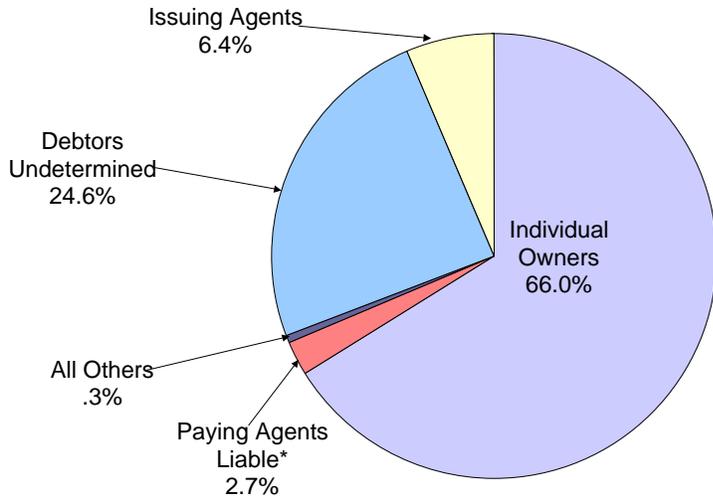


- 1 Prior to October 2004, the Accounts Receivable system could not accommodate writing off receivables while continuing to keep track of them electronically. In October 2004, the accounts receivable were loaded into Oracle. The accounts receivable older than two (2) years were written off, causing a reduction in the accounts receivable balance of 1,500 cases and \$3 million.
- 2 Legacy TreasuryDirect had a receivable established on the last business day of the second quarter of FY 2006 in the amount of \$1.5 million, which resulted in an unusual ending balance. This receivable was reversed on the first business day of the next quarter. A new transaction code and procedure have been established to eliminate this type of receivable.
- 3 TreasuryDirect had receivables established on the last business day of the first quarter of FY 2008 in the amount of \$2.8 million because of ACH returns. These receivables were collected two days after the end of the quarter.



**Bureau of the Public Debt
Accounts Receivable Analysis
As of September 30, 2008**

**OUTSTANDING BALANCE CLASSIFIED BY
DEBTOR TYPE**



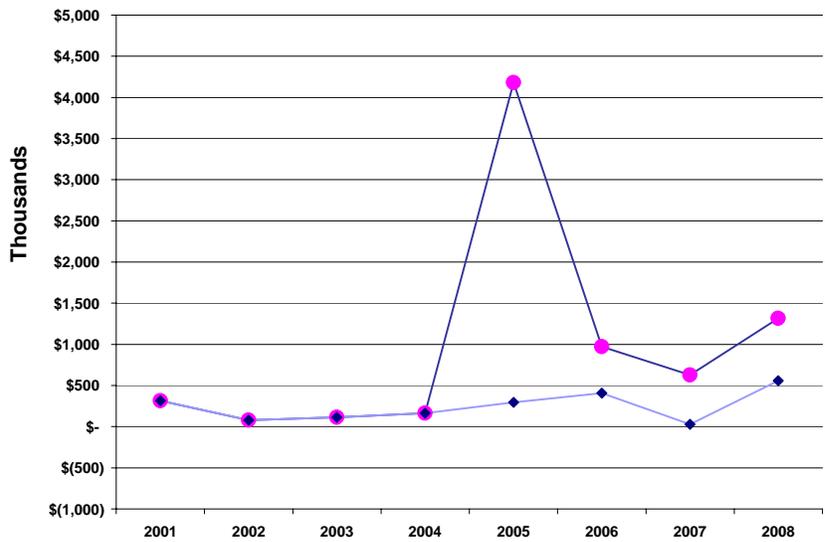
The Individual Owners represent 66.0% of the total dollars outstanding and 90.4% of the outstanding cases.

Accounts are written off when collection is not anticipated but cross servicing efforts are still being performed. The balances of the written off debts are not included in the outstanding balance on the TROR. The accounts remain in the Treasury Offset Program until the statute of limitations (10 years) has been reached. At that point, the account is closed out and if greater than \$600, reported to IRS and the debtor via Form 1099-C.

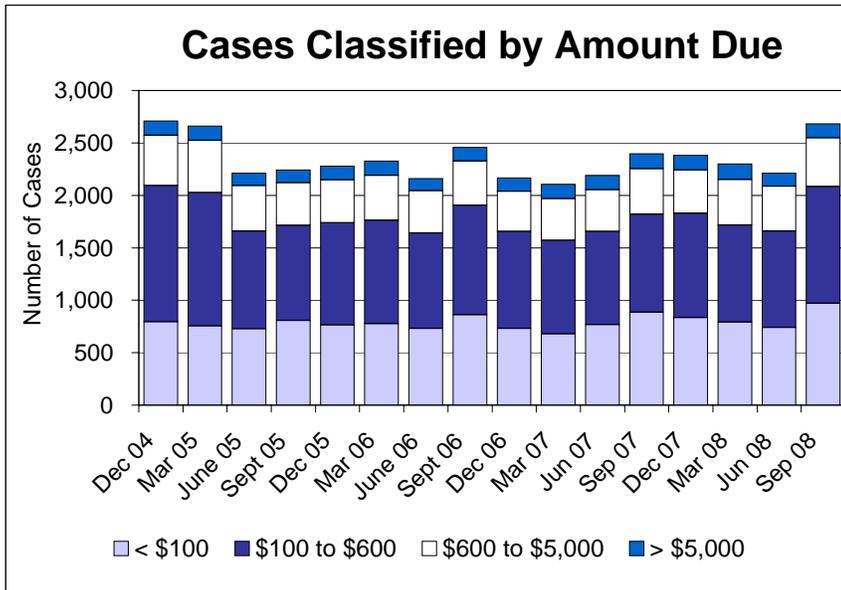
For an explanation of the large increase in write offs, see note 1 - (October 2004) on the graph Outstanding Accounts Receivable Balances.

◆ Written Off
◆ Closed Out

Written Off vs Closed Out



Bureau of the Public Debt Accounts Receivable Analysis As of September 30, 2008



The data depicted on the graph to the left represents the accounts receivable balances maintained by the Customer Accounting Branch.

Collections vs New Receivables

The majority of the increase during the 3rd Quarter of FY 2006 is attributable to Legacy Treasury Direct Debit ACH transactions. Even though there is a large ending balance as of 2nd Quarter, these cases are normally completed within 2 business days.

Collections exceeded New Receivables during the 4th Quarter of FY 2007. The amount (\$24,262) was too small to display when compared to the previous eight quarters.

During the 1st Quarter of FY 2008, TreasuryDirect had receivables established on the last business day of the quarter in the amount of \$2.8 million because of ACH returns. These receivables were collected two days after the end of the quarter.

