

Millennium Challenge Corporation

§ 1306.9

§ 1306.5 Interest, penalties, and administrative costs.

Except as otherwise provided by statute, contract or excluded in accordance with the FCCS, MCC will assess:

(a) Interest on delinquent debts in accordance with 31 CFR 901.9.

(b) Penalties at the rate of 6 percent a year or such other rate as authorized by law on any portion of a debt that is delinquent for more than 90 days.

(c) Administrative costs to cover the costs of processing and calculating delinquent debts.

(d) Late payment charges under paragraphs (a) and (b) of this section shall be computed from the date of delinquency.

(e) When a debt is paid in partial or installment payments, amounts received shall be applied first to outstanding penalty and administrative cost charges, second to accrued interest, and then to outstanding principal.

(f) MCC shall consider waiver of interest, penalties and/or administrative costs in accordance with the FCCS, 31 CFR 901.9(g).

§ 1306.6 Collection in installments.

(a) Whenever feasible, and except as required otherwise by law, debts owed to the United States, together with interest, penalties, and administrative costs as required by this part, should be collected in one lump sum. This is true whether the debt is being collected under administrative offset, including salary offset, or by another method, including voluntary payment. However, if the debtor is financially unable to pay the indebtedness in one lump sum or the amount of debt exceeds 15 percent of disposable pay for an officially established pay interval collection must be made in regular installments. If possible, the installment payments should be sufficient in size and frequency to liquidate the Government's claim within three years, and in the case of a current MCC employee, installment repayment plans must be made over a period not greater than the anticipated period of employment, except as provided in paragraph (b) in this section. However, the amount deducted for any period under this section and § 1306.16 may not exceed 15 percent of the disposable pay from which

the deduction is made, unless the employee has agreed in writing to the deduction of a greater amount or a higher deduction has been ordered by a court.

(b) If the employee retires or resigns or if his or her employment ends before collection of the debt is completed, MCC may collect the debt from subsequent payments of any nature (e.g., final salary payment, lump-sum leave, etc.) due the employee from the paying agency as of the date of separation to the extent necessary to liquidate the debt. Following the employee's separation, MCC may collect any later payments of any kind that are due to the former employee from the United States to the extent necessary to liquidate the debt.

§ 1306.7 Designation.

The Chief Financial Officer is delegated authority and designated to perform all the duties for which head of the agency is responsible under the foregoing statutes and joint regulations. The authority delegated hereunder may be further delegated by the Chief Financial Officer subject to applicable laws, regulations and MCC policies.

§ 1306.8 Application.

(a) MCC shall aggressively collect claims and debts in accordance with this part and applicable law.

(b) In accordance with the FCCS:

(1) MCC will transfer to the Department of the Treasury, Financial Management Service (FMS) any past due, legally enforceable non-tax debt that has been delinquent for 180 days or more so that FMS may take appropriate action to collect the debt or take other appropriate action in accordance with applicable law and regulation; and

(2) MCC may transfer any past due, legally enforceable debt that has been delinquent for fewer than 180 days to FMS for collection in accordance with applicable law and regulation. (See 31 CFR part 285).

§ 1306.9 Administrative wage garnishment.

MCC hereby adopts the administrative wage garnishment rules issued by