

Treasury Report on Receivables Pilot Group-Meeting Summary
401 14th St. SW, Room 107A Washington, DC 20227
October 27, 2004-8:30 am to 12:30 pm

Introductions and Welcome

DMS held the third TROR Pilot Group meeting with the Federal agencies on Wednesday, October 27, 2004. Fifteen agency employees attended in person or via conference call representing: Housing and Urban Development/FHA, Commerce, Agriculture/CFO, Interior, Defense Finance and Accounting-and Denver, Homeland Security-Coast Guard, General Services Administration, Railroad Retirement Board, Social Security Administration, and Veterans Affairs.

Tom Kobielus provided the welcoming comments and commenced with a review of the changes proposed for Part I, sections A and B and Part II, Sections A and B from the previous meetings and went through Part II Sections C and D. In addition, they reviewed the Footnote Summary and discussed different areas that could be added to the report form that are currently footnoted.

Review of Revised TROR Form with Suggestions

1. PART I, SECTION A, LINE 4-COLLECTIONS ON RECEIVABLES

Add the line “Collections by Department of Justice” to Line 4.

(4) Collections on Receivables (-)		
(A) At Agency (-)		
(B) At Third Party (-)		
(C) Asset Sales (-)		
(D) Collections by Treasury through Offset and Cross-Servicing		
(E) Collections by Sale After Foreclosure		
(F) Collections by Department of Justice		
(G) Other - must footnote (-)		

2. PART I, SECTION A, LINE 8-SUBSETS OF ENDING BALANCE

Make the revised line 8 a new section. It was suggested that the section be entitled “Balance of Receivables by Major Category”. It was also suggested to add in the term “Information Only” so that the preparers do not think that section B is additive to the total of line 7 in Part I, Section A.

Section B Balance of Receivables by Major Category (Information Only)		
(1) Subsets of Ending Balance - Total Receivables		
(A) Foreign/Sovereign Government		
(B) State and Local Government		
(C) Rescheduled Debt - Delinquent		
(D) Rescheduled Debt - Non-Delinquent		
(E) Interest & Late Charges		

3. PART I, SECTION A, LINE 7-ENDING BALANCE

The TROR Pilot Group suggested that Part I, Section A, Line 7, line description “**Ending Balance**” be bolded. A jagged line was added after line 7 to separate the ending balance with the informational receivables information requested in line 8 (or the new Part I, Section B, “Balance of Receivables by Major Category”.

(7) Ending Balance		
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4. PART I, SECTION A, LINE 5-ADJUSTMENTS

The **Footnote Summary** that was prepared suggested that a new line be added to Part I, Section A, line 5 for CNC debts that were reinstated when collections are received.

(5) Adjustments (+ or -)		
(A) Reclassified/Adjusted Amounts (+ or -)		
(B) Adjustments Due to Sale of Assets (+ or -)		
(C) Consolidations (+ or -)		
(D) Foreclosure Adjustments (+ or -)		
(E) Written Off Debts Reinstated for Collections		

5. PART I, SECTION A, LINES 6A & 6B-AMOUNTS WRITTEN OFF

Put in a formula in the TROR/DMIS Application to add lines 6A and 6B in Part I, Section A so that line 6 is calculated.

6. PART I, SECTION B-TOTAL DELINQUENCIES

The Pilot Group discussed Part I, Section B in detail and recommended that the following changes be made to Part I, Section B.

- a. Make line 2 in Part I, Section B additive. Foreign/Sovereign and State/Local Government debts would be classified separately and not be reported as a Commercial debt.
- b. Go back to the revision developed in the July 16, 2004 for Part I, Section B, Line 2.

(2) Total Delinquencies by Category		
(A) Commercial (+)		
(B) Consumer (+)		
(C) Foreign/Sovereign Government (+)		
(D) State and Local Government (+)		

- c. Revise the titles of Part II, section B, line 1 & 2 by functional category to be “**1. Total Delinquencies by Age**” and “**2. Total Delinquencies by Category**”. The title of the section would be “**Total Delinquencies**”.

The revised Part I, Section B (now Section C in the revision) in total would look like this:

Section C Delinquent Debt		
(1) Total Delinquencies by Age (+)		
(A) 1-90 Days (+)		
(B) 91-180 Days (+)		
(C) 181-365 Days (+)		
(D) 1-2 Years (+)		
(E) 2-6 Years (+)		
(F) 6-10 Years (+)		
(G) Over 10 Years (+)		
(2) Total Delinquencies by Category		
(A) Commercial (+)		
(B) Consumer (+)		
(C) Foreign/Sovereign Government (+)		
(D) State and Local Government (+)		

7. PART II, SECTION B-DEBT ELIGIBLE FOR REFERRAL TO TREASURY FOR OFFSET AND CROSS-SERVICING

The Pilot Group discussed Part II, Section B, lines 1 and 2 in detail, both the “conservative” and “radical” change versions, but was not entirely satisfied. After some discussion, it was decided to look at a 3rd way, with a third line added to remove the debt that was not legally enforceable for both TOP and Cross-Servicing, then deduct the debts that are not eligible for just TOP or Cross-Servicing. In addition, it was suggested that a new category of ineligibility for Cross-Servicing entitled “Debt Returned from Cross-Servicing for CNC Debts” and “Debts Without SSNs” for TOP ineligibility.

Section B Debt Eligible for Referral to Treasury for Offset and Cross-Servicing		
(1) Debt Eligible for Referral to Treasury for Collection		
(A) Delinquent Debt Over 180 Days (including CNC Debts)		
(B) In Bankruptcy (-)		
(C) Foreign/Sovereign Debt (-)		
(D) In Forbearance or Formal Appeals Process (-)		
(E) In Foreclosure (-)		
(F) Other - <u>must footnote</u> (+ or -)		
(G) Debt Eligible for Referral to Treasury for Collection		
(2) Debt Eligible for Referral to Treasury for Offset		
(A) Debt Eligible for Referral to Treasury for Collection (from 1G)		
(B) Debt Referred to DOJ/Litigation (-)		
(C) Debts Without SSNs		
(D) Other - <u>must footnote</u> (+ or -)		
(E) Debt Eligible for Referral to Offset by Agency		
(F) Debt Referred to Treasury for Offset (-)		
(G) Debt Referred to Cross-Servicing (-)		
(H) Balance of Debt Eligible for Referral by the Agency		
(3) Debt Eligible for Referral to Treasury or a Designated Debt Collection Center for Cross-Servicing		
(A) Debt Eligible for Referral to Treasury for Collection (from 1G)		
(B) At PCAs (-)		
(C) Eligible for Internal Offset (-)		
(D) Debt Exempted by Treasury from Cross Servicing (-)		
(E) Debts Returned from Cross Servicing (-)		
(F) Other - <u>must footnote</u> (+ or -)		
(G) Debt Eligible for Referral to Treasury or a Designated Debt Collection Center for Cross-Servicing		
(H) Debt Referred to Treasury or a Designated Debt Collection Center for Cross Servicing (-)		
(I) Balance of Debt Eligible for Referral by the Agency		

Review of Part II, Sections C and D

PART II, SECTION D, LINE 3-DISPOSITION OF DEBT CLOSED OUT BY CY FOR TAX COMPLIANCE PURPOSES

In Part II, Section D, line 3, add in a line to collect Non-CNC Debts that were closed out during the current calendar year.

(3) Disposition of Debts Closed Out by CY for Tax Compliance Purposes		
(A) CNC Reclassified as Closed Out During the Current CY (+)		
(B) Total of CNC Debts Closed Out During Previous CY (+)		
(C) Closed Out Debts Not Reported to IRS on 1099-C - (must footnote) (+)		
(D) Non-CNC Debts Reclassified as Closed Out During Current CY (+)		

Next Meetings-TROR Pilot Group

November 17, 2004, 8:30 am to 12:30 pm
Department of the Treasury-FMS
Liberty Center Building
401 14th St. SW, Room 107A,
Washington, DC 20227

December 15, 2004, 8:30 am to 1:30 pm
Loews L'Enfant Plaza Hotel
480 L'Enfant Plaza, SW
Washington, DC 20024
Phone: 202-484-1000 for reservations
Fax: 202-646-4456
Sales Fax: 202-646-5060

Five (5) guest rooms are available under “TROR-Pilot Group” at \$153 per night.

Meeting Attendees-TROR Pilot Group-Creditor Agencies

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