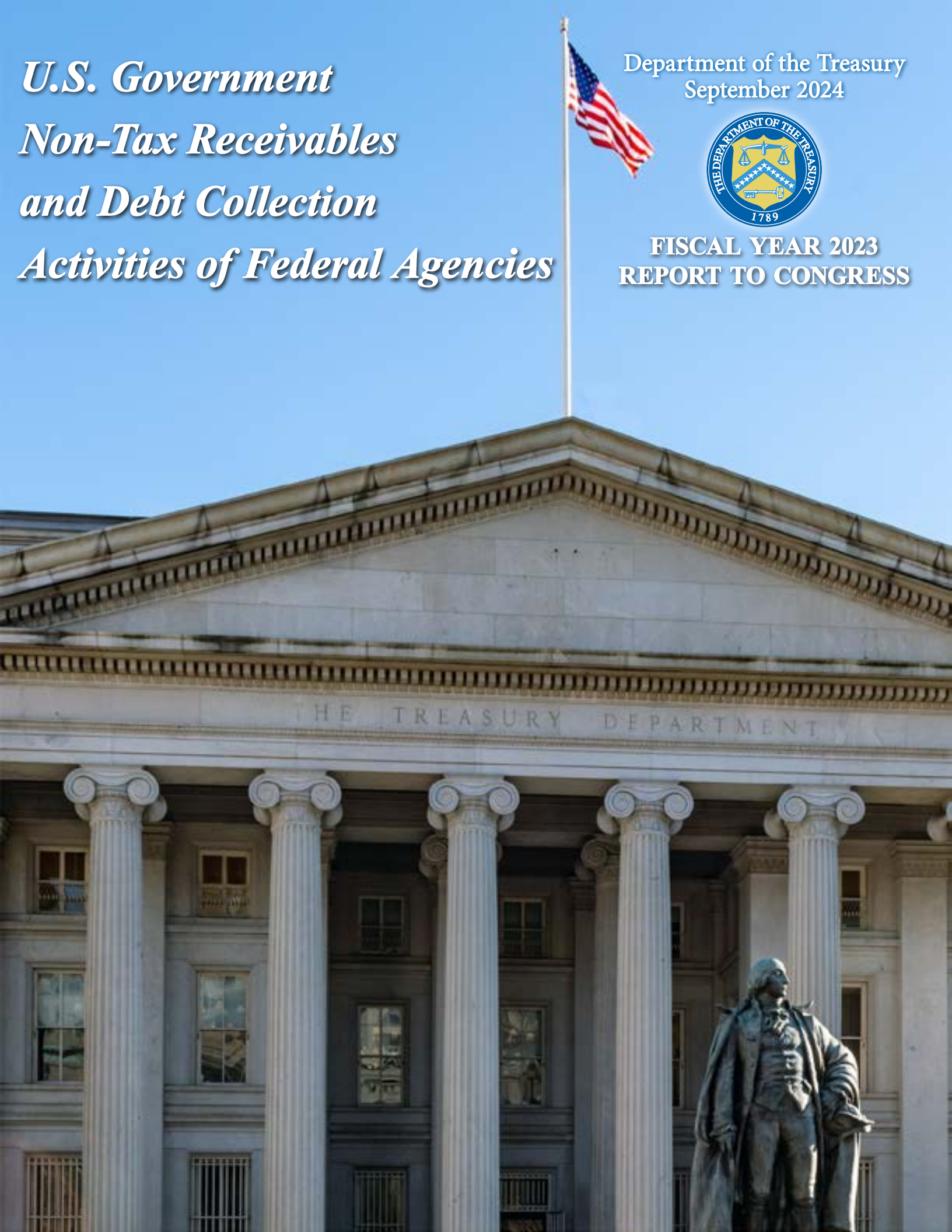


*U.S. Government
Non-Tax Receivables
and Debt Collection
Activities of Federal Agencies*

Department of the Treasury
September 2024



**FISCAL YEAR 2023
REPORT TO CONGRESS**





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 2023 Report to Congress on United States Government Non-Tax Receivables and Debt Collection Activities of Federal Agencies*. This annual report provides important information to Congress and 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) 2023, the outstanding amount of non-tax receivables owed to the United States was \$2.3 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.

Most citizens pay their debts on time. However, at the end of FY 2023, delinquent non-tax debt owed to the federal government totaled \$216.1 billion. The collection of delinquent debts helps fund government operations, maintain key programs, and reduce the federal deficit. Therefore, it is 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 2023, federal creditor agencies collected \$16.1 billion of delinquent non-tax debt. Of this amount, the Bureau of the Fiscal Service (Fiscal Service) collected \$4.3 billion in non-tax debts on behalf of federal agencies. Fiscal Service continues to collaborate with federal agencies to collect debts when appropriate, or to resolve debts for which collection is not appropriate because of a debtor's circumstances.

David A. Lebryk

FISCAL YEAR 2023 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. This report is required by federal law.¹ It includes information that federal creditor agencies provide to the Secretary on the status of their accounts receivable through the Treasury Report on Receivables and Debt Collection Activities (TROR)². Regularly updated information from the TROR is available on the Bureau of the Fiscal Service's [Fiscal Data](#) website.

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 2023, the federal government's outstanding non-tax receivables totaled \$2.3 trillion, a decrease of \$14.7 billion (1 percent) from FY 2022. A receivable is current when it is not yet due for payment. When the government's receivables are not paid by the due date, they generally become delinquent debt. At the end of FY 2023, delinquent non-tax debt owed to the United States totaled \$216.1 billion, an increase of \$20.7 billion (11 percent) from FY 2022.

Each federal creditor agency is required to make every reasonable effort to collect its receivables. At the end of FY 2023, collections of federal non-tax receivables totaled \$443.0 billion, an increase of \$23.3 billion (6 percent) from FY 2022.³ The Bureau of the Fiscal Service (Fiscal Service) and the Department of Justice (DOJ) share the responsibility for setting government-wide policy on federal non-tax debt collection, and each plays a major role in the centralized collection of delinquent non-tax debt. In FY 2023, federal creditor agencies collected \$16.1 billion of delinquent non-tax debt, a decrease of \$7.1 billion (31 percent) from FY 2022.

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 2023 and information on specific aspects of government-wide non-tax receivables and debt collection activities.

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 In preparing this report, Treasury relied upon the information certified to it by these agencies. Treasury does not independently verify agency reporting nor does it have the funding or authority to review agency debt collection decisions.

³ Collections on receivables include loan consolidations from the Department of Education (Education). A loan consolidation is the process of combining one or more eligible loans into a single new loan.

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

A. Total Federal Non-Tax Receivables

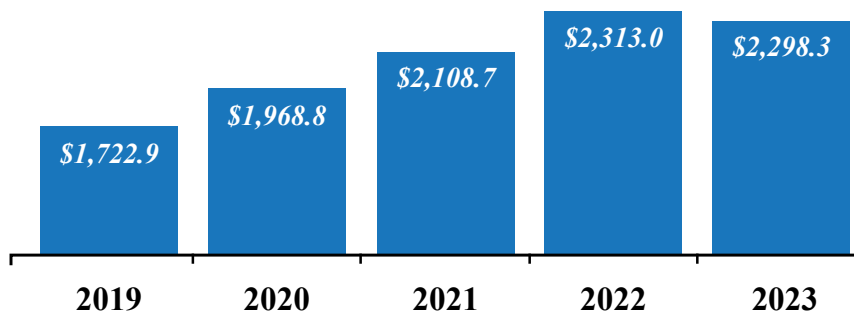
Federal non-tax receivables are amounts owed to the federal government by a person (e.g., an individual, organization, or other entity). Receivables are categorized as being current or delinquent. Delinquent receivables are also referred to as delinquent debts.

At the end of FY 2023, total federal non-tax receivables owed to the United States totaled \$2.3 trillion, a decrease of \$14.7 billion (1 percent) from FY 2022. 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.

New federal non-tax receivables recorded as of the end of FY 2023 totaled \$571.2 billion, a decrease of \$78.6 billion (12 percent) from FY 2022. Collection of federal non-tax receivables in FY 2023 was \$443.0 billion, an increase of \$23.3 billion (6 percent) from FY 2022.

FIGURE 1

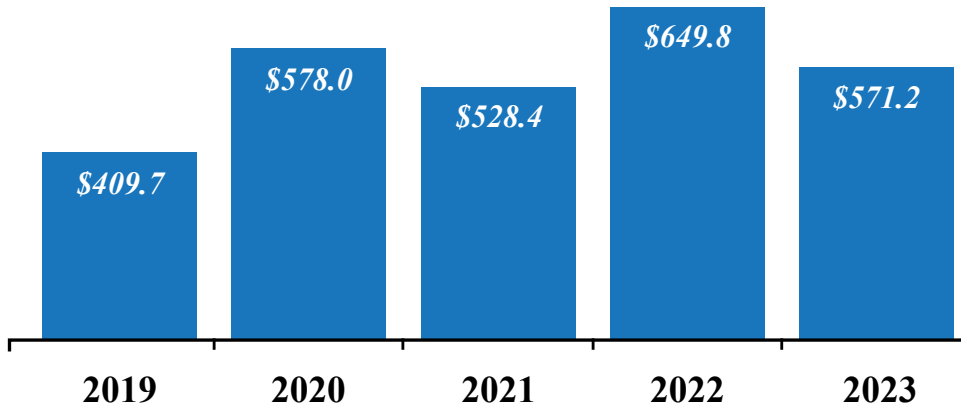
Outstanding Federal Non-Tax Receivables: FY 2019-2023 (Dollars in Billions)



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER 2019-2023

FIGURE 2

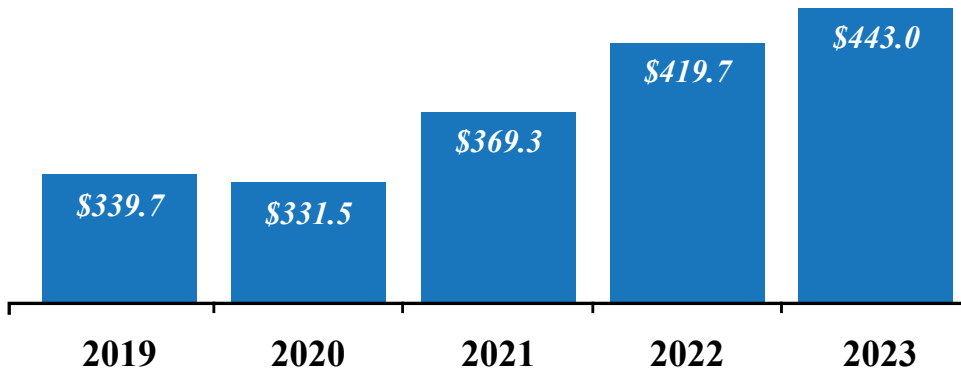
New Federal Non-Tax Receivables: FY 2019-2023
(Dollars in Billions)



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2019-2023

FIGURE 3

Total Collection on Federal Non-Tax Receivables: FY 2019-2023
(Dollars in Billions)



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2019-2023

B. By Creditor Agency

At the end of FY 2023, receivables owed to Education⁴, Small Business Administration (SBA), and the Department of Agriculture (USDA) accounted for \$2.0 trillion (86 percent) of the government’s total outstanding federal non-tax receivables. The Department of Housing and Urban Development’s (HUD) 42 percent growth in outstanding receivables is primarily due to an increase in home equity conversion mortgage (HECM) assets acquired by Ginnie Mae.

FIGURE 4

Outstanding Federal Non-Tax Receivables:⁵ *FY 2023 Top Five Federal Creditor Agencies*

Agency	FY 2023 % of Total Government	FY 2022 (Billions)	FY 2023 (Billions)	% Change from FY 2022 to FY 2023
Department of Education	66.3%	\$1,534.0	\$1,523.8	-0.7%
Small Business Administration	14.3%	\$385.5	\$328.6	-14.8%
Department of Agriculture	5.9%	\$130.3	\$135.3	3.8%
Department of Housing and Urban Development	4.9%	\$78.9	\$111.7	41.6%
Department of Health and Human Services	2.1%	\$47.7	\$47.9	0.4%
All Others	6.5%	\$136.6	\$151.0	10.5%
Total Government		\$2,313.0	\$2,298.3	-0.6%

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2023-2024

⁴More information on Education’s Student Aid Programs can be found in the [Federal Student Aid Report](#).

⁵All year-over-year changes are 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.

In FY 2023, Health and Human Services (HHS), Education, USDA, SBA, and the Department of HUD collected a combined \$300.4 billion (68 percent) in federal non-tax receivables. SBA's 61 percent growth in total collections is primarily due to the resumption of servicing COVID-19 pandemic related debt from the disaster loan fund and the defaulted guaranteed loan fund.

FIGURE 5

Collection of Federal Non-Tax Receivables:

FY 2023 Top Five Federal Creditor Agencies

Agency	FY 2023 % of Total Government	FY 2022 (Billions)	FY 2023 (Billions)	% Change from FY 2022 to FY 2023
Department of Health and Human Services	41.7%	\$173.1	\$184.9	6.8%
Department of Education	10.8%	\$50.3	\$47.8	-5.0%
Department of Agriculture	5.6%	\$26.5	\$24.8	-6.4%
Small Business Administration	5.4%	\$15.0	\$24.1	60.7%
Department of Housing and Urban Development	4.2%	\$19.7	\$18.8	-4.6%
All Others	32.3%	\$135.1	\$142.6	5.6%
Total Government		\$419.7	\$443.0	5.6%

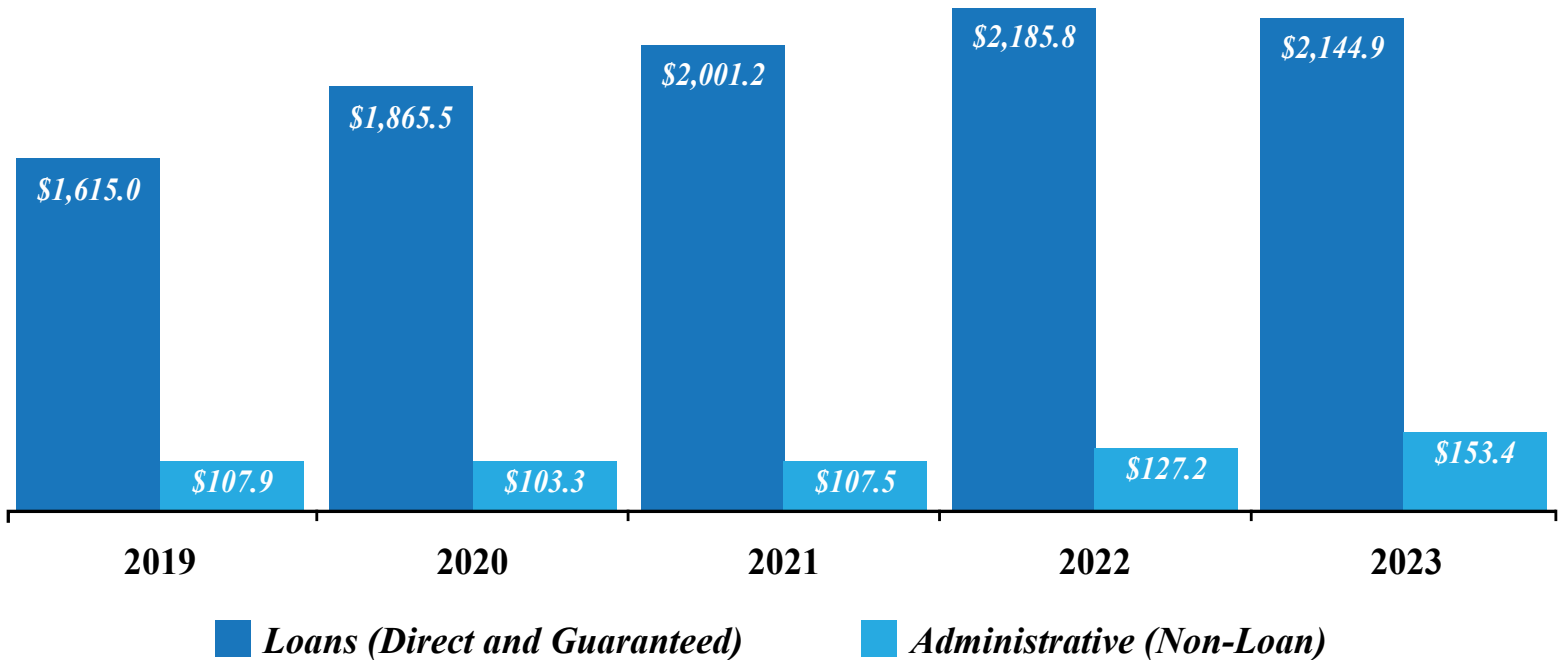
SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2022-2023

C. By Receivable Type

Of the \$2.3 trillion in federal non-tax receivables outstanding (both current and delinquent) at the end of FY 2023, federal loan receivables (direct loans and defaulted guaranteed loans)⁶ represented \$2.1 trillion of total outstanding receivables.

FIGURE 6

Outstanding Federal Non-Tax Receivables, by Type: FY 2019-2023 (Dollars in Billions)



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2019-2023

D. Interest, Penalties, and Administrative Costs

For many delinquent debts, federal creditor agencies are required to assess interest, penalties, and administrative costs. Of the \$2.3 trillion in outstanding current and delinquent receivables at the end of FY 2023, \$145.9 billion (6 percent) represented unpaid interest, penalties, and administrative costs.

⁶Non-loan receivables include fines, penalties, and overpayments.

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

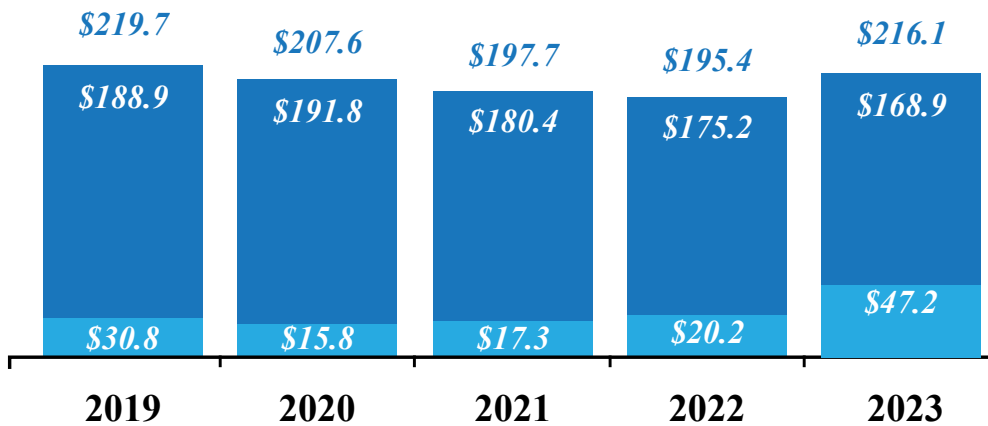
A. Total Delinquent Federal Non-Tax Debt

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 2023, outstanding delinquent non-tax debt owed to the United States totaled \$216.1 billion, an increase of \$20.7 billion (11 percent) from FY 2022. 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

Delinquent Federal Non-Tax Debt:⁷ FY 2019-2023 (Dollars in Billions)



■ *Outstanding Debt < 365 Days Delinquent* ■ *Outstanding Debt ≥ 365 Days Delinquent*

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2019-2023

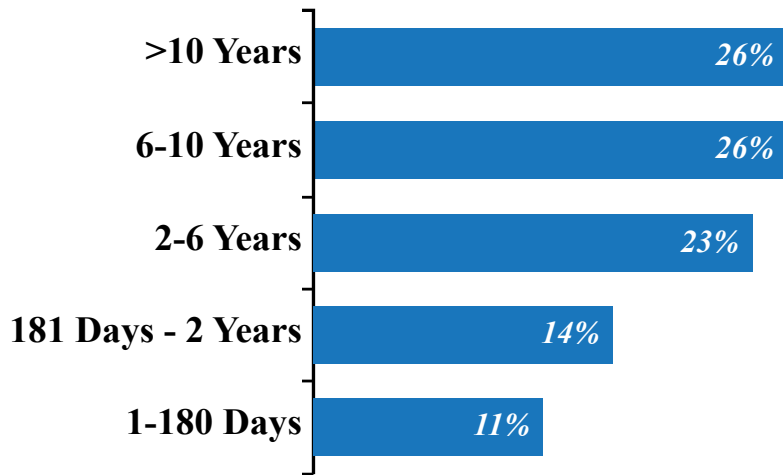
⁷ The calculation of the amount that became delinquent during FY 2023 is based on debt that was between 1 and 365 days delinquent as of September 30, 2023.

B. By Age

Of the total \$216.1 billion of outstanding delinquent non-tax debt at the end of FY 2023, \$161.4 billion (75 percent) was more than two years delinquent and \$54.7 billion was less than two years delinquent.

FIGURE 8

Percentages of Federal Non-Tax Delinquencies, by Age: FY 2023 (Percentage of Total Delinquent Debt)



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2023

FIGURE 9

Total Federal Non-Tax Delinquencies, by Age: FY 2019-FY 2023 (Dollars in Billions)

<i>Delinquency Age</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2022</i>	<i>FY 2023</i>
<i>1-180 Days</i>	\$12.3	\$10.5	\$12.0	\$14.1	\$24.4
<i>181 Days - 2 Years</i>	\$59.1	\$30.7	\$15.2	\$17.0	\$30.3
<i>2-6 Years</i>	\$79.8	\$87.1	\$82.2	\$65.4	\$48.7
<i>6-10 Years</i>	\$33.5	\$39.4	\$45.6	\$49.5	\$55.8
<i>> 10 Years</i>	\$35.0	\$39.9	\$42.7	\$49.4	\$56.9
<i>TOTAL</i>	<i>\$219.7</i>	<i>\$207.6</i>	<i>\$197.7</i>	<i>\$195.4</i>	<i>\$216.1</i>

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2019-2023

C. By Creditor Agency

At the end of FY 2023, \$195.7 billion (91 percent) in delinquent non-tax debt was owed to five federal creditor agencies: Education, SBA, Social Security Administration (SSA), Department of Veterans Affairs (VA), and HUD. SBA's 409 percent increase in delinquent debt was primarily due to an increase in delinquent debt owed within the Disaster Loan Program that assisted small businesses impacted by the COVID-19 pandemic. HUD's 533 percent increase in delinquent debt is primarily due to an increase in delinquent debt owed from the HECM assets acquired by Ginnie Mae.

FIGURE 10

Federal Non-Tax Delinquencies:
FY 2023 Top Five Federal Creditor Agencies

Agency	FY 2023 % of Total Government	FY 2022 (Billions)	FY 2023 (Billions)	% Change from FY 2022 to FY 2023
Department of Education	68.8%	\$158.5	\$148.6	-6.2%
Small Business Administration	16.0%	\$6.8	\$34.6	408.8%
Social Security Administration	3.1%	\$6.3	\$6.6	4.8%
Department of Veteran's Affairs	1.8%	\$3.4	\$4.0	17.6%
Department of Housing and Urban Development	0.9%	\$0.3	\$1.9	533.3%
All Others	9.4%	\$20.1	\$20.4	1.5%
Total Government		\$195.4	\$216.1	10.6%

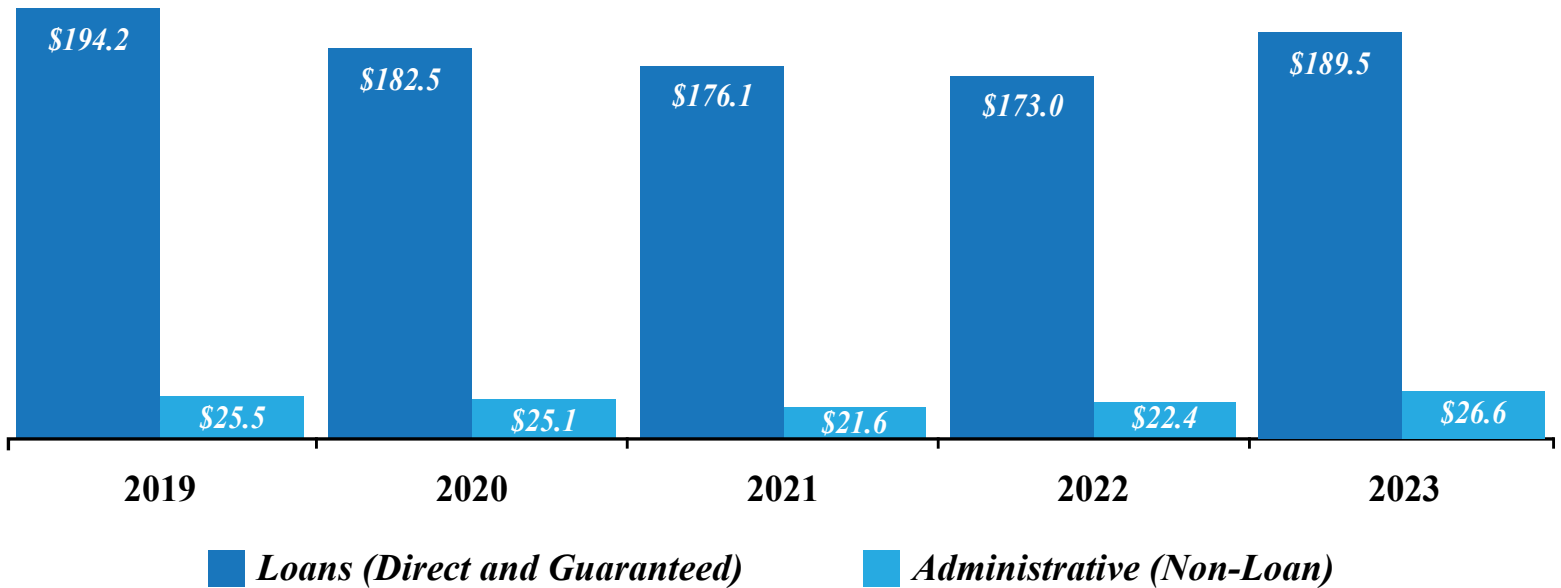
SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2022-2023

D. By Debt Type

At the end of FY 2023, federal loan program delinquencies (direct and guaranteed) totaled \$189.5 billion (88 percent) of total delinquencies, an increase of \$16.5 billion (10 percent) from FY 2022. Administrative receivable delinquencies totaled \$26.6 billion, an increase of \$4.2 billion (19 percent) from FY 2022.

FIGURE 11

Delinquent Federal Non-Tax Debt, by Type: FY 2019-2023 (Dollars in Billions)



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2019-2023

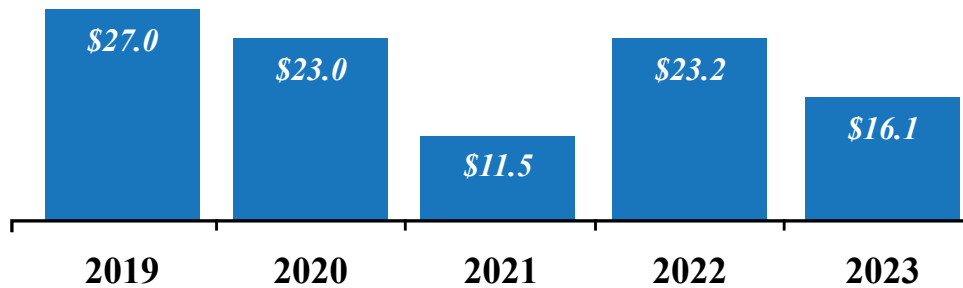
IV. Delinquent Federal Non-Tax Debt Collection Activities

A. Total Delinquent Federal Non-Tax Debt Collection

In FY 2023, federal creditor agencies collected \$16.1 billion in delinquent non-tax federal debt, a decrease of \$7.1 billion (31 percent) from FY 2022. This is primarily due to the Department of Energy (Energy), which is explained below.

FIGURE 12

Collections of Delinquent Federal Non-Tax Debt: FY 2019-2023 (Dollars in Billions)



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2019-2023

B. By Creditor Agency

During FY 2023, \$8.8 billion (55 percent) of the delinquent non-tax debt collected was owed to five federal creditor agencies: HHS, USDA, VA, Energy, and Securities and Exchange Commission. HHS' 33 percent increase in delinquent debt collections is primarily due to an increase in collections from COVID-19 advance accelerated payments. USDA's 57 percent increase in delinquent debt collections is primarily due to an increase in collections received from the Inflation Reduction Act. VA's 25 percent increase in delinquent debt collections is primarily due to the resumption of collecting COVID-19 pandemic related debt. Energy's 88 percent decrease in delinquent debt collections is due to resolving approximately \$10 billion of receivables activity in its oil sales portfolio.

FIGURE 13

Collection of Federal Non-Tax Delinquencies: *FY 2023 Top Five Federal Creditor Agencies*

Agency	FY 2023 % of Total Government	FY 2022 (Billions)	FY 2023 (Billions)	% Change from FY 2022 to FY 2023
Department of Health and Human Services	14.9%	\$1.8	\$2.4	33.3%
Department of Agriculture	13.7%	\$1.4	\$2.2	57.1%
Department of Veterans Affairs	9.3%	\$1.2	\$1.5	25.0%
Department of Energy	8.7%	\$11.2	\$1.4	-87.5%
Securities and Exchange Commission	8.1%	\$1.5	\$1.3	-13.3%
All Others	45.3%	\$6.1	\$7.3	19.7%
Total Government		\$23.2	\$16.1	-30.6%

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2022-2023

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 state⁸ 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 2023, federal creditor agencies collected \$3.4 million through the use of AWG, a decrease of \$3.2 million (48 percent) from FY 2022.⁹ This decrease is primarily due to SSA’s and Education’s emergency relief measures in response to the COVID-19 pandemic that suspended certain AWG orders.

FIGURE 14

AWG Collections: FY 2019-FY 2023

Dollars in Millions

	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2022</i>	<i>FY 2023</i>
<i>AWG</i>	\$1,466.6	\$930.1	\$31.2	\$6.6	\$3.4

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2019-2023

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 2023, PCAs assisted federal creditor agencies by collecting \$0.5 million, a decrease of \$7.2 million (93 percent) from FY 2022.¹⁰ PCA collections decreased by 93 percent and this is primarily due to Education’s emergency relief measures, including those authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, that suspended certain required loan payments and halted collection on certain defaulted loans.

⁸ 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.

⁹ This amount does not include collections resulting from the use of AWG by Fiscal Service’s Cross-Servicing Program or from judicial garnishment actions.

¹⁰ 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.

FIGURE 15

PCA Collections: FY 2019-FY 2023

Dollars in Millions

	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2022</i>	<i>FY 2023</i>
<i>PCAs</i>	\$452.8	\$387.8	\$50.1	\$7.7	\$0.5

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2019-2023

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 generally 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 and resolves 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 2023, Fiscal Service collected \$356.2 million of delinquent federal non-tax debt through its Cross-Servicing Program, an increase of \$86.9 million (32 percent) from FY 2022. This is primarily due to agencies resuming full collection activity after suspending collections due to COVID-19.

2. Treasury Offset Program Collections

Fiscal Service intercepts eligible federal and state payments and applies them to a payee’s delinquent debt through TOP. 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.¹¹ 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 2023, Fiscal Service collected \$3.9 billion through TOP for federal and state agencies, a decrease of \$1.2 billion (25 percent) from FY 2022. Of the \$3.9 billion collected, \$864.9 million was from debtors who owed delinquent federal non-tax debt. Figure 16 shows a breakdown of TOP offsets by payment type for the collection of federal non-tax debt.

¹¹ 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.

FIGURE 16

TOP Collection of Federal Non-Tax Debt, by Payment Type: FY 2019-FY 2023
Dollars in Millions

<i>Payment Type</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2022</i>	<i>FY 2023</i>
<i>Federal Tax Refund Payments</i>	\$5,198.5	\$3,505.0	\$422.3	\$547.9	\$443.8
<i>Federal Non-Tax Payments</i>	\$647.8	\$469.6	\$238.6	\$359.2	\$401.4
<i>State Payments</i>	\$103.3	\$65.7	\$13.3	\$14.4	\$19.7
<i>TOTAL</i>	<i>\$5,946.6</i>	<i>\$4,040.3</i>	<i>\$674.2</i>	<i>\$921.5</i>	<i>\$864.9</i>

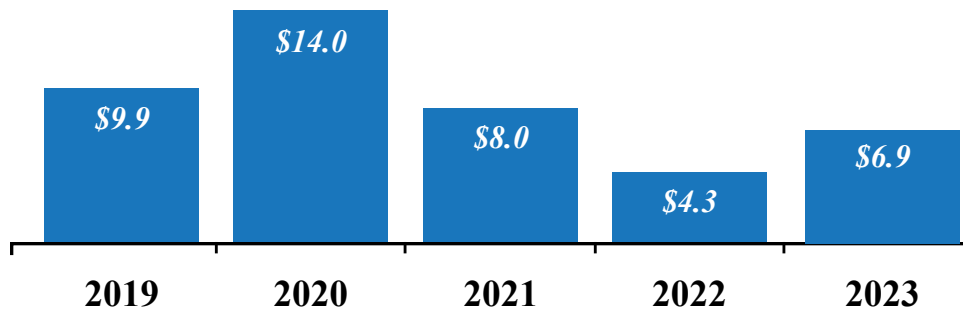
SOURCE: DEPARTMENT OF THE TREASURY, BUREAU OF THE FISCAL SERVICE

3. Enforced Collection by the Department of Justice

In FY 2023, DOJ collected a total of \$6.9 billion in total civil litigation collections on behalf of federal creditor agencies, an increase of \$2.6 billion (60 percent) from FY 2022. Prior to FY 2021 the totals reflect total civil litigation and cash collections. 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 collection¹² through the judicial process. DOJ’s 60 percent increase in total civil litigation collections is primarily due to an increase in large dollar case collections.

FIGURE 17

Civil Litigation Cash Collection: FY 2019-2023
(Dollars in Billions)



SOURCE: DEPARTMENT OF JUSTICE, OFFICE OF DEBT COLLECTION MANAGEMENT

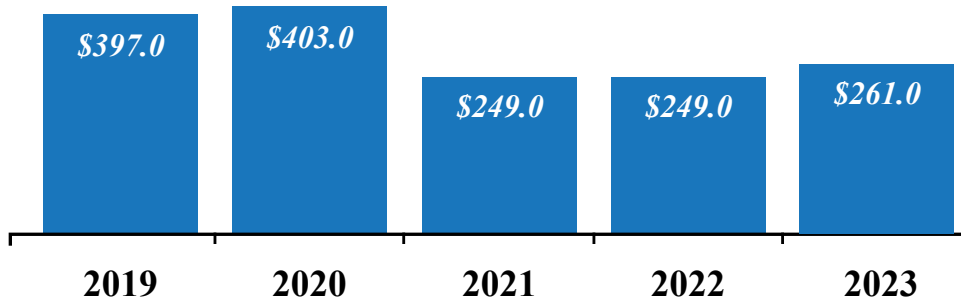
¹² An “enforced” collection action refers to an action taken by DOJ (or by another Federal creditor agency with independent litigation authority) to obtain a judgment against the debtor and to pursue available post-judgment remedies (including wage and bank garnishment and liens filed against property).

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 an HHS conduit for referrals to Fiscal Service for both TOP and the Cross-Servicing Programs. In FY 2023, the PSC collected \$261.0 million, an increase of \$12.0 million (5 percent).

FIGURE 18

PSC Collection: FY 2019-2023 (Dollars in Millions)



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

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

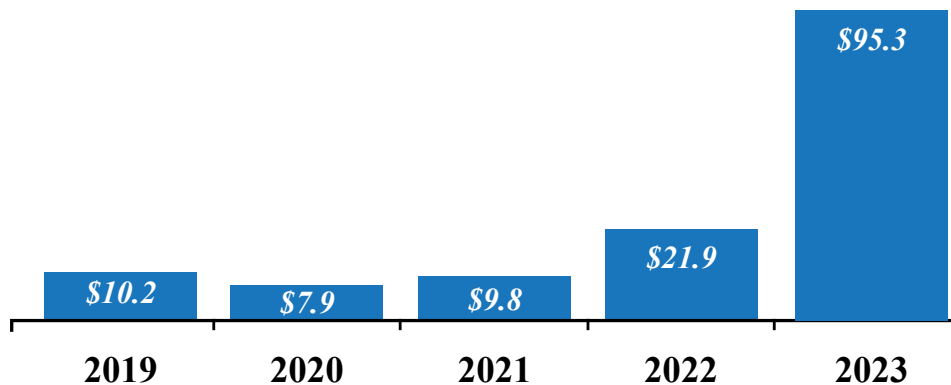
Federal creditor agencies are generally required to write off non-tax debt that is two years delinquent (see [Office of Management and Budget Circular A-129](#)).¹³ By writing off delinquent federal non-tax debt as uncollectible, federal creditor agencies more accurately reflect the value of their receivables 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. 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 2023, federal non-tax debt that was written off and categorized as “closed out” totaled \$95.3 billion, an increase of \$73.4 billion (335 percent) from FY 2022. Government-wide write-offs grew by 335 percent due to Education’s \$73.4 billion increase in loan write-offs by the public service loan forgiveness program. The federal creditor agencies with the largest write-off amounts in FY 2023 included Education (\$92.2 billion), USDA (\$1.6 billion), and SEC (\$757.9 million).

FIGURE 19

Annual Write-Offs and Closed Out Debts: FY 2019-2023 (Dollars in Billions)



SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES—FOURTH QUARTER FY 2019-2023

¹³“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.

Appendices

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

At the end of FY 2023, 97 percent of federal receivables were from programs administered by the ten federal creditor agencies listed below.

FIGURE 20

Total Federal Non-Tax Receivables and Delinquent Federal Non-Tax Debt:
Top Ten Federal Creditor Agencies
(Dollars in Millions)

<i>Agency</i>	<i>FY 2023 % of Total Government</i>	<i>Receivables Balance (FY 2023)</i>	<i>Delinquent Debt Balance (FY 2023)</i>
Department of Education	66.3%	\$1,523,820.0	\$148,565.2
Small Business Administration	14.3%	\$328,586.1	\$34,594.9
Department of Agriculture	5.9%	\$135,307.7	\$950.6
Department of Housing and Urban Development	4.9%	\$111,711.7	\$1,859.6
Department of Health and Human Services	2.1%	\$47,884.4	\$1,756.3
Social Security Administration	1.0%	\$23,153.6	\$6,587.1
Department of Transportation	1.0%	\$22,942.6	\$36.4
Department of Energy	0.9%	\$20,074.3	\$253.6
U.S. International Development Finance Corp.	0.5%	\$12,392.2	\$1,343.4
Department of Defense	0.4%	\$11,254.7	\$1,688.1
Top 10 Total	97.3%	\$2,237,127.3	\$197,635.2
All Others	2.7%	\$61,203.0	\$18,437.7
Government Total		\$2,298,330.3	\$216,072.9

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2023

Appendix II: Total FY 2023 Collection of Delinquent Federal Non-Tax Debt by Creditor Agency

In FY 2023, 81 percent of the collection of delinquent federal non-tax debt was associated with debt administered by the ten federal creditor agencies listed below.

FIGURE 21

Total Collection of Delinquent Federal Non-Tax Debt: *Top Ten Federal Creditor Agencies* (Dollars in Millions)

<i>Agency</i>	<i>FY 2023 % of Total Government</i>	<i>FY 2023 Collections</i>
Department of Health and Human Services	15.0%	\$2,429.5
Department of Agriculture	13.3%	\$2,151.6
Department of Veterans Affairs	9.3%	\$1,508.4
Department of Energy	8.6%	\$1,389.2
Securities and Exchange Commission	7.8%	\$1,260.3
Small Business Administration	7.3%	\$1,173.8
Commodity Futures Trading Commission	6.9%	\$1,112.5
Federal Trade Commission	5.0%	\$808.1
Export-Import Bank	4.2%	\$671.9
U.S. International Development Finance Corp.	3.7%	\$595.6
Top 10 Total	81.1%	\$13,100.9
All Others	18.9%	\$3,043.2
Government Total		\$16,144.1

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2023

Appendix III: Total FY 2023 Write-Offs by Creditor Agency

In FY 2023, 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 22

Total Federal Non-Tax Write-Offs:
Top Ten Federal Creditor Agencies
(Dollars in Millions)

<i>Agency</i>	<i>FY 2023% of Total Government</i>	<i>FY 2023 Write-Offs</i>
Department of Education	96.7%	\$92,168.1
Department of Agriculture	1.6%	\$1,551.2
Securities and Exchange Commission	0.8%	\$757.9
Social Security Administration	0.3%	\$266.7
Department of Housing and Urban Development	0.3%	\$245.1
Department of Veterans Affairs	0.2%	\$163.2
Commodity Futures Trading Commission	0.03%	\$29.5
Export-Import Bank	0.02%	\$26.5
Department of Health and Human Services	0.02%	\$26.3
Environmental Protection Agency	0.02%	\$24.0
Top 10 Total	99.9%	\$95,258.5
All Others	0.1%	\$87.6
Government Total		\$95,346.1

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES — FOURTH QUARTER FY 2023

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 (FPLP), processed through TOP, allows the IRS to continuously levy federal payments to collect delinquent federal tax debts.¹⁴ FPLP collection activity was suspended by the IRS in FY23 in response to COVID-19. Delinquent debts owed to state agencies include child support, unemployment insurance, and state income tax obligations, among others.

In FY 2023, Fiscal Service collected \$3.9 billion through TOP for federal and state agencies, of which \$0.9 billion was for debts owed to federal agencies and \$3.0 billion for debts owed to state agencies. Highlights include:

- \$1.7 billion was collected for delinquent child support obligations submitted to TOP by HHS’s Office of Child Support Enforcement on behalf of states.
- \$882.0 million was collected for 50 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.
- \$405.2 million was collected for the 50 states and the district of Columbia that participated in 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.
- \$73.3 million was collected for a total of 12 states 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 \$19.7 million from state payments to collect delinquent federal non-tax debt.

FIGURE 23

TOP Collection - Federal Debt: FY 2019-2023

(Dollars in Millions)

Type of Debt	Type of Payment Offset / Levy	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Federal Non-Tax Debt	Tax Refund Offset	\$5,198.5	\$3,505.0	\$422.3	\$547.9	\$443.8
Federal Non-Tax Debt	Administrative	\$647.8	\$469.6	\$238.6	\$359.2	\$401.4
Federal Non-Tax Debt	State Payments	\$103.3	\$65.7	\$13.3	\$14.4	\$19.7
Federal Tax Debt	Tax Levy (Federal Payments)	\$801.5	\$507.2	\$261.6	\$583.8	\$0.0
Total		\$6,751.1	\$4,547.5	\$935.8	\$1,505.3	\$864.9

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

¹⁴“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.

FIGURE 24

TOP Collection - State Debt as of September 30: FY 2019-2023
(Dollars in Millions)

<i>Type of Debt</i>	<i>Type of Payment Offset</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2022</i>	<i>FY 2023</i>
Child Support	<i>Tax Refund Offset</i>	\$1,723.3	\$5,044.6	\$2,707.7	\$2,298.0	\$1,649.7
State Income Tax Debt	<i>Tax Refund Offset</i>	\$493.2	\$503.4	\$695.1	\$884.0	\$862.7
State Unemployment Compensation Debt	<i>Tax Refund Offset</i>	\$270.9	\$224.8	\$293.4	\$310.4	\$404.4
Child Support	<i>Administrative Offset</i>	\$8.6	\$7.9	\$9.9	\$8.6	\$8.7
State Income Tax Debt (Reciprocal Program)	<i>Administrative Offset</i>	\$39.1	\$25.0	\$21.9	\$19.4	\$19.2
Other State Debt (Reciprocal Program)	<i>Administrative Offset</i>	\$54.6	\$53.4	\$107.3	\$136.2	\$73.3
State Unemployment Compensation Debt (Reciprocal Program)	<i>Administrative Offset</i>	\$2.5	\$2.1	\$1.5	\$1.5	\$0.8
Total		\$2,592.2	\$5,861.2	\$3,836.8	\$3,658.1	\$3,018.8

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 2023. 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 2023. When agencies report information on the TROR, they certify to its accuracy.

FIGURE 25

Compliance with 120-Day Delinquent Debt Referral Requirement as of September 30: FY 2023

Agency	Total Number of Eligible Debts	Number of Eligible Debts Referred	Number of Eligible Debts Not Referred	Compliance Rate
Agency for International Development	55	54	1	98.2%
Architect for the Capitol	34	0	34	0.0%
Armed Forces Retirement Home	103	102	1	99.0%
Chemical Safety Board	1	1	0	100.0%
Commodity Futures Trading Commission	360	360	0	100.0%
Consumer Financial Protection Bureau	13	6	7	46.2%
Consumer Product Safety Commission	3	3	0	100.0%
Corp. for National and Community Service	334	149	185	44.6%
Council of Inspection Gen. Integrity & Efficiency	6	0	6	0.0%
Department of Agriculture	45,695	43,443	2,252	95.1%
Department of Commerce	11,840	11,840	0	100.0%
Department of Defense	1,731,343	304,080	1,427,263	17.6%
Department of Education	20,475,710	19,709,151	766,559	96.3%
Department of Energy	101	101	0	100.0%
Department of Health and Human Services	1,179,770	1,148,646	31,124	97.4%
Department of Homeland Security	86,334	61,713	24,621	71.5%
Department of Housing and Urban Development	2,547	2,543	4	99.8%
Department of Justice	40,595	40,138	457	98.9%
Department of Labor	12,371	9,458	2,913	76.5%

***Compliance with 120-Day Delinquent Debt Referral Requirement
as of September 30: FY 2023***

<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>
Department of State	21,004	20,836	168	99.2%
Department of Interior	31,192	31,102	90	99.7%
Department of the Treasury	4,634	4,621	13	99.7%
Department of Transportation	9,027	9,027	0	100.0%
Department of Veterans Affairs	3,530,257	3,525,916	4,341	99.9%
Environmental Protection Agency	245	244	1	99.6%
Election Assistance Commission	1	0	1	0.0%
Equal Employment Opportunity Commission	15	15	0	100.0%
Farm Credit Administration	1	1	0	100.0%
Federal Communications Commission	12,165	12,165	0	100.0%
Federal Election Commission	327	327	0	100.0%
Federal Maritime Commission	6	6	0	100.0%
Federal Trade Commission	56	56	0	100.0%
Funds Appropriated to the President	7	0	7	0.0%
General Services Administration	51	0	51	0.0%
Government Accountability Office	9	9	0	100.0%
James Madison Memorial Fellowship	25	0	25	0.0%
John C. Stennis	2	0	2	0.0%
Merit Systems Protection Board	1	1	0	100.0%
National Aeronautics and Space Administration	123	123	0	100.0%
National Archives & Records Administration	112	112	0	100.0%
National Credit Union Administration	2	2	0	100.0%
National Science Foundation	30	30	0	100.0%
National Transportation Safety Board	1	0	1	0.0%
Nuclear Regulatory Commission	358	358	0	100.0%
Office of Personnel Management	1,153	1,153	0	100.0%
Pension Benefit Guaranty Corporation	1,683	1,683	0	100.0%

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES—FOURTH QUARTER FY 2023

***Compliance with 120-Day Delinquent Debt Referral Requirement
as of September 30: FY 2023***

<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>
Presidio Trust Corporation	60	60	0	100.0%
Railroad Retirement Board	4,441	4,441	0	100.0%
Securities Exchange Commission	1,526	1,526	0	100.0%
Selective Service System	4	0	4	0.0%
Small Business Administration	148,450	148,450	0	100.0%
Smithsonian Institution	12	0	12	0.0%
Social Security Administration	1,307,764	411,685	896,079	31.5%
The Judiciary	307	180	127	58.6%
U.S House-Senate	226	0	226	0.0%
U.S. Postal Service	78,279	64,604	13,675	82.5%
U.S. Commission on International Religious Freedom	1	0	1	0.0%
U.S. Institution for Environmental Conflict Resolution	1	0	1	0.0%
U.S. International Development Financial Corporation	11	11	0	100.0%

SOURCE: TREASURY REPORT ON RECEIVABLES AND DEBT COLLECTION ACTIVITIES—FOURTH QUARTER FY 2023

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 26

Payments Exempted by Action of the Secretary of the Treasury During FY 2023

<i>Payment Agency</i>	<i>Type of Payment</i>
Department of the Treasury	<i>Payments for attorney’s fees for class counsel made under prevailing party fee-shifting statutes to satisfy court judgments or settlements in actions certified as class actions pursuant to Federal Rule of Civil Procedure 23(b)(2) when the members of the class are not ascertainable. Approved February 12, 2023.</i>
Department of the Treasury	<i>Payments for attorney’s fees and litigation costs for class counsel and administrative costs for distributing settlements made under prevailing party fee-shifting statutes to satisfy settlements in actions certified as class actions pursuant to Federal Rule of Civil Procedure 23(b)(3). Approved February 12, 2023.</i>
Department of Agriculture	<i>Payments made by the USDA for the Farm Loan Borrower Relief Program under section 22006 of the Inflation Reduction Act of 2022, Public Law 117-169. Approved June 7, 2023.</i>
Institute of Museum and Library Services (IMLS)	<i>Payments for the IMLS grants to States Library Program and the IMLS Library and Museum Programs for Native Americans and Native Hawaiians. Approved July 17, 2023.</i>

Appendix VII: Sources of Data

Data in this report were obtained from the following sources and reported as of September 30, 2023:

Sources

Treasury Report on Receivables and Debt Collection Activities – Fourth Quarter 2023,
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