



Bureau of the
Fiscal Service

2026 Governmentwide Solutions Symposium

Cross-Servicing Program

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Cross-Servicing

The Cross-Servicing Program

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Cross-Servicing Program

The Cross-Servicing Program

Cross-Servicing Collections:

FY23: \$774M

FY24: \$990.9M

FY25: \$805.1M

Cross-Servicing is a government-wide program operated by GWS that fulfills the requirements of the Debt Collection Improvement Act of 1996 (DCIA) to collect delinquent non-tax debts on behalf of federal agencies.

An agency should refer its delinquent debts to the GWS Cross-Servicing program as early as possible in the debt collection cycle, but not later than 120 days.

The Cross-Servicing Next Generation (CSNG) is the GWS web-based Cross-Servicing system of records.

Legal Authorities

Legal Authorities

Debt Collection Improvement Act (DCIA) of 1996

- Centralizes delinquent federal, non-tax debt collection within Treasury.
- Requires agencies to refer delinquent non-tax debt to Treasury for collection and administrative offset.
- Requires agencies to report delinquent non-tax debts to credit bureaus.
- Authorizes agencies to garnish the wages of non-federal employees without a court order.
- Prohibits delinquent non-tax debtors from obtaining federal loans or loan guarantees until all other delinquent federal non-tax debt is resolved.

TFM 4-4000, *Debt Management Services* *Collection of Delinquent Non-tax Debt*

The *Treasury Financial Manual chapter 3-500* describes how GWS provides delinquent non-tax debt collection services for federal agencies (i.e., Cross-Servicing).

Among other provisions, it requires agencies to:

- Delegate full compromise authority to GWS.
- Supply documentation to support transferred debts.
- Use all appropriate collection tools available.

Referral of Delinquent Debts to Cross-Servicing

Referral to GWS

A debt is eligible for referral if it is:

- Past due
- Legally enforceable
- Owed by an individual or entity (including a state or local government) other than a federal agency
- \$25 or more (including interest, penalties and administrative costs)
- Required due process has been met (sixty day minimum)

Referral to GWS - Exceptions

A debt is not *eligible* for referral if it is:

- Owed by a debtor who has filed for bankruptcy protection or the debt has been discharged in a bankruptcy proceeding
- Owed by a federal agency
- The subject of an administrative appeal which prohibits collection
- Less than \$25 (including interest, penalties and administrative costs)

Referral to GWS - Exceptions

A debt is not *required* for referral if it is:

- In litigation
- In foreclosure
- Scheduled for sale
- At a private collection agency
- At a Treasury-designated debt collection center
- To be paid in full via internal offset within 3 years
- Exempt by the Secretary of the Treasury

Referral to GWS

Before participating in the Cross-Servicing Program, an agency must:

- Sign an Annual Debt Certification Agreement.
- Complete an Agency Profile Form(s) to establish a program(s) in the Cross-Servicing system.
- Establish Cross-Servicing users within the agency.
- Determine how it will transfer debts to GWS.

Referral to GWS

Once a debt is referred to Cross-Servicing, the agency must:

- Stop its own collection activities related to the referred debt.
- Refer any inquiries from the debtor to GWS.
- Report to GWS any payment(s) received.
- Maintain its own delinquent debt records for the debt.
- Respond timely to GWS regarding debtor disputes and requests for documents (Proof of Debt).
- Promptly conduct all required reviews or hearings.
- Inform GWS about any bankruptcy, litigation notices, or Congressional inquiries.

Referral to GWS – Annual Debt Certification Agreement

Creditor agencies are required to enter into new debt certification agreements each fiscal year. The agreement governs referrals under the Cross-Servicing program.

The certification agreement sets forth the specific facts to which the creditor agency is certifying upon referral of a debt to Cross-Servicing.

Referral to GWS – Annual Debt Certification Agreement

Failure to return a signed annual debt certification agreement

GWS will take the following actions:

- 1) Reach out to the agency's (POC).
- 2) After 30 calendar days, may contact the agency's CFO or CFO equivalent.
- 3) After 90 days (or any earlier date as GWS determines to be appropriate under the circumstances) GWS may refuse to:
 - a) collect any of the agency's outstanding debts that were previously referred to GWS,
 - b) accept new debt referrals from the agency, and/or
 - c) take other appropriate action.
- 4) If an agency refuses to sign the annual debt certification agreement and provides an acceptable reason for not signing, GWS will document this notification in the agency's profile and the system will ensure that the agency cannot refer debts to GWS.

Cross-Servicing Program Tools

Cross-Servicing Tools

Program level collection tool options:

- Agencies must authorize GWS to use all available collection tools.
- If an agency elects not to use a specific collection tool, it must identify the federal law that precludes the use of that tool. If no federal law applies, the agency must provide compelling support for why the use of a tool is inappropriate.

Cross Servicing Tools

- Demand Letter
- Phone Calls
- Administrative Wage Garnishment (AWG)
- Treasury Offset Program (TOP)
- Credit Bureau Reporting
- Private Collection Agencies (PCA)
- Department of Justice (DOJ)
- 1099C support

Cross-Servicing Tools - AWG

Administrative Wage Garnishment (AWG) allows a Federal agency to order a non-federal employer to withhold up to 15% of an employee's disposable wages to pay a nontax delinquent debt owed to the agency.

- Court order is not required.
- AWG can be used anytime during the collection process.
- All consumer debts and commercial debts with individual liability in the agency's portfolio are eligible for participation.
- Prior to participating, an agency must:
 - Publish AWG regulations.
 - Establish hearing procedures and provide hearing official contact.
 - Update the Cross-Servicing Agency Profile Form. Once the agency profile is changed, AWG is retroactive and all debts previously referred to Cross-Servicing.

Cross-Servicing Tools - TOP

The Treasury Offset Program is a centralized offset process that intercepts eligible federal and state payments of payees who owe delinquent debts to federal and state agencies that have submitted their debt information to Treasury for collection.

Agency debts referred to Cross-Servicing are referred to TOP if the debtor information includes a TIN.

Offset is withholding funds payable by a federal or state agency to an individual or entity for the purpose of satisfying a debt owed to the United States or to a state agency.

Centralized Offset is the withholding of payments disbursed by Fiscal Service and other federal and state disbursing agencies through TOP.

Cross-Servicing Tools

Credit Bureau Reporting:

Consumer Debt – 14th and 28th of each month

Cross-Servicing Tools -DOJ

Delinquent debts may be referred to DOJ for enforcement through litigation, including post-judgment enforcement.

- GWS/PCA collectors recommend litigation
- Creditor agencies request review of specific debts

Cross Servicing Tools - PCA

Current Task Orders:

- Began January 2026, expire December 2031
- 5 contractors
- GWS may service debts internally or refer to a PCA; debts may be referred to up to 4 PCAs

PCA collection actions:

- make phone calls
- set up payment agreements
- submit debtor disputes
- initiate administrative wage garnishment
- send letters
- submit proof of debt requests
- submit administrative resolutions
- recommend referral to DOJ