

from debtors and comply with other FCCS provisions applicable to the administrative collection of debts. See 31 CFR part 901.

§ 19.5 How will Commerce entities add interest, penalty charges, and administrative costs to a Commerce debt?

(a) *Assessment and notice.* Commerce entities shall assess interest, penalties and administrative costs on Commerce debts in accordance with the provisions of 31 U.S.C. 3717 and 31 CFR 901.9. Interest shall be charged in accordance with the requirements of 31 U.S.C. 3717(a). Penalties shall accrue at a rate of not more than 6% per year or such other higher rate as authorized by law. Administrative costs, that is, the costs of processing and handling a delinquent debt, shall be determined by the Commerce entity collecting the debt, as directed by the Office of the Deputy Chief Financial Officer. Commerce entities may have additional policies regarding how interest, penalties, and administrative costs are assessed on particular types of debts, subject to the approval of the Deputy Chief Financial Officer. Commerce entities are required to explain in the notice to the debtor described in §19.4 of this Part how interest, penalties, costs, and other charges are assessed, unless the requirements are included in a contract or other legally binding agreement.

(b) *Waiver of interest, penalties, and administrative costs.* Unless otherwise required by law or contract, Commerce entities may not charge interest if the amount due on the Commerce debt is paid within 30 days after the date from which the interest accrues. See 31 U.S.C. 3717(d). Commerce entities may waive interest, penalties, and administrative costs, or any portion thereof, when it would be against equity and good conscience or not in the United States' best interest to collect such charges, in accordance with Commerce guidelines for such waivers. Legal counsel approval to waive such charges is required. See Department of Commerce Credit and Debt Management Operating Standards and Procedures Handbook (currently at <http://www.osec.doc.gov/ofm/credit/cover.htm>).

(c) *Accrual during suspension of debt collection.* In most cases, interest, penalties and administrative costs will continue to accrue during any period when collection has been suspended for any reason (for example, when the debtor has requested a hearing). Commerce entities may suspend accrual of any or all of these charges when accrual would be against equity and good conscience or not in the United States' best interest, in accordance with Commerce guidelines for such waivers. See Department of Commerce Credit and Debt Management Operating Standards and Procedures Handbook (currently at <http://www.osec.doc.gov/ofm/credit/cover.htm>).

§ 19.6 When will Commerce entities allow a debtor to pay a Commerce debt in installments instead of one lump sum?

If a debtor is financially unable to pay the Commerce debt in one lump sum, a Commerce entity may accept payment of a Commerce debt in regular installments, in accordance with the provisions of 31 CFR 901.8 and the Commerce entity's policies and procedures.

§ 19.7 When will Commerce entities compromise a Commerce debt?

If a Commerce entity cannot collect the full amount of a Commerce debt, the Commerce entity may compromise the Commerce debt in accordance with the provisions of 31 CFR part 902 and the Commerce entity's policies and procedures. Legal counsel approval to compromise a Commerce debt is required as described in Department of Commerce Credit and Debt Management Operating Standards and Procedures Handbook (currently at <http://www.osec.doc.gov/ofm/credit/cover.htm>).

§ 19.8 When will Commerce entities suspend or terminate debt collection on a Commerce debt?

If, after pursuing all appropriate means of collection, a Commerce entity determines that a Commerce debt is uncollectible, the Commerce entity may suspend or terminate debt collection activity in accordance with the provisions of 31 CFR part 903 and the