

FISCAL YEAR 2017
REPORT TO THE CONGRESS

*U.S. Government
Receivables and Debt Collection
Activities of Federal Agencies*

Department of the Treasury
July 2018





DEPARTMENT OF THE TREASURY
WASHINGTON, DC

OFFICE OF THE FISCAL ASSISTANT SECRETARY

A MESSAGE FROM THE FISCAL ASSISTANT SECRETARY

I am pleased to present the *Fiscal Year 2017 Report to the Congress on United States Government Receivables and Debt Collection Activities of Federal Agencies*. This annual report provides important information to the American public on the status and collection of the Federal government's non-tax receivables (current and delinquent).

At the end of Fiscal Year (FY) 2017, the outstanding amount of non-tax receivables owed to the United States was \$1.5 trillion, an increase of \$107.4 billion (8 percent) from FY 2016.¹ These receivables included loans to students, small business owners, homeowners, farmers, and veterans. They also included administrative non-tax receivables, including fines and penalties, overpayments, and fees.

Most citizens pay their debts on time. However, at the end of FY 2017, delinquent non-tax debt owed to the Federal government totaled \$185.0 billion, an increase of \$4.3 billion (2 percent) from FY 2016. The collection of delinquent debts helps fund government operations, maintain key programs, and reduce the Federal deficit. Thus, it is very important to continue to find ways to cost-effectively collect the delinquent debt owed to the government while, at the same time, providing debtors with due process and the opportunity to repay debt in accordance with their financial ability to pay.

Federal agencies face many challenges collecting and resolving delinquent debts. Despite these challenges, in FY 2017, Federal creditor agencies collected \$30.7 billion of delinquent non-tax debt. While the Department of the Treasury, Bureau of the Fiscal Service (Fiscal Service), collected \$7.6 billion in delinquent tax and non-tax debt on behalf of Federal and State agencies. Fiscal Service continues to collaborate with Federal and State agencies to maximize collections and resolve those debts for which collection is not possible because of a debtor's circumstances.

Information about the Federal government's management of receivables is available at www.Transparency.Treasury.gov. This website provides the public with easy-to-understand data about the Federal government's finances.

David A. Lebryk

FISCAL YEAR 2017 REPORT TO THE CONGRESS:
U.S. GOVERNMENT RECEIVABLES AND
DEBT COLLECTION ACTIVITIES OF FEDERAL AGENCIES

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I. Introduction

The Secretary of the Treasury (Secretary) reports to Congress annually on the Federal government's non-tax receivables and debt collection activities. As required by Federal law, this report includes information that Federal creditor agencies provide to the Secretary on the status of their accounts receivable, as reported in the [*Treasury Report on Receivables and Debt Collection Activities \(TROR\)*](#).²

Based on policies from Congress and the President, Federal creditor agencies make loans to borrowers, guarantee loans made by private lending institutions, and impose fines and penalties. These activities result in the creation of accounts receivable as assets of the government. In addition, Federal creditor agencies award grants, make payments, and provide other services, which, in certain circumstances, can also result in the creation of accounts receivable.

At the end of FY 2017, the government's outstanding non-tax receivables totaled \$1.5 trillion, an increase of \$107.4 billion (8 percent) from FY 2016. A receivable is current when it is not yet due or is being repaid as agreed. When the government's receivables are not paid by the due date they generally become delinquent debt. At the end of FY 2017, delinquent non-tax debt owed to the United States totaled \$185.0 billion, an increase of \$4.3 billion (2 percent) from FY 2016.

Each Federal creditor agency is required to make every reasonable effort to collect its receivables. At the end of FY 2017, collections on Federal non-tax receivables totaled \$337.4 billion, an increase of \$27.0 billion (9 percent).³ The Fiscal Service and the Department of Justice (DOJ) share the responsibility for setting government-wide policy on delinquent non-tax debt collection, and each plays a major role in the centralized collection of delinquent non-tax debt. In FY 2017, Federal creditor agencies collected \$30.7 billion of delinquent non-tax debt, a decrease of \$2.1 billion (6 percent) from FY 2016.

This report provides summary data on the value of receivables owed to the Federal government, the portion of those receivables that are delinquent, and efforts to collect or write-off delinquent debt. The report provides comparative information from previous fiscal years to FY 2017, and information on specific aspects of government-wide non-tax receivables and debt collection activities.

Note: Delinquencies and collections result from various events and conditions that can occur over multiple reporting periods. Depending on the structure of repayment terms, for example, the date that a receivable is due may be in the same fiscal year that it is recorded or it may be in a future fiscal year. Similarly, collections during FY 2017 may be associated with non-tax debt that became delinquent either in FY 2017 or in a prior year, and are most often associated with receivables that were recorded in a prior fiscal year. Therefore, use caution when comparing annual totals and year-over-year changes of receivables, delinquencies, and collections.

II. Federal Non-Tax Receivables Owed to the United States

A. Total Federal Non-Tax Receivables

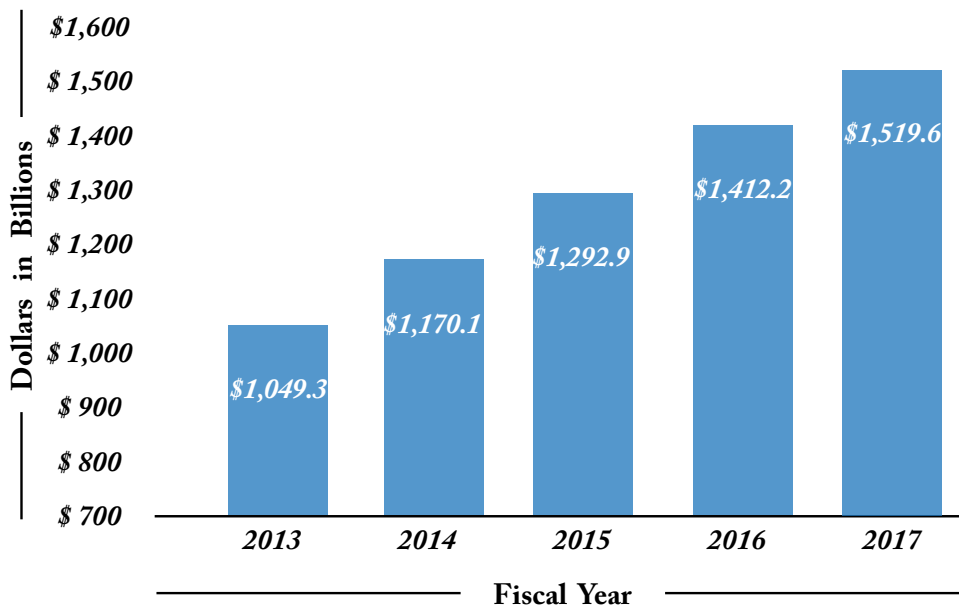
Federal non-tax receivables are amounts owed to the Federal government by a person (including individuals, organizations, and other entities). Receivables are categorized as being either current or delinquent. Delinquent receivables are also referred to as delinquent debt.

At the end of FY 2017, total Federal non-tax receivables owed to the United States totaled \$1.5 trillion, an increase of \$107.4 billion (8 percent) from FY 2016. The total outstanding receivable balance at the end of a fiscal year is the net of receivables that remained unpaid from prior fiscal years and new receivables recorded during that fiscal year, less collections, adjustments, and amounts written off.

New Federal non-tax receivables recorded as of the end of FY 2017 totaled \$421.1 billion, a decrease of \$110.8 billion (21 percent) from FY 2016. Collection of Federal non-tax receivables in FY 2017 was \$337.4 billion, an increase of \$27.0 billion (9 percent) from FY 2016.³

FIGURE 1

Outstanding Federal Non-Tax Receivables: FY 2013-2017
(Dollars in Billions)



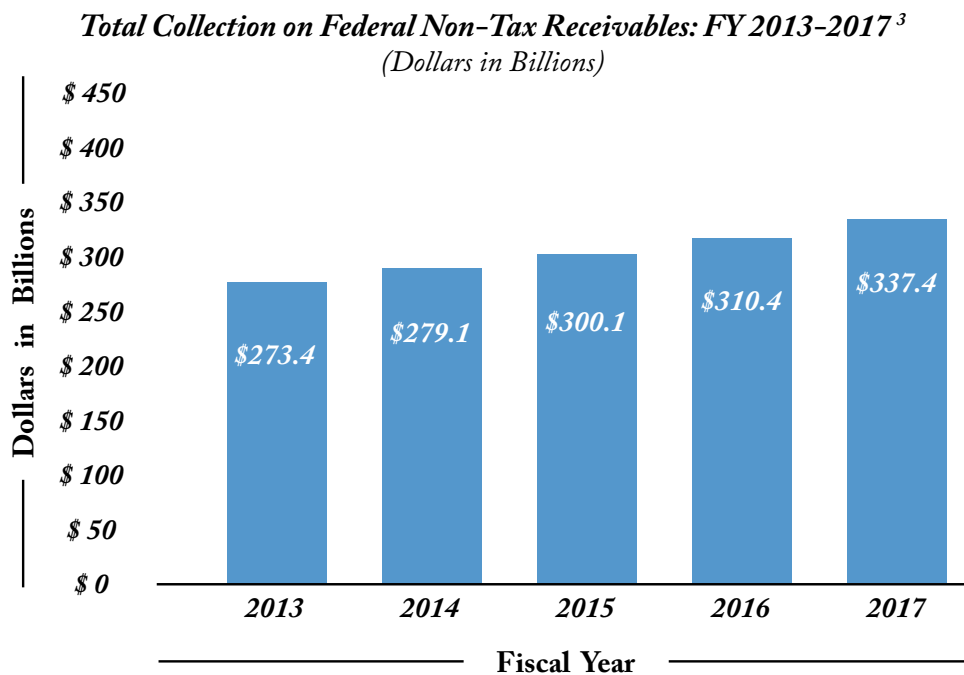
SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2013 - 2017

FIGURE 2



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2013 - 2017

FIGURE 3



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2013 - 2017

B. By Creditor Agency

Receivables owed to the Department of Education (Education)⁴ and the Department of Agriculture (USDA) at the end of FY 2017 accounted for \$1.3 trillion (85 percent) of the government's total outstanding Federal non-tax receivables.

FIGURE 4

***FY 2016 to FY 2017 Percentage Change in Outstanding Federal
Non-Tax Receivables:⁵ FY 2017 Top Five Federal Creditor Agencies***
(Dollars in Billions)

<i>Agency</i>	<i>FY 2016</i>	<i>FY 2017</i>	<i>% Change from FY 2016 to FY 2017</i>
<i>Department of Education</i>	<i>\$1,085.4</i>	<i>\$1,183.3</i>	<i>9.0%</i>
<i>Department of Agriculture</i>	<i>\$108.7</i>	<i>\$108.2</i>	<i>-0.5%</i>
<i>Department of Health and Human Services</i>	<i>\$31.0</i>	<i>\$39.8</i>	<i>28.4%⁶</i>
<i>Department of Housing and Urban Development</i>	<i>\$32.9</i>	<i>\$38.2</i>	<i>16.1%</i>
<i>Social Security Administration</i>	<i>\$21.0</i>	<i>\$22.6</i>	<i>7.6%</i>
<i>All Others</i>	<i>\$133.2</i>	<i>\$127.5</i>	<i>-4.3%</i>
<i>Total Government</i>	<i>\$1,412.2</i>	<i>\$1,519.6</i>	<i>7.6%</i>

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2016 - 2017

In FY 2017, Education, the Department of Health and Human Services (HHS), USDA, the Department of Housing and Urban Development (HUD), and the Department of Defense (DoD), collected a combined \$227.8 billion (68 percent) in Federal non-tax receivables.

FIGURE 5

***FY 2016 to FY 2017 Percentage Change in Collection of Federal Non-Tax
Receivables: FY 2017 Top Five Federal Creditor Agencies³***
(Dollars in Billions)

<i>Agency</i>	<i>FY 2016</i>	<i>FY 2017</i>	<i>% Change from FY 2016 to FY 2017</i>
<i>Department of Education</i>	<i>\$95.0</i>	<i>\$102.3</i>	<i>7.7%</i>
<i>Department of Health and Human Services</i>	<i>\$61.6</i>	<i>\$69.8</i>	<i>13.3%</i>
<i>Department of Agriculture</i>	<i>\$25.3</i>	<i>\$24.6</i>	<i>- 2.8%</i>
<i>Department of Housing and Urban Development</i>	<i>\$16.3</i>	<i>\$15.6</i>	<i>- 4.3%</i>
<i>Department of Defense</i>	<i>\$19.7</i>	<i>\$15.5</i>	<i>- 21.3%</i>
<i>All Others</i>	<i>\$92.5</i>	<i>\$109.6</i>	<i>18.5%</i>
<i>Total Government</i>	<i>\$310.4</i>	<i>\$337.4</i>	<i>8.7%</i>

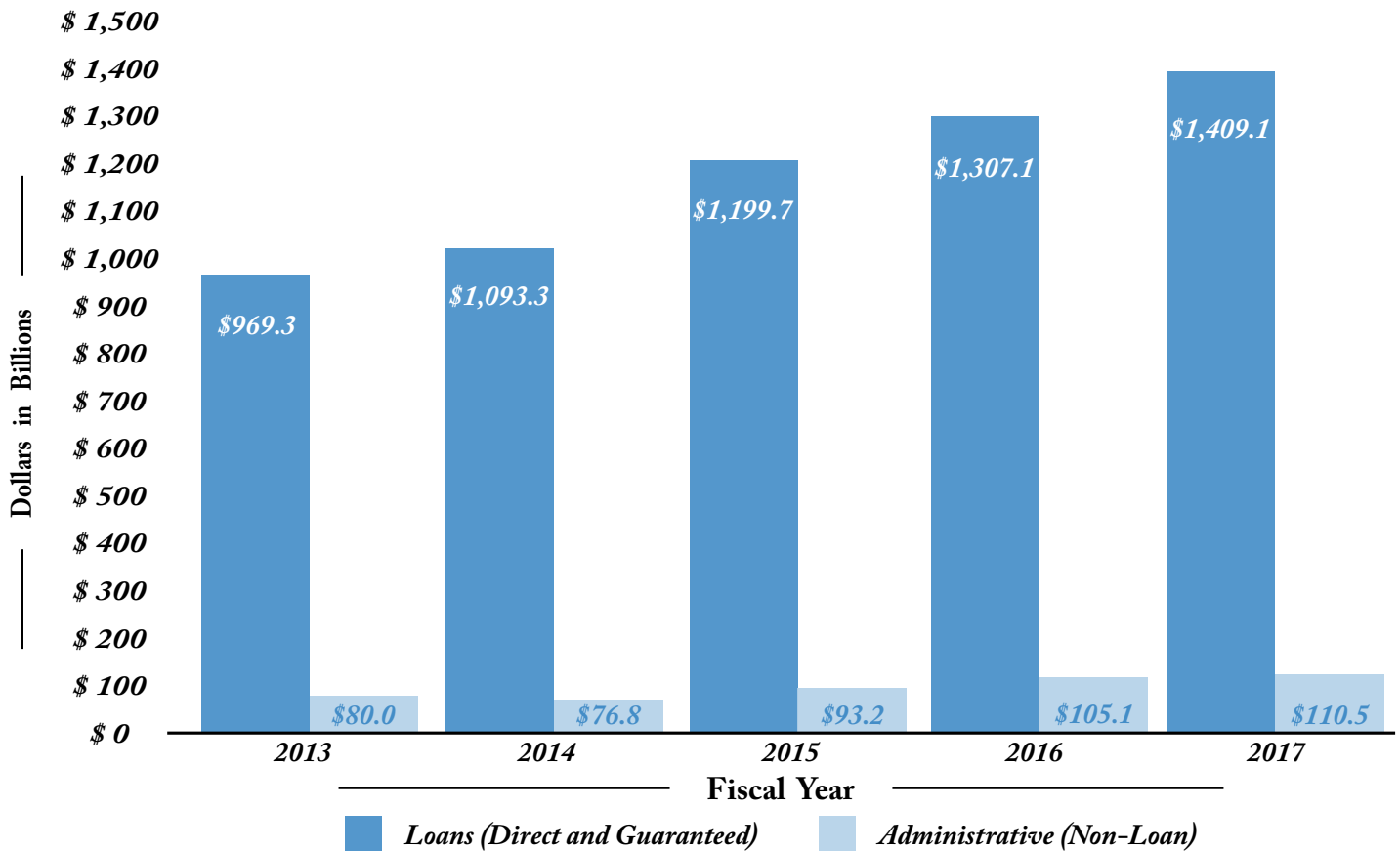
SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2016 - 2017

C. By Receivable Type

Of the \$1.5 trillion in Federal non-tax receivables outstanding (both current and delinquent) in FY 2017, Federal loan receivables (direct loans and defaulted guaranteed loans) represented \$1.4 trillion (93 percent) of total outstanding receivables. Receivables attributable to direct loans and defaulted guaranteed loans increased by \$102.0 billion (8 percent) from FY 2016 to FY 2017. Administrative receivables (all non-loan receivables)⁷ represented \$110.5 billion of the total outstanding receivables at the end of FY 2017, an increase of \$5.4 billion (5 percent) from FY 2016.

FIGURE 6

Outstanding Federal Non-Tax Receivables, By Type: FY 2013 - 2017 (Dollars in Billions)



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2013-2017

D. Interest, Penalties, and Administrative Costs

Generally, Federal creditor agencies assess interest on outstanding loan receivables. Federal creditor agencies are also generally required to assess interest, penalties, and administrative costs when receivables become delinquent. The rate of interest is generally governed by 31 U.S.C. § 3717 and published by the [Department of the Treasury](#). Of the \$1.5 trillion in outstanding current and delinquent receivables at the end of FY 2017, \$90.1 billion (6 percent) represented unpaid interest, penalties, and administrative costs.

III. Delinquent Federal Non-Tax Debt Owed to the United States

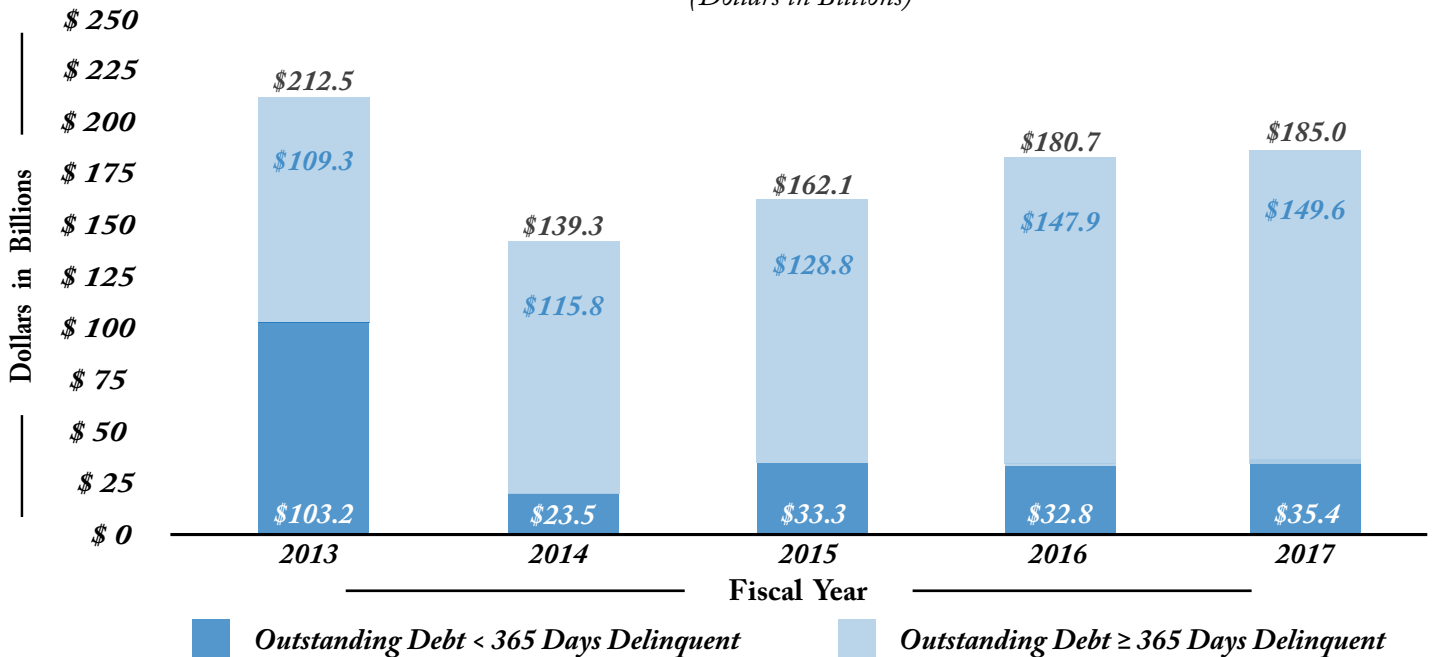
A. Total Delinquent Federal Non-Tax Debt

A non-tax debt is considered delinquent if it has not been paid by the date specified in an agency’s initial written demand for payment or applicable agreement. A non-tax debt may become delinquent during the same fiscal year that it was recorded as a receivable or during a subsequent fiscal year.

At the end of FY 2017, outstanding delinquent non-tax debt owed to the United States totaled \$185.0 billion, an increase of \$4.3 billion (2 percent) from FY 2016. The total outstanding delinquent debt balance at the end of a fiscal year is the net of debt that remained delinquent from previous fiscal years and debt that became delinquent during that fiscal year, less collections, adjustments, and amounts written off.

FIGURE 7

Delinquent Federal Non-Tax Debt:⁸ FY 2013–2017
(Dollars in Billions)



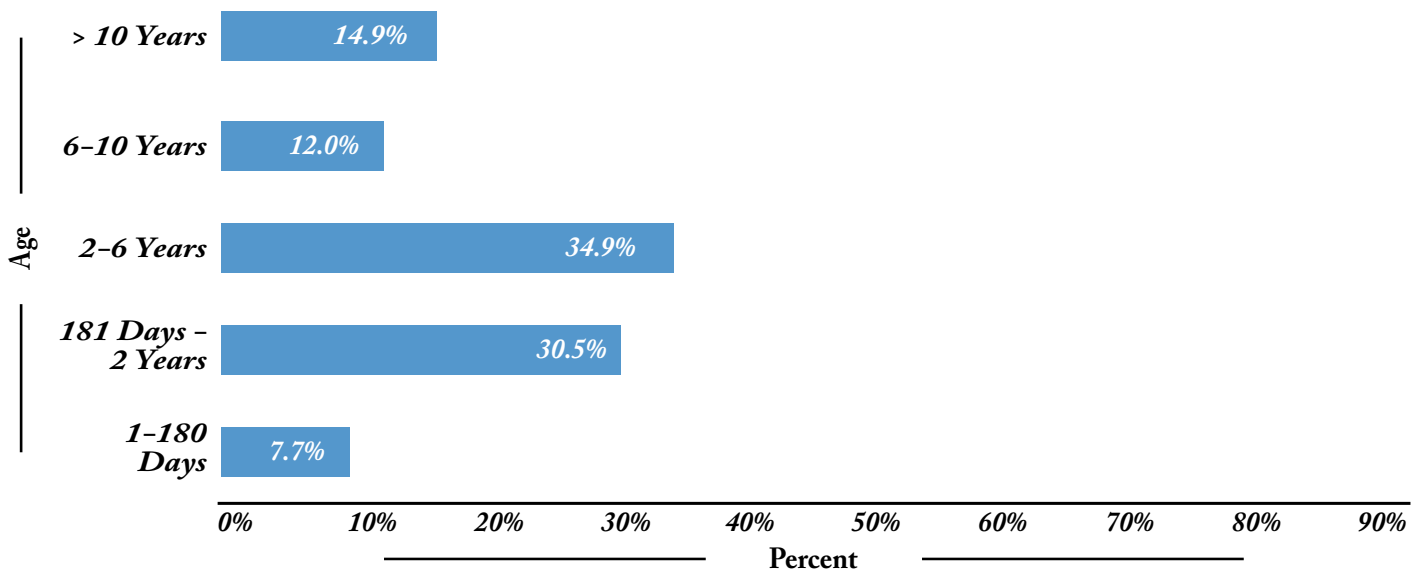
SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2013–2017

B. By Age

Of the total \$185.0 billion of outstanding delinquent debt at the end of FY 2017, \$114.3 billion (62 percent) of outstanding delinquent Federal non-tax debt was more than two years delinquent and \$70.7 billion was less than two years delinquent.

FIGURE 8

Percentages of Federal Non-Tax Delinquencies, By Age: FY 2017
(Percentage of Total Delinquent Debt)



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2017

FIGURE 9

Total Federal Non-Tax Delinquencies, By Age: FY 2013 - FY 2017
(Dollars in Billions)

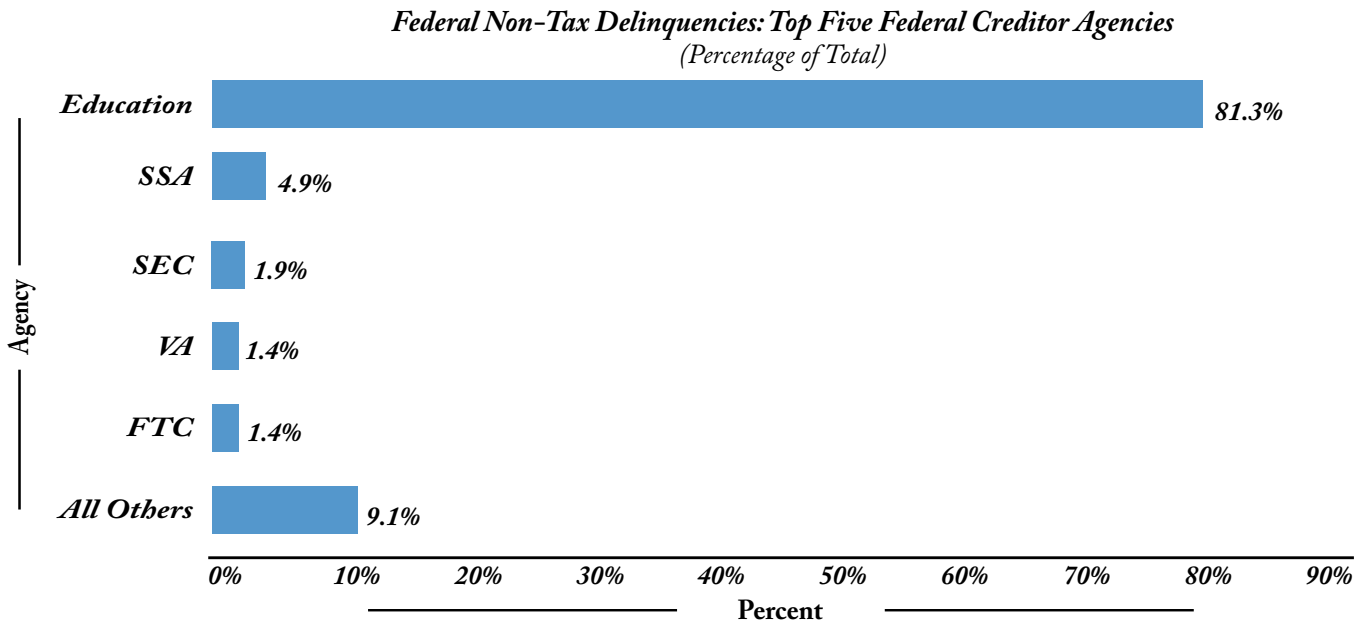
Delinquency Age	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
1-180 Days	\$81.1	\$15.4	\$16.2	\$15.2	\$14.3
181 Days - 2 Years	\$54.9	\$47.6	\$51.3	\$55.7	\$56.4
2-6 Years	\$51.0	\$51.3	\$52.5	\$61.4	\$64.5
6-10 Years	\$11.3	\$12.6	\$17.4	\$21.0	\$22.2
> 10 Years	\$14.2	\$12.4	\$24.7	\$27.4	\$27.6
Total	\$212.5	\$139.3	\$162.1	\$180.7	\$185.0

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2013 - 2017

C. By Creditor Agency

At the end of FY 2017, more than \$168.1 billion (91 percent) in delinquent debt was owed to five Federal creditor agencies: Education, Social Security Administration (SSA), Securities and Exchange Commission (SEC), Department of Veterans Affairs (VA), and Federal Trade Commission (FTC).

FIGURE 10



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2017

FIGURE 11

**FY 2016 to FY 2017 Percentage Change in Federal
Non-Tax Delinquencies: FY 2017 Top Five Federal Creditor Agencies**
(Dollars in Billions)

Agency	FY 2016	FY 2017	% Change from FY 2016 to FY 2017
Department of Education	\$144.7	\$150.4	3.9%
Social Security Administration	\$8.0	\$9.0	12.5%
Securities and Exchange Commission	\$3.6	\$3.5	- 2.8%
Department of Veterans Affairs	\$1.8	\$2.7	50.0% ⁹
Federal Trade Commission	\$2.6	\$2.6	0.0%
All Others	\$20.0	\$16.8	- 16.0%
Total Government	\$180.7	\$185.0	2.4%

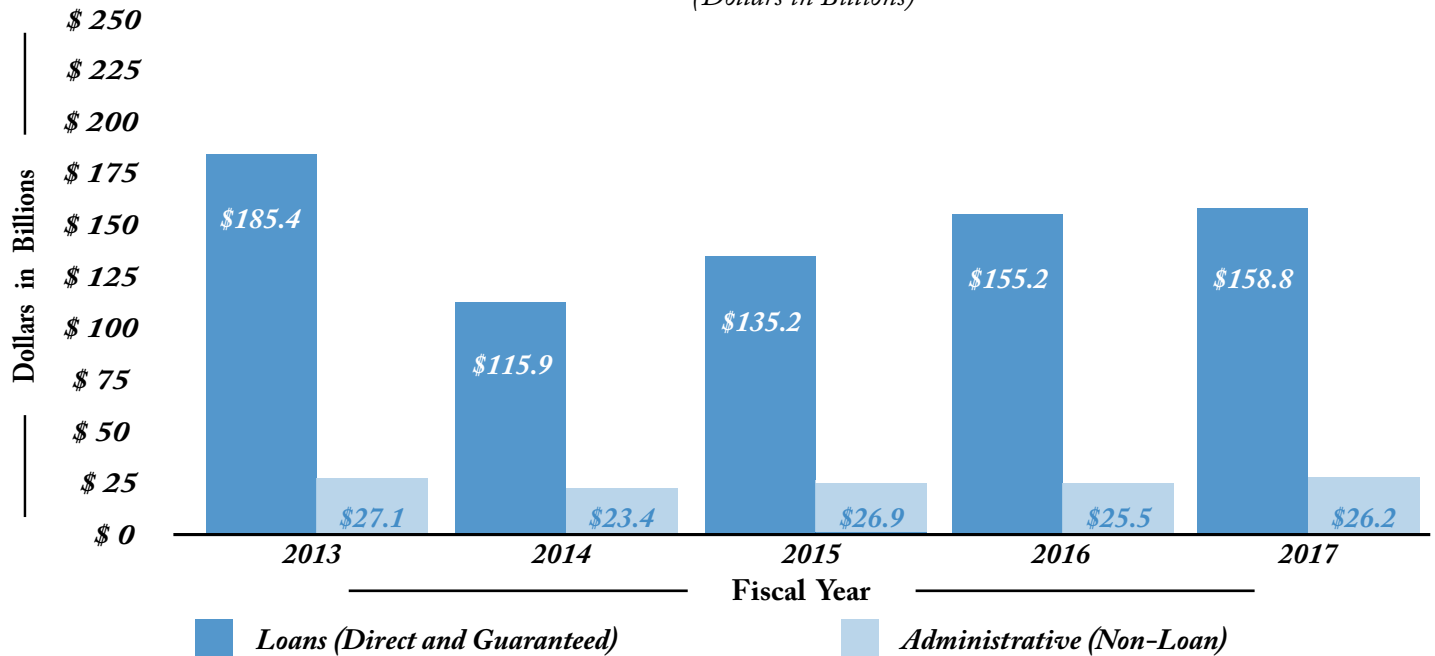
SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2016 - 2017

D. By Debt Type

Federal loan program delinquencies (direct and guaranteed) totaled \$158.8 billion (86 percent) of total delinquencies at the end of FY 2017, an increase of \$3.6 billion (2 percent) from FY 2016. Administrative delinquencies totaled \$26.2 billion at the end of FY 2017, an increase of \$0.7 billion (3 percent) from FY 2016.

FIGURE 12

Delinquent Federal Non-Tax Debt, By Type: FY 2013 - 2017
(Dollars in Billions)

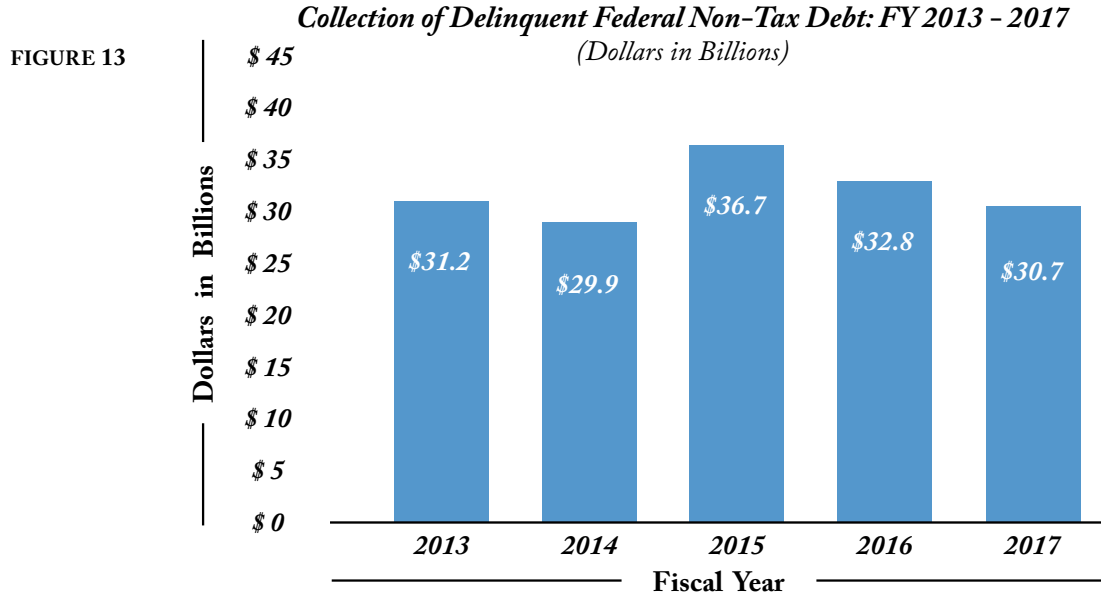


SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2013-2017

IV. Delinquent Federal Non-Tax Debt Collection Activities

A. Total Delinquent Federal Non-Tax Debt Collection

In FY 2017, Federal creditor agencies collected \$30.7 billion in delinquent non-tax debt, a decrease of \$2.1 billion (6 percent) from FY 2016.



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2013-2017

B. By Creditor Agency

More than \$24.0 billion of the delinquent non-tax debt collected in FY 2017 was owed to five Federal creditor agencies: Education (46 percent), HUD (12 percent), SEC (9 percent), Environmental Protection Agency (6 percent), and USDA (4 percent).

FIGURE 14

**FY 2016 to FY 2017 Percentage Change in Collection of Federal
Non-Tax Delinquencies: FY 2017 Top Five Federal Creditor Agencies**
(Dollars in Billions)

Agency	FY 2016	FY 2017	% Change from FY 2016 to FY 2017
Department of Education	\$15.4	\$14.2	- 7.8%
Department of Housing and Urban Development	\$4.4	\$3.8	- 13.6%
Securities and Exchange Commission	\$3.2	\$2.9	- 9.4%
Environmental Protection Agency	\$0.3	\$1.9	533.3% ¹⁰
Department of Agriculture	\$1.2	\$1.3	8.3%
All Others	\$8.3	\$6.6	- 20.5%
Total Government	\$32.8	\$30.7	- 6.4%

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2016-2017

Federal creditor agencies utilize a combination of debt collection tools. Among these collection tools are administrative wage garnishment (AWG), use of private collection agencies (PCAs), offset of Federal and State¹¹ payments through the Treasury Offset Program (TOP), use of Fiscal Service's Cross-Servicing Program, and litigation. Before using most collection tools, Federal creditor agencies must first provide debtors with due process. This includes providing notice and an opportunity to enter into a repayment agreement based on the debtor's financial circumstances, dispute the debt, or object to the intended collection action.

1. Administrative Wage Garnishment

Federal law authorizes Federal creditor agencies to garnish a delinquent debtor's wages without obtaining a court order by ordering a non-Federal employer to withhold up to 15 percent of an employee's disposable income to collect a delinquent Federal non-tax debt owed to the agency. AWG serves as an effective tool in collecting delinquent non-tax debt from those debtors who are able but unwilling to voluntarily pay their obligations. In FY 2017, Federal creditor agencies collected \$1.1 billion through the use of AWG, a decrease of \$12.9 million (1 percent) from FY 2016.¹²

FIGURE 15

AWG Collections: FY 2013–2017
(Dollars in Millions)

	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>
<i>AWG</i>	\$254.1	\$472.0	\$685.3	\$1,149.9 ¹³	\$1,137.0

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2013–2017

2. Private Collection Agencies

PCAs assist Federal creditor agencies in many ways, including locating debtors, establishing repayment agreements, and resolving debt administratively when a debtor is deceased, unable to pay, bankrupt, or out of business. In FY 2017, PCAs assisted Federal creditor agencies by collecting \$214.6 million, a decrease of approximately \$1.3 billion (86 percent) from FY 2016.¹⁴

FIGURE 16

PCA Collections: FY 2013–2017
(Dollars in Millions)

	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>
<i>PCAs</i>	\$387.5	\$157.6	\$465.2	\$1,508.2 ¹³	\$214.6 ¹⁵

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2013–2017

C. Centralized Government-Wide Debt Collection Programs

Generally, Federal creditor agencies are required to refer delinquent Federal non-tax debt to Fiscal Service for collection through its delinquent debt collection programs, known as the Cross-Servicing Program and TOP. Federal creditor agencies generally are required to refer debts at no later than 120 days delinquent to the Cross-Servicing Program and TOP. Before referring a debt to Fiscal Service for collection, Federal creditor agencies must provide debtors with notice and an opportunity to enter into a repayment agreement based on the debtor's financial circumstances, dispute the debt, or object to the intended collection action. While Federal creditor agencies are responsible for providing this required due process, Fiscal Service also provides debtors with additional opportunities to resolve their debts prior to the initiation of adverse collection action. For example, prior to initiating a collection action, the Cross-Servicing Program sends a demand letter to each debtor, and TOP sends a warning letter to payees before offsetting recurring payments.

1. Treasury's Cross-Servicing Program Collections

In FY 2017, Fiscal Service collected \$509.3 million of delinquent Federal non-tax debt through its Cross-Servicing Program, which includes debt collected through TOP, an increase of \$97.8 million (24 percent) from FY 2016. For non-tax debt submitted to the Cross-Servicing Program, Fiscal Service services the delinquent non-tax debts on behalf of Federal creditor agencies by contacting debtors through demand letters and telephone calls, negotiating payment agreements, submitting delinquent debt to TOP, referring delinquent debt to PCAs, referring delinquent debt to DOJ for litigation, reporting debt to credit bureaus, and initiating AWG.

2. Treasury Offset Program Collections

For non-tax debt submitted to TOP, Fiscal Service intercepts eligible Federal and State payments and applies them to a payee's delinquent non-tax debt. Eligible payments include Federal tax refunds; Federal non-tax payments (e.g., Social Security benefits, civil service and military retirement, salary, vendor); State tax refunds; and other payments made by the States participating in TOP's State Reciprocal Program.¹⁶ For more information about collections through TOP, see Appendix IV. For more information about the types of payments for which exemptions from centralized administrative offset have been approved, see Appendix VI.

In FY 2017, Fiscal Service collected \$7.2 billion through TOP for Federal and State agencies. Of the \$7.2 billion collected, \$3.7 billion was from debtors who owed delinquent Federal non-tax debt, \$682.6 million was from debtors who owed delinquent Federal tax debt, and \$2.8 billion was from debtors who owed State debts, including delinquent child support obligations. Figure 17 shows a breakdown of TOP offsets by payment type for the collection of Federal non-tax debt.

FIGURE 17

TOP Collection of Federal Non-Tax Debt by Payment Type:¹⁷ FY 2013–2017
(Dollars in Millions)

<i>Payment Type</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>
<i>Federal Tax Refund Payments</i>	\$2,702.9	\$2,670.0	\$2,708.6	\$2,994.1	\$3,213.2
<i>Federal Non-Tax Payments</i>	\$596.5	\$508.4	\$508.0	\$483.8	\$457.9
<i>State Payments</i>	\$30.8	\$36.6	\$35.3	\$46.8	\$53.2
Total	\$3,330.2	\$3,215.0	\$3,251.9	\$3,524.7	\$3,724.3

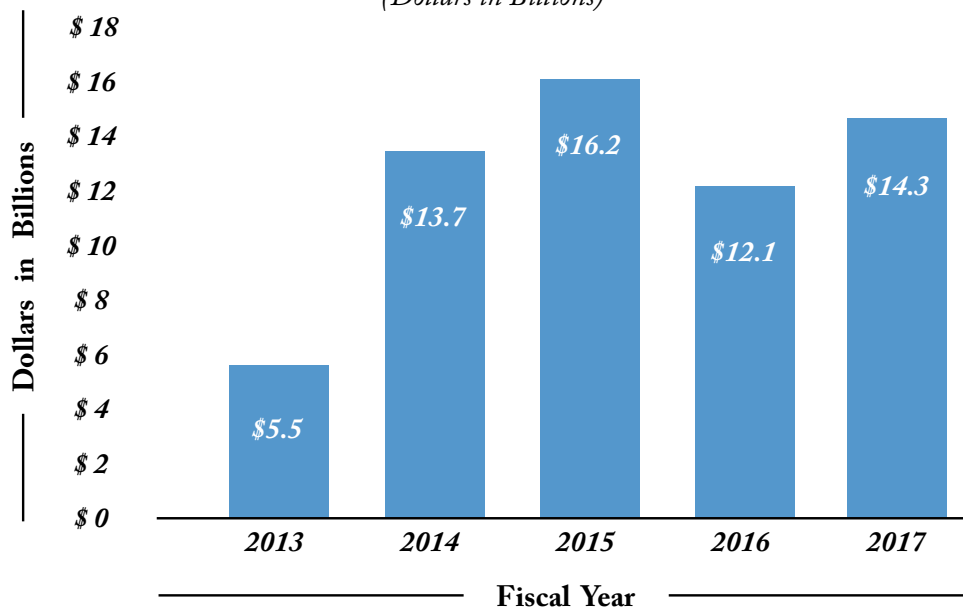
SOURCE: DEPARTMENT OF THE TREASURY, BUREAU OF THE FISCAL SERVICE

3. Enforced Collection by the Department of Justice

In FY 2017, DOJ collected a total of \$14.3 billion on behalf of Federal creditor agencies, an increase of \$2.2 billion (18 percent) from FY 2016. When a Federal creditor agency cannot collect a non-tax debt administratively, or believes that enforced collection action is otherwise more appropriate, the agency may refer the debt to DOJ to pursue enforced collection¹⁸ through the judicial process.

FIGURE 18

Civil Litigation Cash Collection: FY 2013–2017
(Dollars in Billions)



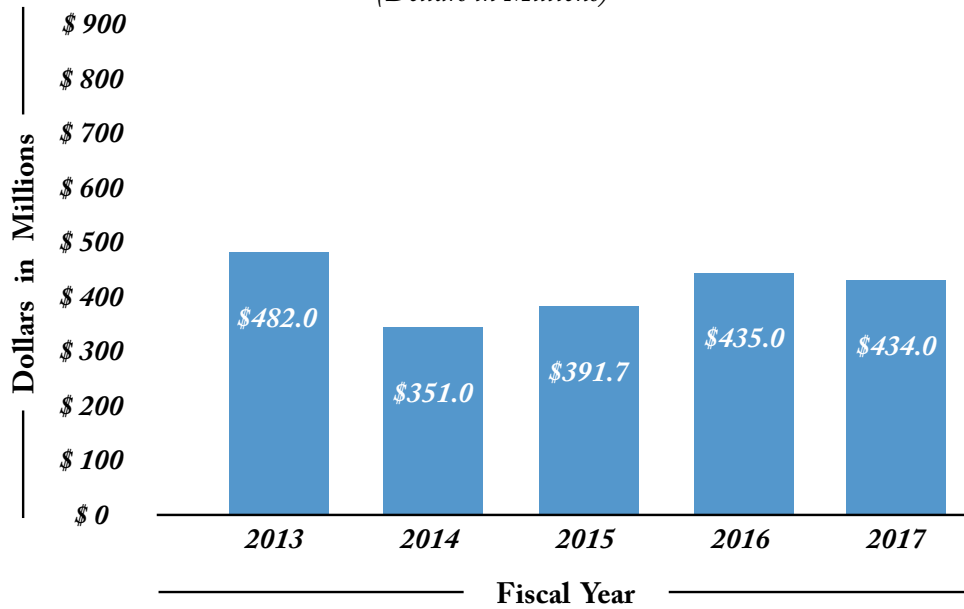
SOURCE: DEPARTMENT OF JUSTICE, OFFICE OF DEBT COLLECTION MANAGEMENT

4. Department of Health and Human Services' Program Support Center

HHS's Program Support Center (PSC) is a Treasury-designated debt collection center that collects non-tax debt for Federal creditor bureaus within HHS and several Federal creditor agencies outside of HHS. In addition, the PSC serves as the HHS conduit for referrals to Fiscal Service for both TOP and the Cross-Servicing Program. In FY 2017, the PSC collected \$434.0 million, a decrease of \$1.0 million (0.2 percent) from FY 2016.

FIGURE 19

PSC Collection: FY 2013-2017
(Dollars in Millions)



SOURCE: DEPARTMENT OF HEALTH AND HUMAN SERVICES, PROGRAM SUPPORT CENTER

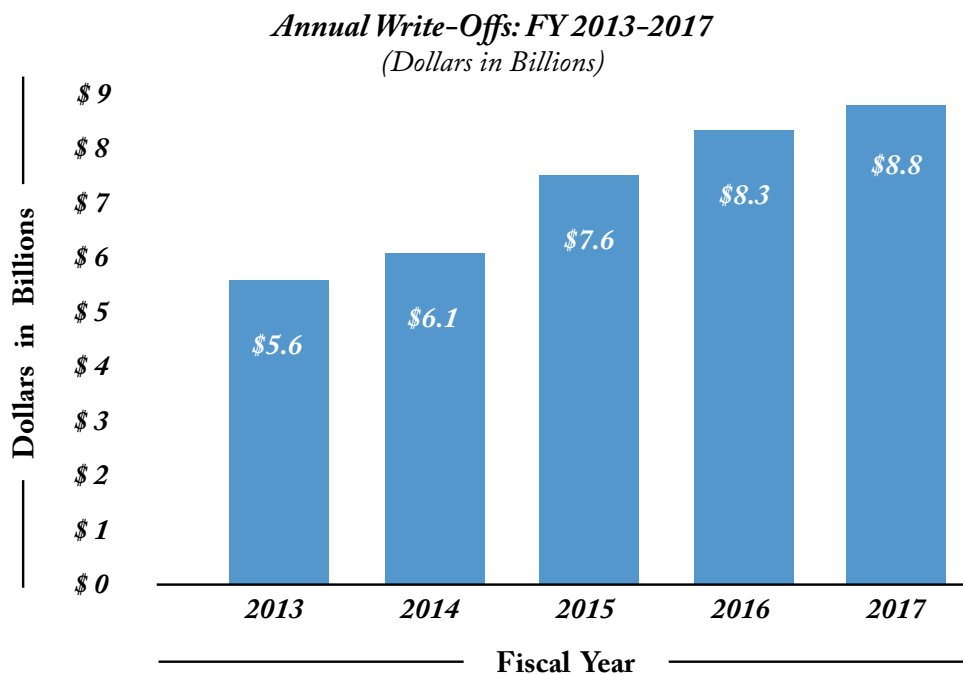
V. Write-Offs of Delinquent Federal Non-Tax Debt

Federal creditor agencies are generally required to write off non-tax debt that is two years delinquent (see [Office of Management and Budget Circular A-129](#)).¹⁹ By writing off delinquent Federal non-tax debt as uncollectible, Federal creditor agencies more accurately reflect the value of their receivables on the books of the United States. Certain write-offs are categorized as “currently not collectible” (CNC), which means that collection efforts continue until the agency determines it should terminate those efforts.

Other write-offs are categorized as “closed out,” which means that a Federal creditor agency has terminated all debt collection action. Consequently, a Federal creditor agency may be required to report such write-offs to the Internal Revenue Service (IRS) as potential income to the debtor.

In FY 2017, Federal non-tax debt that was written off and categorized as “closed out” totaled \$8.8 billion, an increase of \$0.5 billion (6 percent) from FY 2016. The Federal creditor agencies with the largest write-off amounts in FY 2017 include Education (\$6.6 billion), USDA (\$472.2 million), and SSA (\$339.2 million).

FIGURE 20



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2013-2017

Appendices

Appendix I: Total Federal Non-Tax Receivables by Creditor Agency

At the end of FY 2017, 96 percent of Federal receivables were from programs administered by the ten Federal creditor agencies listed below.

FIGURE 21

*Total Federal Non-Tax Receivables and Delinquent
Federal Non-Tax Debt: Top Ten Creditor Agencies*

(Dollars in Millions)

<i>Agency</i>	<i>Receivables Balance (FY 2017)</i>	<i>Delinquent Debt Balance (FY 2017)</i>
<i>Department of Education</i>	<i>\$1,183,310.3</i>	<i>\$150,388.3</i>
<i>Department of Agriculture</i>	<i>\$108,159.2</i>	<i>\$2,359.1</i>
<i>Department of Health and Human Services</i>	<i>\$39,811.4</i>	<i>\$2,061.0</i>
<i>Department of Housing and Urban Development</i>	<i>\$38,217.4</i>	<i>\$921.0</i>
<i>Social Security Administration</i>	<i>\$22,644.1</i>	<i>\$9,015.9</i>
<i>Export-Import Bank</i>	<i>\$21,860.5</i>	<i>\$974.8</i>
<i>Department of Energy</i>	<i>\$17,960.6</i>	<i>\$57.5</i>
<i>Department of Transportation</i>	<i>\$14,938.5</i>	<i>\$79.0</i>
<i>Small Business Administration</i>	<i>\$10,218.0</i>	<i>\$2,398.4</i>
<i>Department of the Treasury</i>	<i>\$9,130.3</i>	<i>\$64.6</i>
<i>Top 10 Total</i>	<i>\$1,466,250.3</i>	<i>\$168,319.6</i>
<i>All Others</i>	<i>\$53,388.4</i>	<i>\$16,697.5</i>
<i>Government Total</i>	<i>\$1,519,638.7</i>	<i>\$185,017.1</i>

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2017

Appendix II: Total FY 2017 Collection of Delinquent Federal Non-Tax Debt by Creditor Agency

In FY 2017, 92 percent of collection of delinquent Federal non-tax debt was associated with debt administered by the ten Federal creditor agencies listed below.

FIGURE 22

Total Collection of Delinquent Federal Non-Tax Debt: Top Ten Creditor Agencies (Dollars in Millions)

<i>Agency</i>	<i>FY 2017 Collections</i>
<i>Department of Education</i>	<i>\$14,156.0</i>
<i>Department of Housing and Urban Development</i>	<i>\$3,771.7</i>
<i>Securities and Exchange Commission</i>	<i>\$2,869.8</i>
<i>Environmental Protection Agency</i>	<i>\$1,909.5</i>
<i>Department of Agriculture</i>	<i>\$1,346.4</i>
<i>General Services Administration</i>	<i>\$1,120.5</i>
<i>Department of Veterans Affairs</i>	<i>\$1,077.4</i>
<i>Department of Health and Human Services</i>	<i>\$938.6</i>
<i>Department of Homeland Security</i>	<i>\$728.5</i>
<i>Small Business Administration</i>	<i>\$398.7</i>
<i>Top 10 Total</i>	<i>\$28,317.1</i>
<i>All Other</i>	<i>\$2,346.1</i>
<i>Government Total</i>	<i>\$30,663.2</i>

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2017

Appendix III: Total FY 2017 Write-Offs by Creditor Agency

In FY 2017, 98 percent of Federal debt write-offs that were “closed out” arose from programs administered by the ten Federal creditor agencies listed below.

FIGURE 23

*Total Federal Write-Offs: Top Ten Creditor Agencies
(Dollars in Millions)*

<i>Agency</i>	<i>FY 2017 Write-Offs</i>
<i>Department of Education</i>	<i>\$6,553.3</i>
<i>Department of Agriculture</i>	<i>\$472.2</i>
<i>Social Security Administration</i>	<i>\$339.2</i>
<i>Department of Transportation</i>	<i>\$284.0</i>
<i>Department of Veterans Affairs</i>	<i>\$269.3</i>
<i>Department of Housing and Urban Development</i>	<i>\$241.4</i>
<i>Export-Import Bank</i>	<i>\$201.7</i>
<i>Environmental Protection Agency</i>	<i>\$109.9</i>
<i>Commodity Futures Trading Commission</i>	<i>\$98.7</i>
<i>Securities and Exchange Commission</i>	<i>\$63.2</i>
<i>Top 10 Total</i>	<i>\$8,632.9</i>
<i>All Other</i>	<i>\$197.6</i>
<i>Government Total</i>	<i>\$8,830.5</i>

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2017

Appendix IV: TOP Collections Including Debts Owed to the Internal Revenue Service and State Agencies

TOP is the centralized process through which Federal and State disbursing agencies intercept, or “offset,” eligible Federal and State payments to satisfy delinquent debts owed to Federal and State agencies. Delinquent debts owed to Federal agencies include loans, overpayments, fines, penalties, and more. In addition, the Federal Payment Levy Program, processed through TOP, allows the IRS to continuously levy Federal payments due to delinquent Federal taxpayers.²⁰ Delinquent debts owed to State agencies include child support and unemployment insurance obligations.

In FY 2017, Fiscal Service collected \$7.2 billion through TOP for Federal and State²¹ agencies, of which \$4.4 billion was for debts owed to Federal agencies and \$2.8 billion for debts owed to State agencies. Highlights include:

- \$1.8 billion was collected for delinquent child support obligations submitted to TOP by HHS’s Office of Child Support Enforcement on behalf of States.
- \$644.7 million was collected for the 42 States (including the District of Columbia) that participated in TOP’s State Income Tax Program, whereby Federal tax refunds are offset to collect delinquent State income tax obligations.
- \$85.4 million was collected for the 12 States (including the District of Columbia) that participated in TOP’s State Reciprocal Program, whereby eligible Federal payments are offset to collect debt owed to States, and States offset State payments to collect delinquent Federal non-tax debt. \$53.2 million was collected for Federal creditor agencies through the offset of State payments.
- \$353.8 million in Federal tax refunds were offset to collect unemployment compensation debt owed to 47 States (including the District of Columbia).
- TOP collected \$682.6 million of delinquent Federal taxes through the Federal Payment Levy Program.

FIGURE 24

TOP Collection - Federal Debt: FY 2013 - 2017 (Dollars in Millions)

<i>Type of Debt</i>	<i>Type of Payment Offset / Levied</i>	<i>FY 2013</i>	<i>FY 2014</i>	<i>FY 2015</i>	<i>FY 2016</i>	<i>FY 2017</i>
<i>Federal Non-tax Debt</i>	<i>Federal Tax Payment</i>	<i>\$2,702.9</i>	<i>\$2,670.0</i>	<i>\$2,708.6</i>	<i>\$2,994.1</i>	<i>\$3,213.2</i>
<i>Federal Non-tax Debt</i>	<i>Federal Non-Tax Payment</i>	<i>\$596.5</i>	<i>\$508.4</i>	<i>\$508.1</i>	<i>\$483.8</i>	<i>\$457.9</i>
<i>Federal Non-tax Debt</i>	<i>State Payments</i>	<i>\$30.8</i>	<i>\$36.6</i>	<i>\$35.3</i>	<i>\$46.8</i>	<i>\$53.2</i>
<i>Federal Tax Debt</i>	<i>Tax Levy (Federal Non-Tax Payments)</i>	<i>\$601.6</i>	<i>\$579.9</i>	<i>\$724.4</i>	<i>\$692.4</i>	<i>\$682.6</i>
Total		\$3,931.8	\$3,794.9	\$3,976.4	\$4,217.1	\$4,406.9

SOURCE: DEPARTMENT OF THE TREASURY, BUREAU OF THE FISCAL SERVICE

FIGURE 25

TOP Collection - State Debt as of September 30: FY 2013 - 2017
(Dollars in Millions)

Type of Debt	Type of Payment Offset	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Child Support	Federal Tax Payment	\$1,941.4	\$1,901.3	\$1,889.1	\$1,872.0	\$1,796.4
State Income Tax Debt	Federal Tax Payment	\$605.3	\$546.5	\$571.2	\$582.2	\$607.7
State Unemployment Compensation Debt	Federal Tax Payment	\$326.2	\$370.7	\$547.8	\$403.2	\$353.8
Child Support	Federal Non-Tax Payment	\$8.6	\$8.7	\$7.6	\$7.6	\$7.1
State Income Tax Debt (Reciprocal Program)	Federal Non-Tax Payment	\$16.0	\$16.7	\$15.0	\$22.7	\$11.4
Other State Debt (Reciprocal Program)	Federal Non-Tax Payment	\$21.8	\$35.7	\$32.6	\$38.8	\$48.4
State Unemployment Compensation Debt (Reciprocal Program)	Federal Non-Tax Payment	N/A	N/A	N/A	N/A	*
Total		\$2,919.3	\$2,879.6	\$3,063.3	\$2,926.5	\$2,824.8

SOURCE: DEPARTMENT OF THE TREASURY, BUREAU OF THE FISCAL SERVICE

* The collection amount is negligible, with offsets of Federal non-tax payments to collect state unemployment insurance compensation debts through the State Reciprocal Program totaling \$2,171.56 in FY 2017.

Appendix V: Compliance with 120-Day Delinquent Debt Referral Requirement

The Digital Accountability and Transparency Act of 2014 (DATA Act) requires Federal agencies to notify Treasury of legally enforceable, non-tax debts that are greater than 120 days delinquent for purposes of administrative offset.²² The DATA Act also requires Treasury to report to Congress when debts are not referred timely.

The figure below shows the extent to which each Federal agency satisfied this referral requirement in FY 2017. The figure only includes agencies that had eligible debts to refer to Fiscal Service. Agencies that did not have eligible debts to refer are not listed.

The data used in this figure, as with the data for much of this Report, are based on data that agencies reported on the TROR at the close of FY 2017. When agencies report information on the TROR, they certify to its accuracy.

FIGURE 26

Compliance with 120-Day Delinquent Debt Referral Requirement as of September 30: FY 2017

Agency	Total Number of Eligible Debts	Number of Eligible Debts Referred	Number of Eligible Debts Not Referred	Compliance Rate
Department of Education	25,171,655	11,137,699	14,033,956	44.2%
Department of Veterans Affairs	6,654,383	6,535,802	118,581	98.2%
Social Security Administration	2,598,120	285,715	2,312,405	11.0%
Department of Health and Human Services	1,697,132	1,650,687	46,445	97.3%
Department of Defense	1,320,555	311,403	1,009,152	23.6%
Small Business Administration	113,894	113,644	250	99.8%
Department of Agriculture	66,495	62,931	3,564	94.6%
Department of Homeland Security	59,199	59,199	0	100.0%
U.S. Postal Service	52,006	38,476	13,530	74.0%
Department of Labor	38,001	25,324	12,677	66.6%
Department of Justice	31,951	31,733	218	99.3%
Department of State	20,655	20,642	13	99.9%
Department of Interior	19,170	19,044	126	99.3%
Federal Communications Commission	12,879	12,879	0	100.0%
Department of Transportation	6,068	5,988	80	98.7%
Department of Housing and Urban Development	5,802	5,800	2	99.9%
Department of the Treasury	4,703	4,696	7	99.9%
Railroad Retirement Board	4,399	4,194	205	95.3%

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2017

Compliance with 120-Day Delinquent Debt Referral Requirement as of September 30: FY 2017

<i>Agency</i>	<i>Total Number of Eligible Debts</i>	<i>Number of Eligible Debts Referred</i>	<i>Number of Eligible Debts Not Referred</i>	<i>Compliance Rate</i>
<i>Office of Personnel Management</i>	1,438	1,101	337	76.6%
<i>Department of Commerce</i>	1,282	1,280	2	99.8%
<i>General Services Administration</i>	1,002	640	362	63.9%
<i>Pension Benefit Guaranty Corporation</i>	937	937	0	100.0%
<i>Securities and Exchange Commission</i>	808	796	12	98.5%
<i>Commodity Futures Trading Commission</i>	357	357	0	100.0%
<i>Corporation for National and Community Service</i>	220	201	19	91.4%
<i>Administrative Office of the U.S. Courts</i>	216	203	13	94.0%
<i>U.S. House of Representatives</i>	198	0	198	0.0%
<i>Environmental Protection Agency</i>	181	181	0	100.0%
<i>Nuclear Regulatory Commission</i>	180	180	0	100.0%
<i>Armed Forces Retirement Home</i>	90	88	2	97.8%
<i>Department of Energy</i>	89	89	0	100.0%
<i>National Archives and Records Administration</i>	89	83	6	93.3%
<i>Government Publishing Office</i>	87	0	87	0.0%
<i>National Aeronautics and Space Administration</i>	80	80	0	100.0%
<i>Presidio Trust</i>	77	76	1	98.7%
<i>Consumer Financial Protection Bureau</i>	61	0	61	0.0%
<i>Architect of the Capitol</i>	59	0	59	0.0%
<i>Federal Election Commission</i>	56	56	0	100.0%
<i>Agency for International Development</i>	41	38	3	92.7%
<i>Federal Election Commission</i>	37	36	1	97.3%
<i>James Madison Memorial Fellowship Foundation</i>	25	0	25	0.0%
<i>Equal Employment Opportunity Commission</i>	18	18	0	100.0%
<i>Government Accountability Office</i>	13	13	0	100.0%
<i>Federal Maritime Commission</i>	13	5	8	38.5%

FY 2017 REPORT TO THE CONGRESS: U.S. GOVERNMENT RECEIVABLES
AND DEBT COLLECTION ACTIVITIES OF FEDERAL AGENCIES

Compliance with 120-Day Delinquent Debt Referral Requirement as of September 30: FY 2017

<i>Agency</i>	<i>Total Number of Eligible Debts</i>	<i>Number of Eligible Debts Referred</i>	<i>Number of Eligible Debts Not Referred</i>	<i>Compliance Rate</i>
<i>Library of Congress</i>	<i>12</i>	<i>0</i>	<i>12</i>	<i>0.0%</i>
<i>National Science Foundation</i>	<i>11</i>	<i>11</i>	<i>0</i>	<i>100.0%</i>
<i>Smithsonian Institution</i>	<i>7</i>	<i>0</i>	<i>7</i>	<i>0.0%</i>
<i>Broadcasting Board of Governors</i>	<i>6</i>	<i>1</i>	<i>5</i>	<i>16.7%</i>
<i>Committee for Purchase from People Who are Blind or Severely Disabled</i>	<i>5</i>	<i>0</i>	<i>5</i>	<i>0.0%</i>
<i>U.S. Commission on International Religious Freedom</i>	<i>4</i>	<i>0</i>	<i>4</i>	<i>0.0%</i>
<i>Council of the Inspectors General on Integrity and Efficiency</i>	<i>3</i>	<i>0</i>	<i>3</i>	<i>0.0%</i>
<i>National Credit Union Administration</i>	<i>2</i>	<i>2</i>	<i>0</i>	<i>100.0%</i>
<i>Consumer Product Safety Commission</i>	<i>1</i>	<i>1</i>	<i>0</i>	<i>100.0%</i>
<i>U.S. Institute for Environmental Conflict Resolution</i>	<i>1</i>	<i>0</i>	<i>1</i>	<i>0.0%</i>
<i>U.S. Election Assistance Commission</i>	<i>1</i>	<i>0</i>	<i>1</i>	<i>0.0%</i>
<i>Selective Service System</i>	<i>1</i>	<i>0</i>	<i>1</i>	<i>0.0%</i>
<i>U.S. Merit Systems Protection Board</i>	<i>1</i>	<i>0</i>	<i>1</i>	<i>0.0%</i>

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2017

Appendix VI: Payments Exempted from Centralized Administrative Offset by the Secretary of the Treasury

As authorized by Federal law, 31 U.S.C. § 3716(c)(3)(B), the Secretary of the Treasury, at the request of a paying agency, may exempt certain classes of Federal payments from the requirement that they be offset for the purpose of collecting non-tax debt owed to the United States. In FY 2017, Fiscal Service did not approve any payment exemption requests. [A complete list of payment classes exempt from centralized administrative offset is available on Treasury's website.](#)

Appendix VII: Sources of Data

Data in this report were obtained from the following sources and reported as of September 30, 2017:

Sources

Treasury Report on Receivables and Debt Collection Activities — Fourth Quarter 2017, as reported by Federal creditor agencies to the Department of the Treasury

Department of the Treasury, Bureau of the Fiscal Service

Department of Health and Human Services, Program Support Center

Department of Justice, Office of Debt Collection Management

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Endnotes

¹ Dollar figures in this report have been rounded to the tenth decimal point. Percentage changes are calculated based on the rounded dollar figures.

² 31 U.S.C. § 3719(b) (requiring the Secretary to report annually to Congress on the management of debt collection activities); 31 U.S.C. § 3716(c)(3)(B) (requiring the Secretary to report annually to Congress regarding payments exempted from offset); 31 U.S.C. § 3716(c)(6)(B) (requiring the Secretary to report to Congress on agency failure to refer debts for administrative offset).

³ Collections on receivables includes loan consolidations from the Department of Education. A loan consolidation is the process of combining one or more eligible loans into a single new loan.

⁴ More information on Education's Student Aid programs can be found in the *Federal Student Aid Annual Report*.

⁵ All year-over-year changes are calculated based on the exact value in whole dollars and may differ from the change calculated based on the rounded values expressed in millions or billions of dollars.

⁶ Increase in total receivables is due to approximately \$12.0 billion in new receivables generated by CMS Medicare Trust Funds.

⁷ Non-loan receivables include fines, payments, and overpayments.

⁸ The calculation of the amount that became delinquent during FY 2017 is based on debt that was between 1 and 365 days delinquent as of September 30, 2017.

⁹ VA delinquent debt increased by approximately \$850.0 million due to the reclassifying of previously unreported administrative receivables.

¹⁰ EPA delinquent debt collections rose by approximately \$1.6 billion due to the collection of large dollar administrative fines and penalties.

¹¹ The term "State" includes several states of the United States, District of Columbia, American Samoa, Guam, United States Virgin Islands, Commonwealth of the Northern Mariana Islands, and Commonwealth of Puerto Rico.

¹² This amount does not include collections resulting from the use of AWG by Fiscal Service's Cross-Servicing Program or from judicial garnishment actions.

¹³ Education's Office of Federal Student Aid revised a segment of its reporting process, which led to the increase in its AWG and PCA collections.

¹⁴ This amount does not include collections resulting from the use of PCAs by Fiscal Service's Cross-Servicing Program or from the use of private counsel by the DOJ. This amount also does not include collections from AWG.

¹⁵ The decrease in PCA collections is the result of a change to Education's delinquent debt aging methodology for its Federal Student Aid (student loan) programs.

¹⁶ Generally, one-time payments (tax refunds and vendor payments) may be offset up to 100 percent of the payment amount. For recurring payments (Social Security, retirement, and salary), the offset amount is generally limited to a percentage of the payment.

¹⁷ A change in methodology to standardize the formula for TOP collection of delinquent Federal non-tax debt may have resulted in some TOP collection figures varying from previous years' versions of this report.

¹⁸ An "enforced" collection action refers to an action taken by DOJ (or by another Federal creditor agency with independent litigation authority) to obtain a judgment against the debtor and to pursue available post-judgment remedies (including wage and bank garnishment and liens filed against property).

Endnotes

¹⁹ “Write-off” of a delinquent debt is an accounting action. Federal creditor agencies may pursue collection of a delinquent Federal non-tax debt, however, without regard to whether it has been written off.

²⁰ A “levy” is legally distinct from “offset”. While offset involves the netting out of mutual obligations between two parties, a levy is a legal seizure of property, usually in the hands of a third party, to satisfy a tax debt.

²¹ For more detail on Treasury’s collection on behalf of the States, see Treasury’s *Annual Report to the States*.

²² 31 U.S.C. § 3716(c)(6).