

§ 904.1 Prompt referral.

(a) Agencies shall promptly refer to the Department of Justice for litigation debts on which aggressive collection activity has been taken in accordance with part 901 of this chapter and that cannot be compromised, or on which collection activity cannot be suspended or terminated, in accordance with parts 902 and 903 of this chapter. Agencies may refer those debts arising out of activities of, or referred or transferred for collection services to, that agency. Debts for which the principal amount is over \$1,000,000, or such other amount as the Attorney General may direct, exclusive of interest and penalties, shall be referred to the Civil Division or other division responsible for litigating such debts at the Department of Justice, Washington, D.C. Debts for which the principal amount is \$1,000,000, or less, or such other amount as the Attorney General may direct, exclusive of interest or penalties, shall be referred to the Department of Justice's Nationwide Central Intake Facility as required by the CCLR instructions. Debts should be referred as early as possible, consistent with aggressive agency collection activity and the observance of the standards contained in parts 900-904 of this chapter, and, in any event, well within the period for initiating timely lawsuits against the debtors. Agencies shall make every effort to refer delinquent debts to the Department of Justice for litigation within one year of the date such debts last became delinquent. In the case of guaranteed or insured loans, agencies should make every effort to refer these delinquent debts to the Department of Justice for litigation within one year from the date the loan was presented to the agency for payment or re-insurance.

(b) The Department of Justice has exclusive jurisdiction over the debts referred to it pursuant to this section. The referring agency shall immediately terminate the use of any administrative collection activities to collect a debt at the time of the referral of that debt to the Department of Justice. The agency should advise the Department of Justice of the collection activities which have been utilized to date, and their result. The referring

agency shall refrain from having any contact with the debtor and shall direct all debtor inquiries concerning the debt to the Department of Justice. The referring agency shall immediately notify the Department of Justice of any payments credited by the agency to the debtor's account after referral of a debt under this section. The Department of Justice shall notify the referring agency, in a timely manner, of any payments it receives from the debtor.

§ 904.2 Claims Collection Litigation Report.

(a) Unless excepted by the Department of Justice, agencies shall complete the CCLR (see § 902.1(b) of this chapter), accompanied by a signed Certificate of Indebtedness, to refer all administratively uncollectible claims to the Department of Justice for litigation. Referring agencies shall complete all of the sections of the CCLR appropriate to each claim as required by the CCLR instructions and furnish such other information as may be required in specific cases.

(b) Agencies shall indicate clearly on the CCLR the actions they wish the Department of Justice to take with respect to the referred claim. The CCLR permits the agency to indicate specifically any of a number of litigative activities which the Department of Justice may pursue, including enforced collection, judgment lien only, renew judgment lien only, renew judgment lien and enforce collection, program enforcement, foreclosure only, and foreclosure and deficiency judgment.

(c) Agencies also shall use the CCLR to refer claims to the Department of Justice to obtain approval of any proposals to compromise the claims or to suspend or terminate agency collection activity.

§ 904.3 Preservation of evidence.

Referring agencies must take care to preserve all files and records that may be needed by the Department of Justice to prove their claims in court. Agencies ordinarily should include certified copies of the documents that form the basis for the claim in the packages referring their claims to the Department of Justice for litigation. Agencies shall provide originals of such documents