

FISCAL YEAR 2020
REPORT TO CONGRESS

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

Department of the Treasury
August 2021





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 2020 Report to 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) 2020, the outstanding amount of non-tax receivables owed to the United States was \$2.0 trillion. 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.

Federal agencies normally face many challenges collecting and resolving debts, but FY 2020 was especially challenging due to the COVID-19 pandemic and federal actions taken to provide relief to the Americans affected. Congress authorized new lending programs that significantly increased the government's outstanding receivables, and many federal and state agencies took the unprecedented step of implementing wide-spread and long-term suspensions of collection activity. In addition, the Department of the Treasury's Bureau of the Fiscal Service (Fiscal Service) exempted Social Security benefit payments from offset to collect delinquent federal non-tax debts from March 2020 through September 2020.

Most citizens pay their debts on time. However, at the end of FY 2020, delinquent non-tax debt owed to the federal government totaled \$207.6 billion, a decrease of \$12.1 billion (6 percent) from FY 2019. The collection of delinquent debts helps fund government operations, maintain key programs, and reduce the federal deficit. So, it is very important to continually 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.

In FY 2020, federal creditor agencies collected \$23.0 billion of delinquent non-tax debt, a 15 percent decline compared to FY 2019. Of this amount, Fiscal Service collected \$4.3 billion in delinquent federal non-tax debt on behalf of federal agencies through its delinquent debt collection programs. Additionally, Fiscal Service collected \$6.4 billion in delinquent tax and non-tax debts on behalf of state agencies and federal tax debts on behalf of the Internal Revenue Service. 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.

David A. Lebryk

FISCAL YEAR 2020 REPORT TO CONGRESS:
U.S. GOVERNMENT NON-TAX 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 \(TROR\)](#).¹ Information about the federal government's management of receivables is available to the public on the [Fiscal Data](#) website. This website provides the public with easy-to-understand data about the federal government's finances.

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. These activities, in certain circumstances, also can result in the creation of accounts receivable.

At the end of FY 2020, the federal government's outstanding non-tax receivables totaled \$2.0 trillion, an increase of \$245.9 billion (14 percent) from FY 2019. A receivable is current when it is not yet due for payment 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 2020, delinquent non-tax debt owed to the United States totaled \$207.6 billion, a decrease of \$12.1 billion (6 percent) from FY 2019.

Each federal creditor agency is required to make every reasonable effort to collect its receivables. At the end of FY 2020, collections of federal non-tax receivables totaled \$331.5 billion, a decrease of \$8.3 billion (2 percent).² Fiscal Service and the Department of Justice (DOJ) share the responsibility for setting government-wide policy on non-tax debt collection, and each plays a major role in the centralized collection of delinquent non-tax debt. In FY 2020, federal creditor agencies collected \$23.0 billion of delinquent non-tax debt, a decrease of \$4.1 billion (15 percent) from FY 2019.

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 2020, and information on specific aspects of government-wide non-tax receivables and debt collection activities.³

Note: Delinquencies and collections result from various events and conditions that can occur over multiple reporting periods. For example, depending on the structure of repayment terms, the date that a receivable is due may be in the same fiscal year that it is recorded or it may be due in a future fiscal year. Similarly, collections during FY 2020 may be associated with non-tax debt that became delinquent either in FY 2020 or in a prior year. Therefore, use caution when comparing annual totals and year-over-year changes of receivables, delinquencies, and collections. Dollar figures in this report have been rounded to the tenth decimal point. Percentage changes are calculated based on the rounded dollar figures.

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

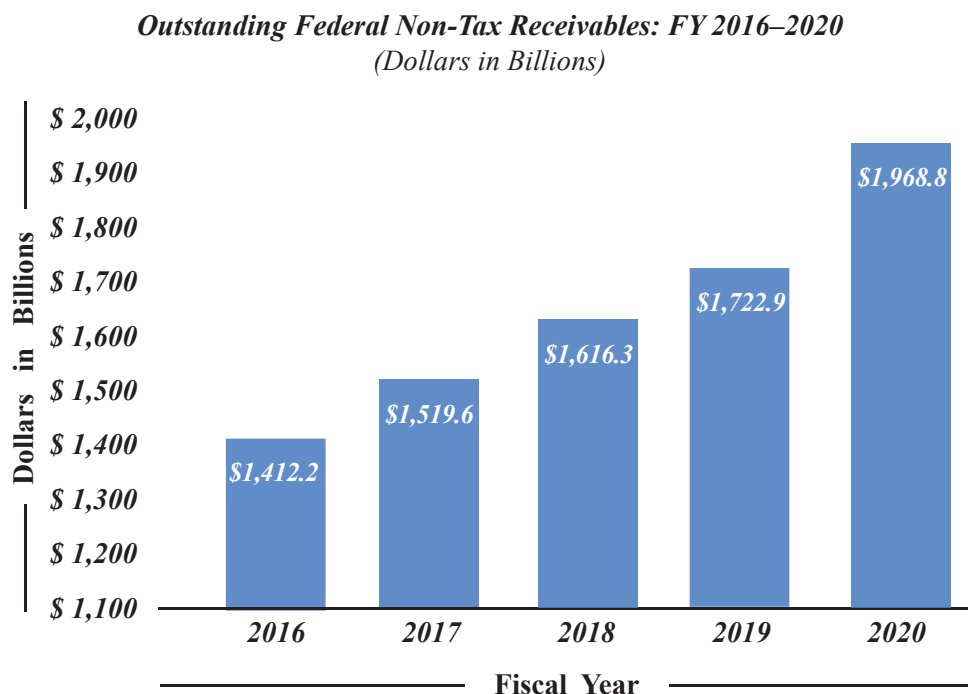
A. Total Federal Non-Tax Receivables

Federal non-tax receivables are amounts owed to the federal government by a person (e.g., an individual, organization, or other entity). Receivables are categorized as being current or delinquent. Delinquent receivables are also referred to as delinquent debts.

At the end of FY 2020, total federal non-tax receivables owed to the United States totaled \$2.0 trillion, an increase of \$245.9 billion (14 percent) from FY 2019. 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 and closed out.

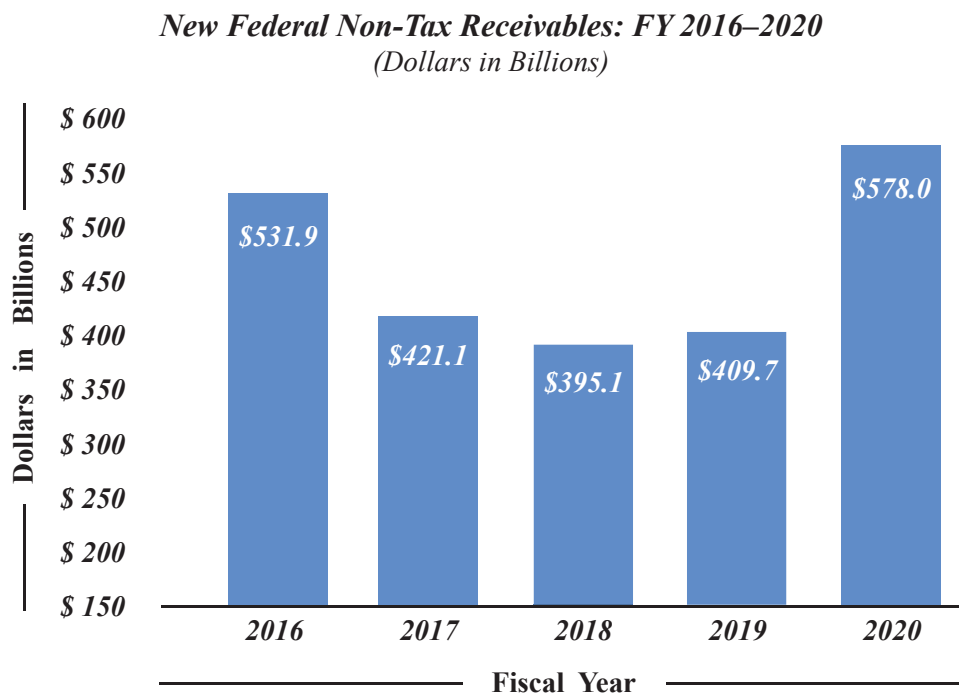
New federal non-tax receivables recorded as of the end of FY 2020 totaled \$578.0 billion, an increase of \$168.4 billion (41 percent)⁴ from FY 2019. Collection of federal non-tax receivables in FY 2020 was \$331.5 billion, a decrease of \$8.2 billion (2 percent) from FY 2019.

FIGURE 1



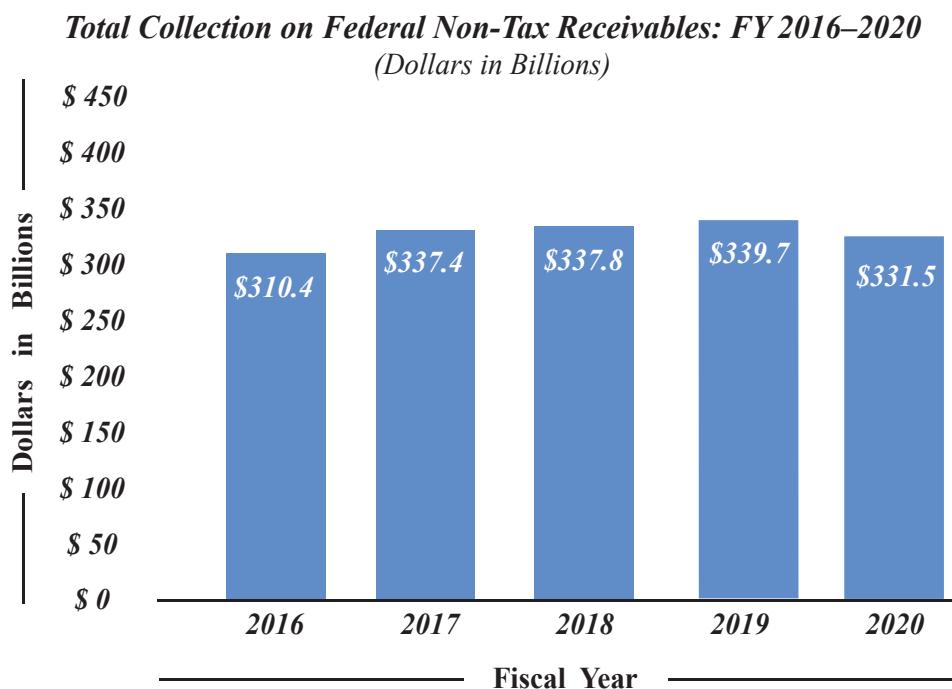
SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2016—2020

FIGURE 2



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES AND DEPARTMENT OF DEFENSE (DOD)—FOURTH QUARTER FY 2016–2020

FIGURE 3



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES & DOD—FOURTH QUARTER FY 2016–2020

B. By Creditor Agency

At the end of FY 2020, receivables owed to the Department of Education (Education)⁵, Small Business Administration (SBA), and the Department of Agriculture (USDA) accounted for \$1.8 trillion (93 percent) of the government's total outstanding federal non-tax receivables.

FIGURE 4

*FY 2019 to FY 2020 Percentage Change in Outstanding Federal
Non-Tax Receivables:⁶ FY 2020 Top Five Federal Creditor Agencies*
(Dollars in Billions)

Agency	FY 2019	FY 2020	% Change from FY 2019 to FY 2020
Department of Education	\$1,365.0	\$1,430.3	4.8%
Small Business Administration	\$13.4	\$190.9	1,324.6% ⁷
Department of Agriculture	\$115.2	\$120.6	4.7%
Department of Housing and Urban Development	\$55.6	\$63.5	14.2%
Department of Health and Human Services	\$31.9	\$29.9	-6.3%
All Others	\$141.8	\$133.6	-5.8%
Total Government	\$1,722.9	\$1,968.8	14.3%

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES—FOURTH QUARTER FY 2019–2020

In FY 2020, 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 \$216.6 billion (65 percent) in federal non-tax receivables.

FIGURE 5

*FY 2019 to FY 2020 Percentage Change in Collection of Federal Non-Tax
Receivables: FY 2020 Top Five Federal Creditor Agencies*
(Dollars in Billions)

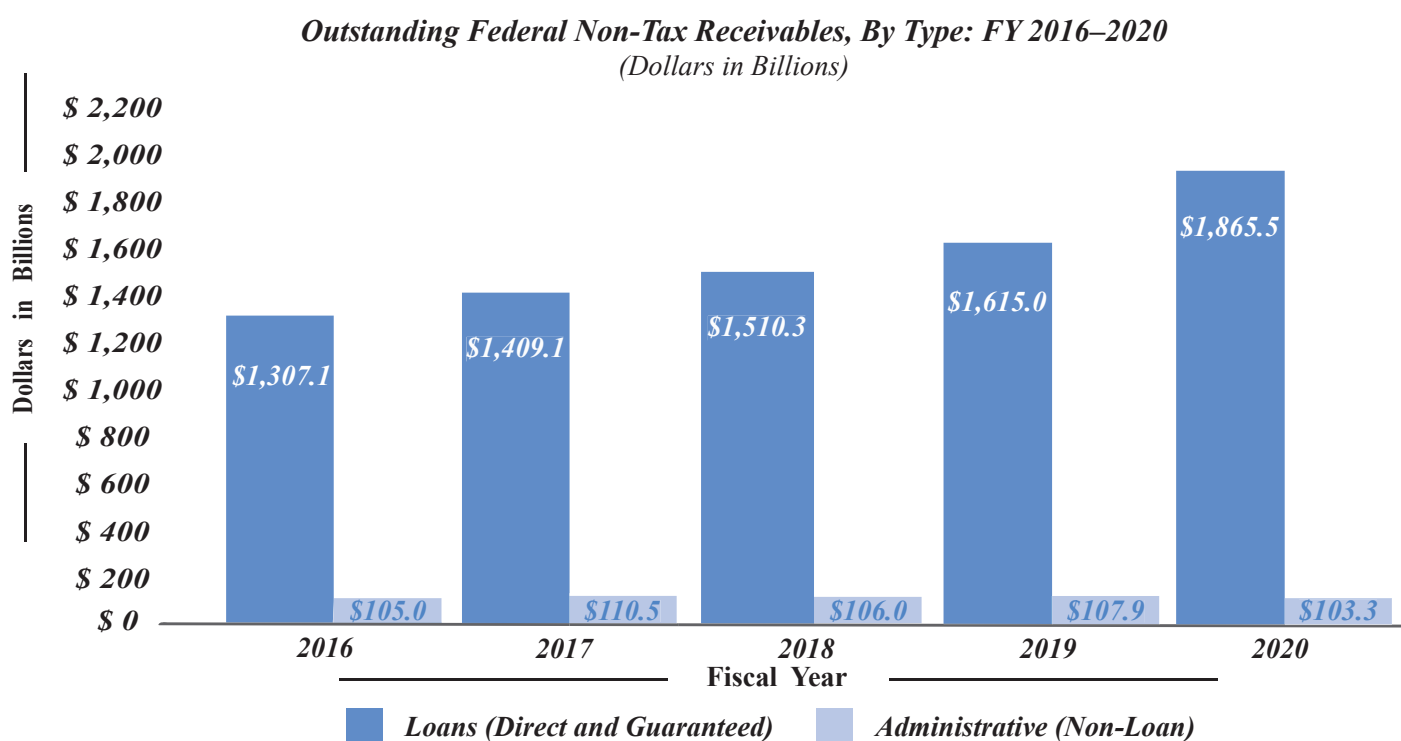
Agency	FY 2019	FY 2020	% Change from FY 2019 to FY 2020
Department of Education	\$106.5	\$81.5	-23.5% ⁸
Department of Health and Human Services	\$77.0	\$80.4	4.4%
Department of Agriculture	\$24.3	\$28.8	18.5%
Department of Housing and Urban Development	\$14.5	\$14.7	1.4%
Department of Defense	\$15.2	\$11.2	-26.3% ⁹
All Others	\$102.2	\$114.9	12.4%
Total Government	\$339.7	\$331.5	-2.4%

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES & DOD—FOURTH QUARTER FY 2019–2020

C. By Receivable Type

Of the \$2.0 trillion in federal non-tax receivables outstanding (both current and delinquent) in FY 2020, federal loan receivables (direct loans and defaulted guaranteed loans) represented \$1.9 trillion (95 percent) of total outstanding receivables. Receivables attributable to direct loans and defaulted guaranteed loans increased by \$250.5 billion (16 percent) from FY 2019 to FY 2020. Administrative receivables (all non-loan receivables)¹⁰ represented \$103.3 billion of the total outstanding receivables at the end of FY 2020, a decrease of \$4.6 billion (4 percent) from FY 2019.

FIGURE 6



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES—FOURTH QUARTER FY 2016–2020

D. Interest, Penalties, and Administrative Costs

Generally, federal creditor agencies assess interest on outstanding loan receivables. Federal creditor agencies also are generally required to assess interest, penalties, and administrative costs when receivables become delinquent.¹¹ Of the \$2.0 trillion in outstanding current and delinquent receivables at the end of FY 2020, \$139.7 billion (7 percent) represented unpaid interest, penalties, and administrative costs.

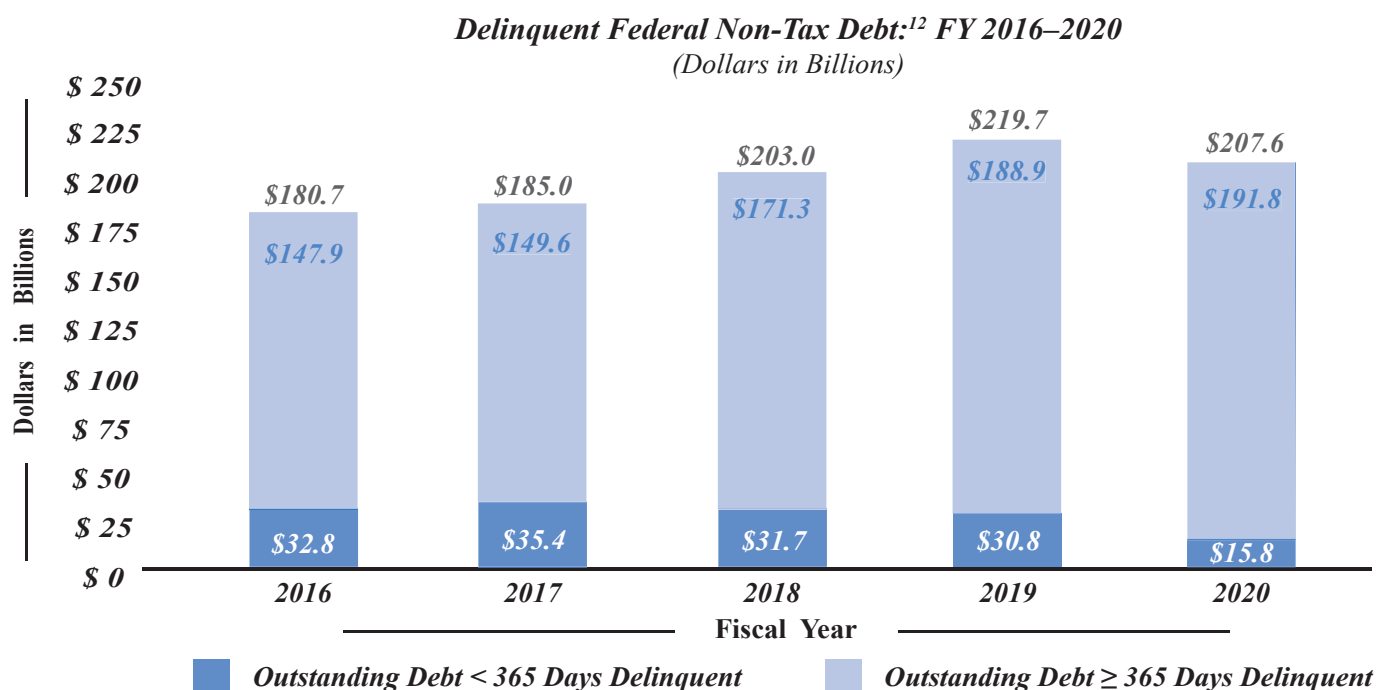
III. Delinquent Federal Non-Tax Debt Owed to the United States

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 2020, outstanding delinquent non-tax debt owed to the United States totaled \$207.6 billion, a decrease of \$12.1 billion (6 percent) from FY 2019. The total outstanding delinquent non-tax 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.

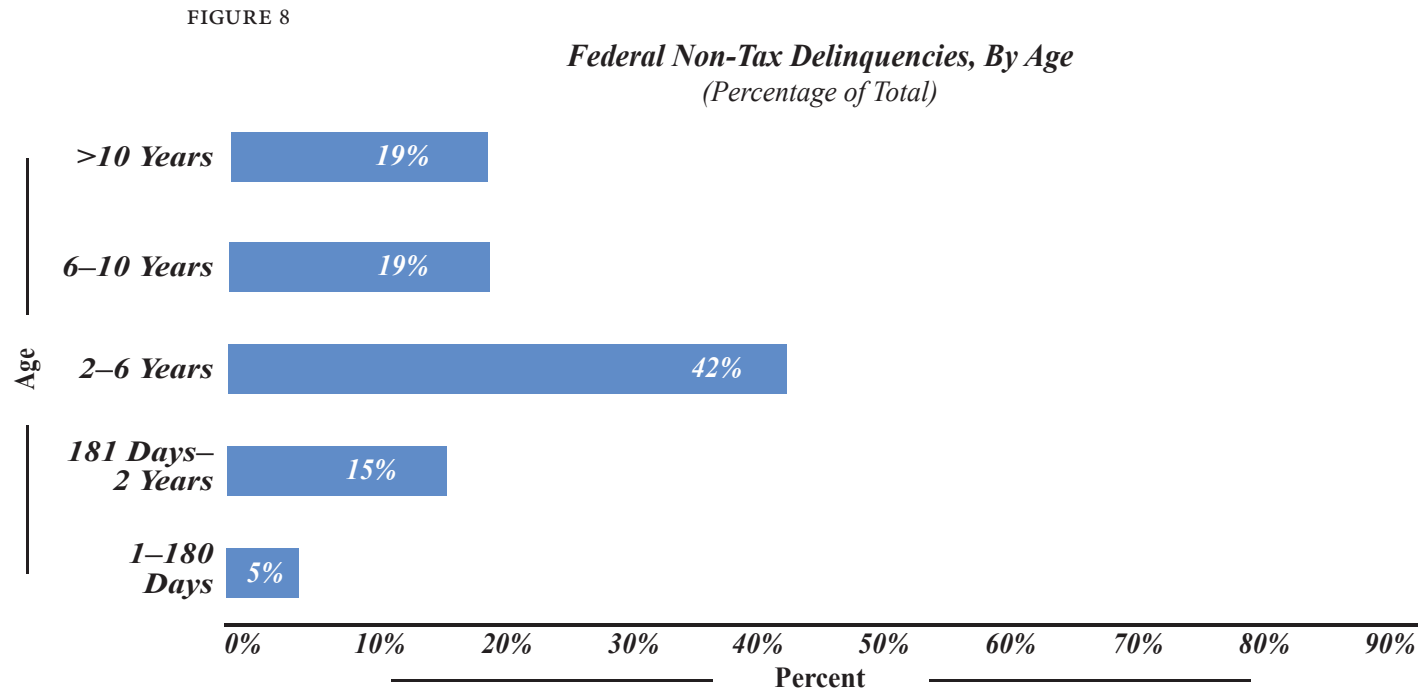
FIGURE 7



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES—FOURTH QUARTER FY 2016–2020

B. By Age

Of the total \$207.6 billion of outstanding delinquent non-tax debt at the end of FY 2020, \$166.4 billion (80 percent) was more than two years delinquent and \$41.2 billion was less than two years delinquent.



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES—FOURTH QUARTER FY 2020

FIGURE 9

Total Federal Non-Tax Delinquencies, By Age: FY 2016–FY 2020
(Dollars in Billions)

Delinquency Age	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
1–180 Days	\$15.2	\$14.3	\$14.8	\$12.3	\$10.5
181 Days–2 Years	\$55.7	\$56.4	\$55.6	\$59.1	\$30.7
2–6 Years	\$61.4	\$64.5	\$72.7	\$79.8	\$87.1
6–10 Years	\$21.0	\$22.2	\$28.9	\$33.5	\$39.4
>10 Years	\$27.4	\$27.6	\$31.0	\$35.0	\$39.9
Total	\$180.7	\$185.0	\$203.0	\$219.7	\$207.6

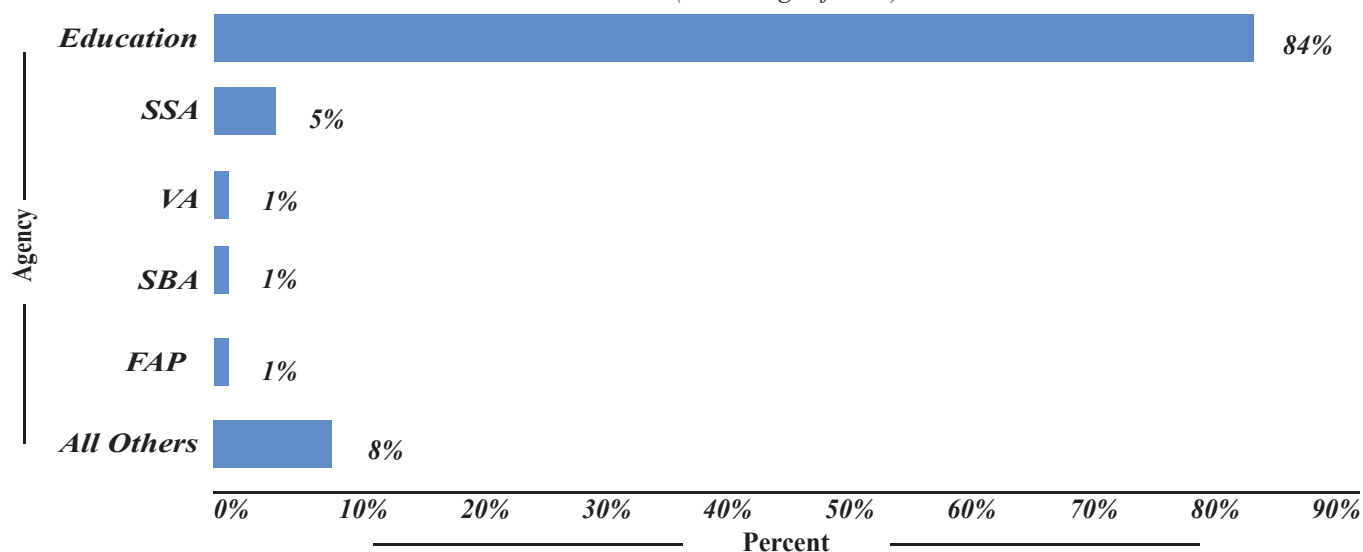
SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES—FOURTH QUARTER FY 2016–2020

C. By Creditor Agency

At the end of FY 2020, \$191.3 billion in delinquent non-tax debt was owed to five federal creditor agencies: Education, Social Security Administration (SSA), Department of Veterans Affairs (VA), SBA, and Funds Appropriated to the President (FAP).

FIGURE 10

Federal Non-Tax Delinquencies: Top Five Federal Creditor Agencies (Percentage of Total)



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES—FOURTH QUARTER FY 2020

FIGURE 11

FY 2019 to FY 2020 Percentage Change in Federal Non-Tax Delinquencies: FY 2020 Top Five Federal Creditor Agencies (Dollars in Billions)

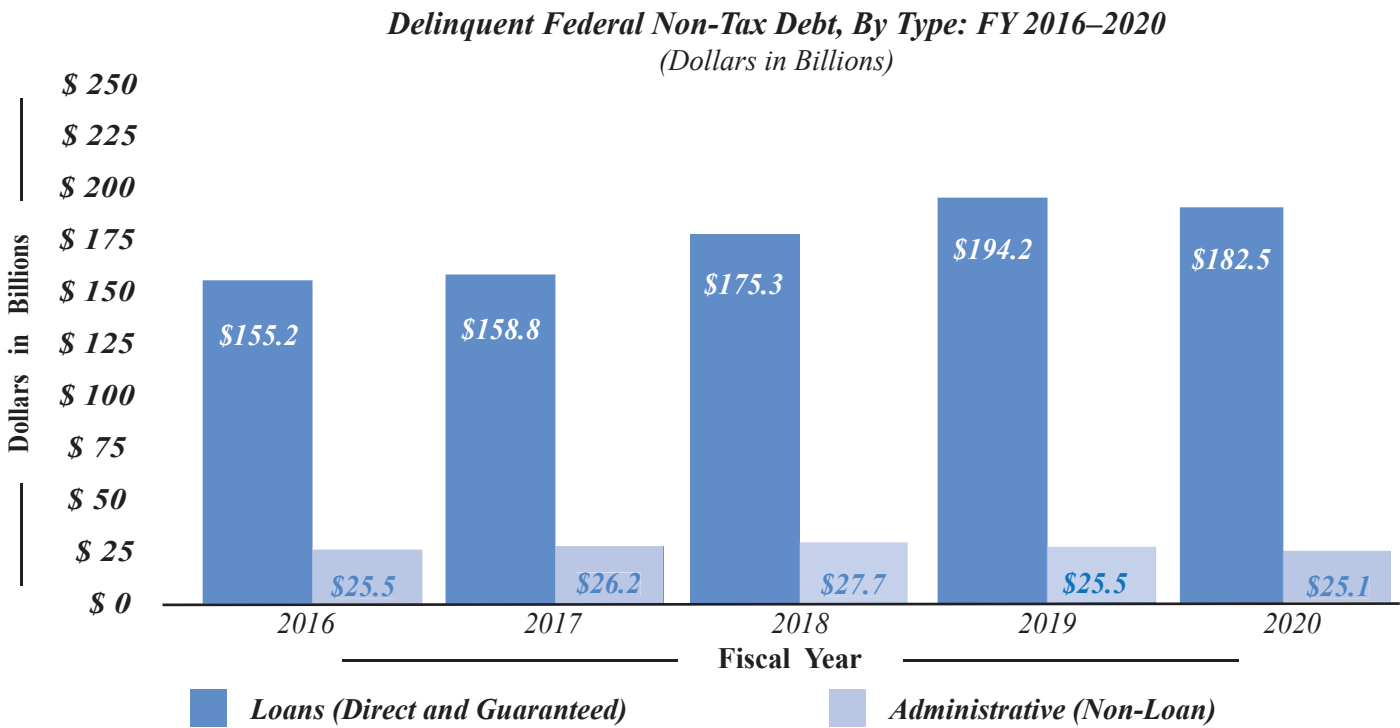
Agency	FY 2019	FY 2020	% Change from FY 2019 to FY 2020
Department of Education	\$185.1	\$173.1	-6.5%
Social Security Administration	\$11.4	\$10.1	-11.4%
Department of Veterans Affairs	\$2.8	\$2.8	0.0%
Small Business Administration	\$2.7	\$2.7	0.0%
Funds Appropriated to the President	\$2.5	\$2.6	4.0%
All Others	\$15.2	\$16.3	7.2%
Total Government	\$219.7	\$207.6	-5.5%

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES—FOURTH QUARTER FY 2019–2020

D. By Debt Type

At the end of FY 2020, federal loan program delinquencies (direct and guaranteed) totaled \$182.5 billion (88 percent) of total delinquencies, a decrease of \$11.7 billion (6 percent) from FY 2019. Administrative receivable delinquencies totaled \$25.1 billion, a decrease of \$0.4 billion (2 percent) from FY 2019.

FIGURE 12

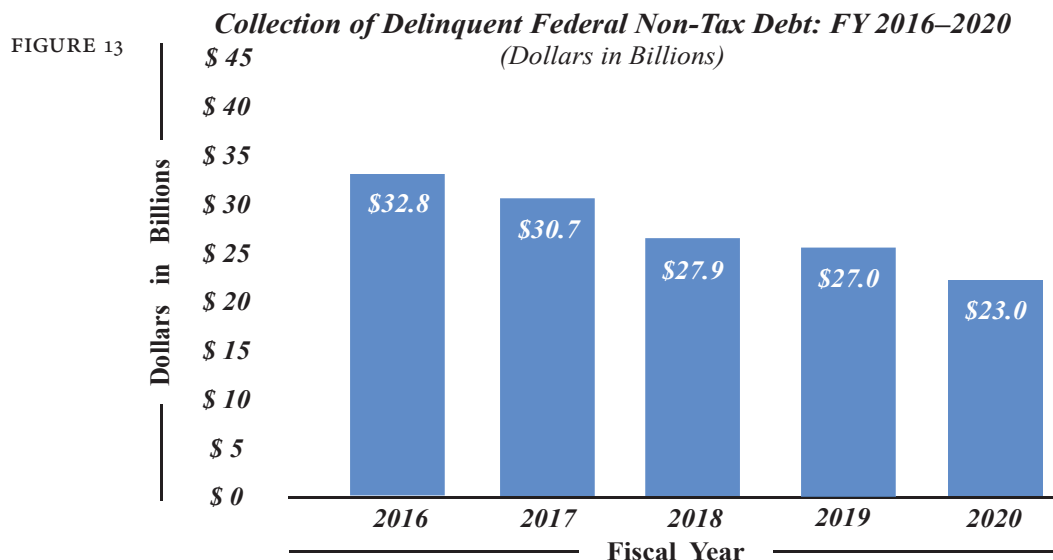


SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES—FOURTH QUARTER FY 2016–2020

IV. Delinquent Federal Non-Tax Debt Collection Activities

A. Total Delinquent Federal Non-Tax Debt Collection

In FY 2020, federal creditor agencies collected \$23.0 billion in delinquent non-tax federal debt, a decrease of \$4.0 billion (15 percent) from FY 2019.



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES—FOURTH QUARTER FY 2016–2020

B. By Creditor Agency

During FY 2020, \$18.1 billion of the delinquent non-tax debt collected was owed to five federal creditor agencies: Education (37 percent), Federal Trade Commission (24 percent), VA (6 percent), USDA (6 percent), and HHS (6 percent).

FIGURE 14

FY 2019 to FY 2020 Percentage Change in Collection of Federal Non-Tax Delinquencies: FY 2020 Top Five Federal Creditor Agencies
(Dollars in Billions)

Agency	FY 2019	FY 2020	% Change from FY 2019 to FY 2020
Department of Education	\$14.5	\$8.4	-42.1% ¹³
Federal Trade Commission	\$0.4	\$5.4	1,250.0% ¹⁴
Department of Veterans Affairs	\$1.5	\$1.5	0.0%
Department of Agriculture	\$1.4	\$1.4	0.0%
Department of Health and Human Services	\$1.2	\$1.4	16.7%
All Others	\$8.0	\$4.9	-38.8%
Total Government	\$27.0	\$23.0	-14.8%

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES—FOURTH QUARTER FY 2019–2020

Federal creditor agencies utilize a combination of debt collection tools. Among these collection tools are administrative wage garnishment (AWG), private collection agencies (PCAs), offset of federal and state¹⁵ payments through the Treasury Offset Program (TOP), the 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 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 2020, federal creditor agencies collected \$930.1 million through the use of AWG, a decrease of \$536.5 (37 percent) from FY 2019.¹⁶

FIGURE 15

AWG Collections: FY 2016–2020 (Dollars in Millions)

	<i>FY 2016</i>	<i>FY 2017</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>
<i>AWG</i>	\$1,149.9 ¹⁷	\$1,137.0	\$1,299.5	\$1,466.6	\$930.1

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES—FOURTH QUARTER FY 2016–2020

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 2020, PCAs assisted federal creditor agencies by collecting \$387.8 million, a decrease of approximately \$65.0 million (14 percent) from FY 2019.¹⁸

FIGURE 16

PCA Collections: FY 2016–2020 (Dollars in Millions)

	<i>FY 2016</i>	<i>FY 2017</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>
<i>PCAs</i>	\$1,508.2 ¹⁶	\$214.6 ¹⁹	\$443.0 ²⁰	\$452.8	\$387.8

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES—FOURTH QUARTER FY 2016–2020

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 are required to refer debt that is more 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 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 generally 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

Treasury's Cross-Servicing Program collects delinquent non-tax debts through various means. Fiscal Service does this 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. In FY 2020, Fiscal Service collected \$523.3 million of delinquent federal non-tax debt through its Cross-Servicing Program, which includes debt collected through TOP, a decrease of \$79.8 million (13 percent) from FY 2019.

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.²¹ 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 2020, Fiscal Service collected \$10.4 billion through TOP for federal and state agencies. Of the \$10.4 billion collected, \$4.0 billion was from debtors who owed delinquent federal non-tax debt, \$507.2 million was from debtors who owed delinquent federal tax debt, and \$5.9 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: FY 2016–2020
(Dollars in Millions)

<i>Payment Type</i>	<i>FY 2016</i>	<i>FY 2017</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>
<i>Federal Tax Refund Payments</i>	\$2,994.1	\$3,213.2	\$3,256.4	\$5,198.5	\$3,505.0
<i>Federal Non-Tax Payments</i>	\$483.8	\$457.9	\$485.4	\$647.8	\$469.6
<i>State Payments</i>	\$46.8	\$53.2	\$63.6	\$103.3	\$65.7
<i>Total</i>	<i>\$3,524.7</i>	<i>\$3,724.3</i>	<i>\$3,805.4</i>	<i>\$5,949.6</i>	<i>\$4,040.3</i>

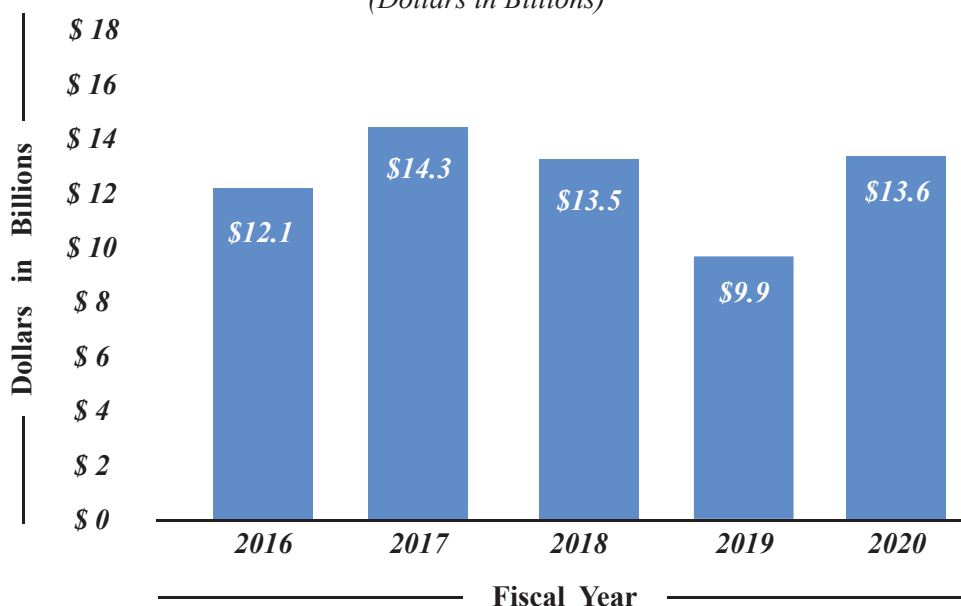
SOURCE: DEPARTMENT OF THE TREASURY, BUREAU OF THE FISCAL SERVICE

3. Enforced Collection by the Department of Justice

In FY 2020, the DOJ collected a total of \$13.6 billion in cash on behalf of federal creditor agencies, an increase of \$3.7 billion (37 percent)²² from FY 2019. 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 collection²³ through the judicial process.

FIGURE 18

Civil Litigation Cash Collection: FY 2016–2020
(Dollars in Billions)



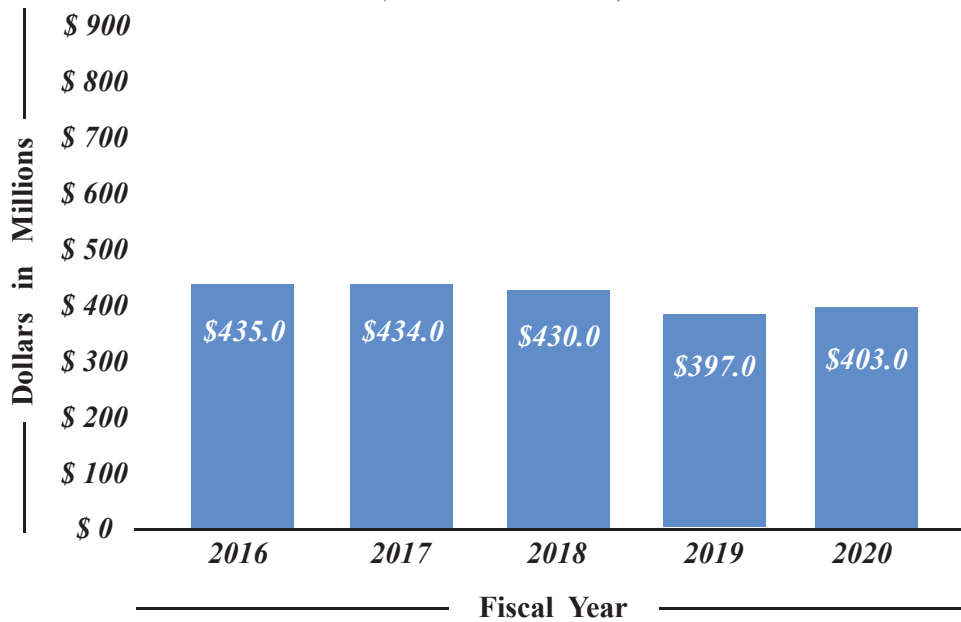
SOURCE: DEPARTMENT OF JUSTICE, OFFICE OF DEBT COLLECTION MANAGEMENT

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 2020, the PSC collected \$403.0 million, an increase of \$6.0 million (2 percent) from FY 2019.

FIGURE 19

PSC Collection: FY 2016–2020 (Dollars in Millions)



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

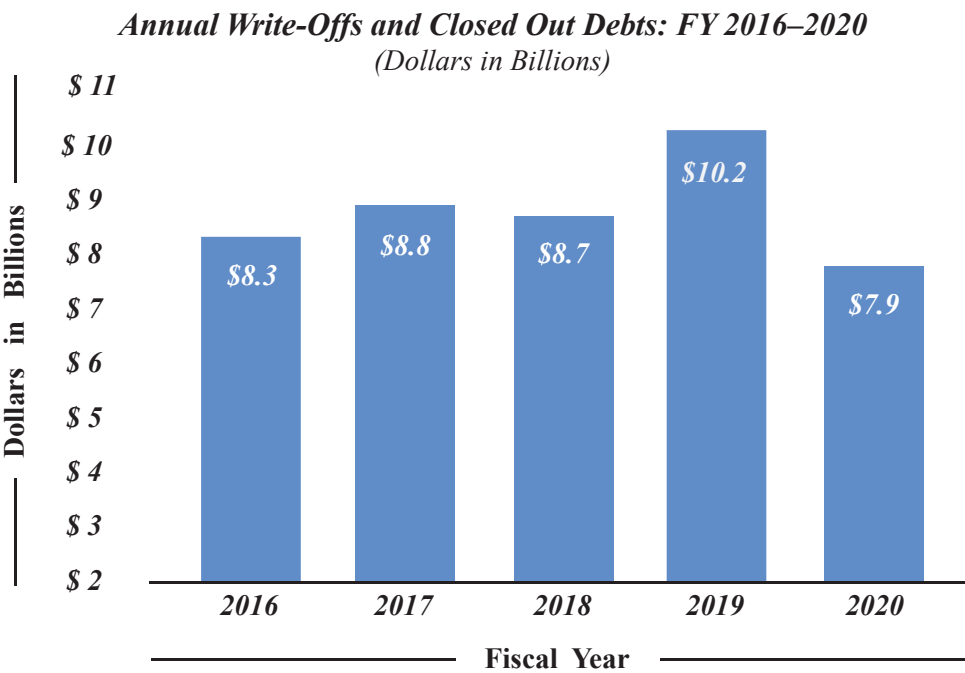
V. Write-Offs of Delinquent Federal Non-Tax Debt

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](#)).²⁴ 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”, 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 2020, federal non-tax debt that was written off and categorized as “closed out” totaled \$7.9 billion, a decrease of \$2.3 billion (23 percent) from FY 2019. The federal creditor agencies with the largest write-off amounts in FY 2020 included Education (\$6.6 billion), Securities and Exchange Commission (\$331.2 million), and SSA (\$260.7 million).

FIGURE 20



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES—FOURTH QUARTER FY 2016–2020

Appendices

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

At the end of FY 2020, 97 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 2020)</i>	<i>Delinquent Debt Balance (FY 2020)</i>
<i>Department of Education</i>	<i>\$1,430,281.8</i>	<i>\$173,146.3</i>
<i>Small Business Administration</i>	<i>\$190,944.0</i>	<i>\$2,699.3</i>
<i>Department of Agriculture</i>	<i>\$120,591.2</i>	<i>\$1,764.2</i>
<i>Department of Housing and Urban Development</i>	<i>\$63,451.4</i>	<i>\$441.2</i>
<i>Department of Health and Human Services</i>	<i>\$29,860.7</i>	<i>\$1,786.6</i>
<i>Social Security Administration</i>	<i>\$24,398.4</i>	<i>\$10,134.8</i>
<i>Department of Energy</i>	<i>\$19,185.5</i>	<i>\$30.5</i>
<i>Department of Transportation</i>	<i>\$17,127.2</i>	<i>\$37.8</i>
<i>Export-Import Bank</i>	<i>\$14,269.8</i>	<i>\$1,522.9</i>
<i>Department of Defense</i>	<i>\$7,782.1</i>	<i>\$1,257.8</i>
<i>Top 10 Total</i>	<i>\$1,917,892.1</i>	<i>\$192,821.4</i>
<i>All Others</i>	<i>\$50,904.7</i>	<i>\$14,757.7</i>
<i>Government Total</i>	<i>\$1,968,796.8</i>	<i>\$207,579.1</i>

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES—FOURTH QUARTER FY 2020

Appendix II: Total FY 2020 Collection of Delinquent Federal Non-Tax Debt by Creditor Agency

In FY 2020, 91 percent of the 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 2020 Collections</i>
<i>Department of Education</i>	<i>\$8,351.5</i>
<i>Federal Trade Commission</i>	<i>\$5,409.4</i>
<i>Department of Veterans Affairs</i>	<i>\$1,453.9</i>
<i>Department of Agriculture</i>	<i>\$1,387.4</i>
<i>Department of Health and Human Services</i>	<i>\$1,354.1</i>
<i>General Services Administration</i>	<i>\$1,214.0</i>
<i>Department of Housing and Urban Development</i>	<i>\$566.0</i>
<i>Department of Defense</i>	<i>\$422.8</i>
<i>Environmental Protection Agency</i>	<i>\$415.9</i>
<i>Small Business Administration</i>	<i>\$382.5</i>
<i>Top 10 Total</i>	<i>\$20,957.5</i>
<i>All Other</i>	<i>\$1,994.0</i>
<i>Government Total</i>	<i>\$22,951.5</i>

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES—FOURTH QUARTER FY 2020

Appendix III: Total FY 2020 Write-Offs and Close Outs by Creditor Agency

In FY 2020, 99 percent of the federal debt that was written off and closed out arose from programs administered by the ten federal creditor agencies listed below.

FIGURE 23

Total Federal Write-Offs and Close Outs: Top Ten Creditor Agencies
(Dollars in Millions)

<i>Agency</i>	<i>FY 2020 Write-Offs</i>
<i>Department of Education</i>	<i>\$6,619.6</i>
<i>Securities and Exchange Commission</i>	<i>\$331.2</i>
<i>Social Security Administration</i>	<i>\$260.7</i>
<i>Department of Veterans Affairs</i>	<i>\$218.2</i>
<i>Department of Agriculture</i>	<i>\$168.9</i>
<i>Department of Housing & Urban Development</i>	<i>\$165.0</i>
<i>Department of Labor</i>	<i>\$37.5</i>
<i>Department of Defense</i>	<i>\$27.1</i>
<i>Department of Homeland Security</i>	<i>\$24.0</i>
<i>Commodity Futures Trading Commission</i>	<i>\$17.1</i>
<i>Top 10 Total</i>	<i>\$7,869.3</i>
<i>All Other</i>	<i>\$52.2</i>
<i>Government Total</i>	<i>\$7,921.5</i>

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES—FOURTH QUARTER FY 2020

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

TOP is the centralized program 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 non-tax debts owed to federal agencies include loans, overpayments, fines, and penalties. In addition, the Federal Payment Levy Program, processed through TOP, allows the IRS to continuously levy federal payments due to delinquent federal taxpayers.²⁵ Delinquent debts owed to state agencies include child support and unemployment insurance obligations.

In FY 2020, Fiscal Service collected \$10.4 billion through TOP for federal and state agencies, of which \$4.5 billion was for debts owed to federal agencies and \$5.9 billion for debts owed to state agencies. Highlights include:

- \$5.1 billion²⁶ was collected for delinquent child support obligations submitted to TOP by HHS's Office of Child Support Enforcement on behalf of states.
- \$528.4 million was collected for 41 states and the District of Columbia that participated in TOP's State Income Tax Program, whereby federal tax refunds and federal vendor payments are offset to collect delinquent state income tax obligations.
- \$226.9 million was collected for the 50 states and the District of Columbia that participated TOP's Unemployment Insurance Compensation Program, whereby federal tax refunds and federal vendor payments are offset to collect delinquent unemployment insurance benefit and employer tax obligations.
- \$53.4 million was collected for the 11 states and the District of Columbia that participated in TOP's State Reciprocal Program for other state debts, whereby eligible federal vendor payments are offset to collect debt owed to states. In return, states offset \$65.7 million from state payments to collect delinquent federal non-tax debt.
- \$507.2 million delinquent Federal taxes was collected through the Federal Payment Levy Program.

FIGURE 24

TOP Collection - Federal Debt: FY 2016–2020 (Dollars in Millions)

Type of Debt	Type of Payment Offset / Levy	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Federal Non-tax Debt	Tax Refund Offset	\$2,994.1	\$3,213.2	\$3,256.4	\$5,198.5	\$3,505.0
Federal Non-tax Debt	Administrative Offset	\$483.8	\$457.9	\$485.4	\$647.8	\$469.6
Federal Non-tax Debt	State Payments Offset	\$46.8	\$53.2	\$63.6	\$103.3	\$65.7
Federal Tax Debt	Tax Levy (Federal Payments)	\$692.4	\$682.6	\$678.9	\$801.5	\$507.2
Total		\$4,217.1	\$4,406.9	\$4,484.3	\$6,751.1	\$4,547.5

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

FIGURE 25

TOP Collection - State Debt as of September 30: FY 2016–2020
(Dollars in Millions)

Type of Debt	Type of Payment Offset	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Child Support	Tax Refund Offset	\$1,872.0	\$1,796.4	\$1,751.9	\$1,723.3	\$5,044.6
State Income Tax Debt	Tax Refund Offset	\$582.2	\$607.7	\$563.5	\$493.2	\$503.4
State Unemployment Compensation Debt	Tax Refund Offset	\$403.2	\$353.8	\$300.3	\$270.9	\$224.8
Child Support	Administrative Offset	\$7.6	\$7.1	\$7.6	\$8.6	\$7.9
State Income Tax Debt (Reciprocal Program)	Administrative Offset	\$22.7	\$36.9 ²⁷	\$36.9	\$39.1	\$25.0
Other State Debt (Reciprocal Program)	Administrative Offset	\$38.8	\$48.4	\$46.7	\$54.6	\$53.4
State Unemployment Compensation Debt (Reciprocal Program)	Administrative Offset	N/A	N/A	\$4.6	\$2.5	\$2.1
Total		\$2,926.5	\$2,850.3	\$2,711.5	\$2,592.2	\$5,861.2

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

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

Federal agencies are required to notify Treasury of legally enforceable, non-tax debts that are more than 120 days delinquent for purposes of administrative offset, and Treasury is required to report to Congress when debts are not timely referred.

The figure below shows the extent to which each federal agency satisfied this referral requirement for FY 2020. 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.

Note: 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 2020. 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 2020

Agency	Total Number of Eligible Debts	Number of Eligible Debts Referred	Number of Eligible Debts Not Referred	Compliance Rate
Department of Education	27,110,432	24,312,637	2,797,795	89.7%
Social Security Administration	1,700,085	502,802	1,197,283	29.6%
Department of Defense	1,313,767	286,775	1,026,992	21.8%
Department of Health and Human Services	1,218,327	1,199,389	18,938	98.5%
Small Business Administration	120,252	120,252	0	100.0%
Department of Veterans Affairs	65,755	8,631	57,124	13.1%
Department of Homeland Security	63,212	63,208	4	99.9%
Department of Labor	53,985	44,944	9,041	83.3%
U.S. Postal Service	49,851	42,447	7,404	85.1%
Department of Agriculture	48,236	44,874	3,362	93.0%
Department of Justice	37,724	37,362	362	99.0%
Department of Interior	33,095	33,077	18	99.9%
Department of State	22,879	22,229	650	97.2%
Federal Communications Commission	7,629	7,629	0	100.0%
Department of Transportation	7,554	7,502	52	99.3%
Department of Housing & Urban Development	6,548	6,541	7	99.9%
Department of the Treasury	5,856	5,820	36	99.4%

Compliance with 120-Day Delinquent Debt Referral Requirement as of September 30: FY 2020

<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>Railroad Retirement Board</i>	<i>4,411</i>	<i>4,411</i>	<i>0</i>	<i>100.0%</i>
<i>Department of Commerce</i>	<i>1,792</i>	<i>1,792</i>	<i>0</i>	<i>100.0%</i>
<i>Office of Personnel Management</i>	<i>1,651</i>	<i>1,365</i>	<i>286</i>	<i>82.7%</i>
<i>General Services Administration</i>	<i>1,611</i>	<i>1,145</i>	<i>466</i>	<i>71.1%</i>
<i>Pension Benefit Guaranty Corporation</i>	<i>1,483</i>	<i>1,483</i>	<i>0</i>	<i>100.0%</i>
<i>Corp. for National and Community Service</i>	<i>1,325</i>	<i>152</i>	<i>1,173</i>	<i>11.5%</i>
<i>Securities and Exchange Commission</i>	<i>983</i>	<i>983</i>	<i>0</i>	<i>100.0%</i>
<i>Commodity Futures Trading Commission</i>	<i>366</i>	<i>366</i>	<i>0</i>	<i>100.0%</i>
<i>The Judiciary</i>	<i>317</i>	<i>190</i>	<i>127</i>	<i>59.9%</i>
<i>Nuclear Regulatory Commission</i>	<i>275</i>	<i>271</i>	<i>4</i>	<i>98.5%</i>
<i>Environmental Protection Agency</i>	<i>230</i>	<i>230</i>	<i>0</i>	<i>100.0%</i>
<i>U.S. Senate</i>	<i>177</i>	<i>45</i>	<i>132</i>	<i>25.4%</i>
<i>National Aeronautics and Space Administration</i>	<i>136</i>	<i>136</i>	<i>0</i>	<i>100.0%</i>
<i>Armed Forces Retirement Home</i>	<i>109</i>	<i>104</i>	<i>5</i>	<i>95.4%</i>
<i>National Archives & Records Administration</i>	<i>108</i>	<i>102</i>	<i>6</i>	<i>94.4%</i>
<i>Federal Election Commission</i>	<i>105</i>	<i>105</i>	<i>0</i>	<i>100.0%</i>
<i>Department of Energy</i>	<i>93</i>	<i>92</i>	<i>1</i>	<i>98.9%</i>
<i>National Science Foundation</i>	<i>84</i>	<i>84</i>	<i>0</i>	<i>100.0%</i>
<i>Presidio Trust</i>	<i>83</i>	<i>79</i>	<i>4</i>	<i>95.2%</i>
<i>Consumer Financial Protection Bureau</i>	<i>68</i>	<i>0</i>	<i>68</i>	<i>0.0%</i>
<i>Agency for International Development</i>	<i>60</i>	<i>59</i>	<i>1</i>	<i>98.3%</i>
<i>Architect of the Capitol</i>	<i>57</i>	<i>0</i>	<i>57</i>	<i>0.0%</i>
<i>Federal Trade Commission</i>	<i>56</i>	<i>56</i>	<i>0</i>	<i>100.0%</i>
<i>James Madison Memorial Fellowship</i>	<i>25</i>	<i>0</i>	<i>25</i>	<i>0.0%</i>
<i>Equal Employment Opportunity Commission</i>	<i>20</i>	<i>20</i>	<i>0</i>	<i>100.0%</i>
<i>Library of Congress</i>	<i>18</i>	<i>0</i>	<i>18</i>	<i>0.0%</i>

**FY 2020 REPORT TO CONGRESS: U.S. GOVERNMENT NON-TAX RECEIVABLES
AND DEBT COLLECTION ACTIVITIES OF FEDERAL AGENCIES**

Compliance with 120-Day Delinquent Debt Referral Requirement as of September 30: FY 2020

<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>U.S. Government Publishing Office</i>	<i>16</i>	<i>0</i>	<i>16</i>	<i>0.0%</i>
<i>Government Accountability Office</i>	<i>13</i>	<i>13</i>	<i>0</i>	<i>100.0%</i>
<i>Federal Maritime Commission</i>	<i>7</i>	<i>7</i>	<i>0</i>	<i>100.0%</i>
<i>U.S. International Development Financial Corporation</i>	<i>6</i>	<i>0</i>	<i>6</i>	<i>0.0%</i>
<i>Funds Appropriated to the President</i>	<i>4</i>	<i>0</i>	<i>4</i>	<i>0.0%</i>
<i>Consumer Product Safety Commission</i>	<i>2</i>	<i>2</i>	<i>0</i>	<i>100.0%</i>
<i>The Stennis Center for Public Service</i>	<i>2</i>	<i>0</i>	<i>2</i>	<i>0.0%</i>
<i>National Council on Disability</i>	<i>2</i>	<i>2</i>	<i>0</i>	<i>100.0%</i>
<i>U.S. Agency of Global Media</i>	<i>2</i>	<i>0</i>	<i>2</i>	<i>0.0%</i>
<i>National Center for Environmental Conflict Resolution</i>	<i>1</i>	<i>1</i>	<i>0</i>	<i>100.0%</i>
<i>Farm Credit Administration</i>	<i>1</i>	<i>1</i>	<i>0</i>	<i>100.0%</i>
<i>Merit Systems Protection Board</i>	<i>1</i>	<i>1</i>	<i>0</i>	<i>100.0%</i>
<i>Millennial Challenge Corporation</i>	<i>1</i>	<i>0</i>	<i>1</i>	<i>0.0%</i>
<i>Smithsonian</i>	<i>1</i>	<i>0</i>	<i>1</i>	<i>0.0%</i>
<i>U.S. Commission on International Religious Freedom</i>	<i>1</i>	<i>0</i>	<i>1</i>	<i>0.0%</i>
<i>U.S. Court of Appeals</i>	<i>1</i>	<i>1</i>	<i>0</i>	<i>100.0%</i>

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES—FOURTH QUARTER FY 2020

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, 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. [A complete list of payment classes exempt from centralized administrative offset is available on Treasury's website.](#)

FIGURE 27

New Exemptions from Administrative Offset in FY 2020

Payment Agency	Type of Payment
Department of Education	Payments representing refunds of funds collected in violation of an order issued in <i>Mariquez v. DeVos</i> , No. 17-cv-07210 (N.D. Cal.). Approved October 13, 2019.
Social Security Administration	Payments made between March 26, 2020 & September 21, 2020 to individuals under the Social Security Act. Approved March 25, 2020.
Department of the Treasury	Payroll assistance payments to air carriers and their contractors for pandemic relief under the Coronavirus Aid, Relief, and Economic Security Act. Approved March 31, 2020.
Federal Communications Commission	Payments made under Title V of Division B of the Coronavirus Aid, Relief, and Economic Security Act through its COVID-19 Telehealth Program. Approved April 10, 2020.
Department of the Treasury	Payments paid to states, Tribal governments, and units of local government under Title V of the Coronavirus Aid, Relief, and Economic Security Act. Approved April 14, 2020.
Small Business Administration	Economic Injury Disaster Loan payments issued under section 1110 of the Coronavirus Aid, Relief, and Economic Security Act. Approved June 9, 2020.
Small Business Administration	Loan payments issued under section 1112 of the Coronavirus Aid, Relief, and Economic Security Act. Approved June 9, 2020.

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

Appendix VII: Sources of Data

Data in this report were obtained from the following sources and reported as of September 30, 2020:

Sources

Treasury Report on Receivables and Debt Collection Activities — Fourth Quarter 2020, 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 This report is provided in accordance with 31 U.S.C. § 3719(b) (requiring the Secretary to report annually to Congress on the status of loans and accounts receivables managed by Federal agencies during the previous year); and fulfils other reporting requirements under 31 U.S.C. § 3716(c)(3)(B) (requiring the Secretary to report annually to Congress regarding payments exempted from offset) and 31 U.S.C. § 3716(c)(6)(B) (requiring the Secretary to report to Congress on agency failure to refer debts for administrative offset). Although this report incorporates some information about federal tax and state debt collections, information on the management and collection of federal tax receivables and state debts is generally outside the scope of this report.

² 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.

³ Information on the management and collection of federal tax receivables is outside the scope of this report.

⁴ New receivables increased by 41 percent due, in part, to the Small Business Administration's Coronavirus Aid, Relief, and Economic Security (CARES) Act financial assistance programs, which provided loans to small businesses due to the COVID-19 pandemic.

⁵ More information on the Department of Education's Student Aid programs can be found in the [Federal Student Aid Annual Report](#).

⁶ All year-over-year changes were 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.

⁷ SBA's 1,324 percent increase in receivables was due, in part, to the temporary programs authorized by the CARES Act to address the COVID-19 pandemic.

⁸ Education's 23 percent decrease in collections was due primarily to the emergency relief measures, including those authorized by the CARES Act, that suspended certain required loan payments and halted collections on certain defaulted loans.

⁹ Department of Defense's (DoD) 26 percent decrease in collections was primarily due to the impact of the COVID-19 pandemic on DoD's overall business with public entities and foreign country customers.

¹⁰ Non-loan receivables include, among other items, fines, penalties, and overpayments.

¹¹ The rate of interest is generally governed by 31 U.S.C. § 3717 and published by the [Department of the Treasury](#).

¹² The calculation of the amount that became delinquent during FY 2020 was based on debt that was between 1 and 365 days delinquent as of September 30, 2020.

¹³ Education's 42 percent decrease in delinquent collections was due to the CARES Act emergency relief measures that halted collections on certain defaulted loans.

¹⁴ The Federal Trade Commission's 1,250 percent increase in delinquent collections was primarily due to a \$4.9 billion collection from a social networking site for a civil violation.

¹⁵ The term "state" includes the several states of the United States, the District of Columbia, American Samoa, Guam, the U.S. Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Commonwealth of Puerto Rico.

¹⁶ This amount does not include collections resulting from the use of AWG by Fiscal Service's Cross-Servicing Program or from judicial garnishment actions.

Endnotes

¹⁷ 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.

¹⁸ 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 DOJ. This amount also does not include collections from AWG.

¹⁹ The decrease in PCA collections was a result of a change to Education's delinquent debt aging methodology for its Federal Student Aid (student loan) programs.

²⁰ The increase in Federal Student Aid's PCA collections is primarily due to 1) a general increase in PCA collections and 2) a correction to the aging methodology implemented by its default servicer. Federal Student Aid's default servicer implemented the revised aging methodology in December 2018 but had to make additional system changes during July 2018 to correctly apply the revised aging methodology.

²¹ 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.

²² The Department of Justice received a settlement payment from a social media networking site in the amount of \$5 billion in FY 2020.

²³ 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 or to pursue available post-judgment remedies (including wage and bank garnishment and liens filed against property).

²⁴ "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.

²⁵ "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.

²⁶ The \$5.1 billion in TOP collections includes \$3.40 billion in offsets from economic impact payments under the CARES Act, \$1.64 billion from federal tax refund offsets and \$7.9 million from offsets of other non-tax payments.

²⁷ Revised and updated from FY 2017 Annual Report.