



## National Finance Center Customer Notification

# National Finance Center (NFC) Work Status Update—Debt Management Services

September 23, 2020

Reference Number: NFC-1600458878

Dear Customer:

This is a follow-up to the Debt Management Work Group session held on August 6, 2020, to discuss the resumption of NFC's debt management delinquency process. The delinquency process will resume on October 8, 2020. When the delinquency process resumes, debts will be analyzed by the system, and if deemed to be delinquent will be marked as such. This will allow all certified delinquent non-tax debts to be referred to Treasury for enforced collection through the Treasury Offset Program (TOP) and Cross Servicing Next Generation (CSNG). Additionally, indicators will be set to report these delinquent debts to the Credit Bureaus (CB) at the end of October. When the delinquency job processes on October 8, 2020, only debts with a bill aging day of 08 will be processed. For example, debts with bill aging dates of 04/08/20, 05/08/20, etc., will be selected.

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Debts are deemed delinquent if they are not paid in full, or a repayment agreement is not entered into by the 31<sup>st</sup> day after the billing date.

- For salary-related debts, an automatic 15% deduction of an active employee's disposable pay constitutes an agreement. The exception to this is for employees of Treasury Department Agencies, as Treasury requires a signed agreement for salary-related debts.
- For employees with Federal Employee Health Benefits (FEHB) related debts, the required premium deduction constitutes a repayment agreement.
- For separated employees, all debts require a signed repayment agreement. If a separated employee does not have a signed repayment agreement for their debt, they will be considered delinquent if the outstanding balance is 31 days or older.

If the debtor is eligible for a grace period, the grace period will be afforded to the debtor. The grace period will allow the debtor 30 days to catch up on any missed payments, plus the current payment to remain in a current status. To be eligible for a grace period, the debtor must have entered into a repayment agreement as mentioned above.

Any debt with a status code applied that will suspend garnishments, or any debts with the override indicator set to "Y" will not be processed through the delinquency program. These debts will be bypassed and remain current until the status code is removed, or the override indicator is set to "N."

A report depicting debts that have the potential to be deemed delinquent during the four delinquency cycles occurring in October has been processed and will be emailed to the impacted Agencies via your Client Management Representative. This report will assist the Agencies in determining what action, if any, is required prior to the applicable delinquency cycle. The dates the four cycles will process are October 07, 2020; October 15, 2020; October 22, 2020; and October 30, 2020.

Additionally, as a reminder, to assist Agencies in monitoring their debts, the following reports can be accessed via Insight:

- ABCO001: Master Report Listing of Outstanding Receivables
- ABCO004: Master Report Detailed Listing of Delinquent Receivables

These reports can be found in the Shared Folders; 1. Common Report Library; Administrative Billings and Collections.

Authorized Agency representatives with questions concerning this notification should contact the NFC Contact Center at 1-855-632-4468 or the ServiceNow Customer Service Portal at:

- Federated ServiceNow users: <https://nfcerp.servicenowservices.com/>
- Non-Federated ServiceNow users: [https://nfcerp.servicenowservices.com/sp\\_ess/](https://nfcerp.servicenowservices.com/sp_ess/)