

State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

FINAL DECISION

OAL DKT. NO. HEA 07435-15

**NEW JERSEY HIGHER EDUCATION
STUDENT ASSISTANCE AUTHORITY,**

Petitioner,

v.

TERESA BROWN,

Respondent.

Phillip Levitan, Esq. for petitioner (Fein, Such, Khan & Sheppard, P.C.,
attorneys)

No appearance by or on behalf of respondent

Record Closed: November 9, 2015

Decided: January 6, 2016

BEFORE **IRENE JONES**, ALJ:

STATEMENT OF THE CASE AND PROCEDURAL HISTORY

Teresa Brown, (“Respondent”) applied for and was granted a student loan in 2004 for payment of tuition to an institution of higher education. She failed to make all payments due and defaulted on the loan. The New Jersey Higher Education Student Assistant Authority (or Authority) guaranteed and honored respondent’s loans. It now demands an Order garnishing respondent’s wages to recover the amount it paid on her behalf, plus interest and fees. See 20 U.S.C. §1095a (2003), 34 C.F.R. §682.410(b)(9) (2003), N.J.S.A. 18A:72-1 to -21, N.J.A.C. 9A:10-1.4.

On March 10, 2004, respondent requested a hearing contesting the garnishment. An in-person hearing was scheduled for November 9, 2015 at the Office of Administrative Law in Newark, N.J. Respondent did not appear at hearing. Despite respondent's failure to appear, attempts were made to contact her by using telephone numbers she provided. The matter proceeded in her absence.

FACTS

The unopposed affidavit (P-1) of Janice Seitz, Program Officer for the Servicing/Collection Unit of the New Jersey Higher Education Student Assistance Authority provides the relevant facts. On or about October 23, 2004, respondent executed a promissory/installment note for a guaranteed student loan for the purpose of consolidation of her student loans. Sallie Mae, a financial institution, disbursed the sum of \$10,594.39.

Pursuant to the terms of the promissory/installment note, payment became due and owing. However, respondent failed to make the aforesaid payment and thus defaulted on the loan. The petitioner was forced to acquire said loan for the amount of \$13,843.68 (loan principal plus accrued interest).

On or about February 25, 2015 the Authority issued a notice of Wage Garnishment to respondent. On November 9, 2015, a hearing on the garnishment was held and despite notice, the respondent failed to appear.

FINDINGS AND CONCLUSION

I **FIND** that the Authority has shown by a preponderance of evidence that the debt of respondent exists. Further, I **FIND** that debt is as calculated by petitioner and that the debt is delinquent.

I **FIND** the petitioner has identified the payments made, and not made, on the debt. Consequently, the Authority, as guarantor of the loan, is responsible by law for its collection.

I **CONCLUDE** that respondent had an opportunity to challenge the existence and/or the amount of the debt. She has not contested the facts or the record. She has not submitted the financial statement requested by the agency to support her position or her need to adjust payment terms. Therefore, the record is unrebutted.

It is therefore **ORDERED** that the amount sought by the agency shall be recovered by garnishment. However, the amount deducted for any pay period should not exceed 10 percent of the respondent's disposable income.

This decision is final pursuant to 34 C.F.R. §682.410(b)(9)(i)(N) (2010).

January 6, 2016 _____

DATE

IRENE JONES, ALJ

Date Received at Agency

January 6, 2016

Date Mailed to Parties:

sej _____