



**United States Department of Justice
Justice Management Division
Debt Collection Management Staff**

August 26, 2020

Washington, DC 20002

COVID-19 BULLETIN UPDATE

The Department of Justice's ("Department") suspension of collection and enforcement activities of certain civil debts by United States Attorneys' Offices (USAOs) and Private Counsel (PC) firms ("Suspension Period") due to the financial impact of the Coronavirus Disease ("COVID-19) **will end on August 31, 2020. All civil debt collection and enforcement activities by USAOs and PC firms will resume in full force on September 1, 2020 ("Reinstatement").**

Please note the following time-period exceptions to the end of the Suspension Period and Reinstatement, absent intervening statutory or administrative directives to the contrary, for the following agencies:

- **U.S. Department of Education (Education):** The Suspension Period for Education debts **will continue through December 31, 2020.** This date may be further extended by legislation or other administrative action. The Suspension Period applies to Direct Loans, Federal Family Education Loan (FFEL) Program loans and Federal Perkins Loans¹ held (owned) by Education, and Health Education Assistance Loan (HEAL) Program loans.²
- **The Small Business Administration (SBA):** The Department's Suspension Period for SBA civil debts **will continue through December 31, 2020.** This date may be further extended by legislation or other administrative action.

Referrals to the Department: The Department's Nationwide Central Intake Facility ("NCIF") has transmitted to USAOs and PC firms referral packages for debts previously referred to the Department that were held during the Suspension Period. The Case Processing staff of the NCIF will generate demand and agency acknowledgement letters commencing on September 1, 2020. Please be advised that USAOs and PC firms will not take action on these debts before September 1, 2020. The NCIF referral packages for debts referred by Education and SBA will not be transmitted as those matters are still under the Education Suspension Period and SBA Suspension Period.

Debts on Active Payment Plans: The Department's Debt Collection Management Staff has notified debtors who have active payment plans that their regularly scheduled payments will be reactivated effective September 1, 2020. If a debtor had previously set up automatic payments through Pay.gov prior to the Suspension Period, they will need to take action to reinstate and/or reactivate those automatic payments in Pay.gov, effective as of September 1, 2020. Failure to resume and continue to

¹ Please note that some FFEL Program loans are owned by private lenders, and some Perkins Loans are owned by the institution attended by the borrower. Only loans owned by Education are eligible for the relief discussed in this notice.

² The United States Department of Health and Human Services (HHS) insured educational loans made by participating lenders for borrowers' graduate work in health sciences from 1978 to 1998. The HEAL Program loans were transferred to Education in 2014. Education owns the HEAL loans that HHS services.

make payments in accordance to the terms and conditions of their payment plans after September 1, 2020, may result in affirmative legal action against them.

Treasury Offset Program: Effective September 1, 2020, the Department will reactivate the reduction or withholding (also known as the “offset”) of debtor eligible federal payments authorized by the Internal Revenue Code and the Debt Collection Act of 1982, as amended by the Debt Collection Improvement Act of 1996.

Court Ordered Enforcement: Effective September 1, 2020, USAOs and PC firms will resume initiating new garnishment actions and other related enforcement orders. Collection and enforcement of any civil debt or obligation by operation of law as a result of a previously entered court enforcement related order, judgment, or stipulated order (e.g., garnishment order) continued per normal procedures and were not affected.

Federal agencies should direct questions or concerns to: NCIF@usdoj.gov.