MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND CREDIT AGENCIES

FROM: Franklin D. Raines

SUBJECT: The Debt Collection Improvement Act of 1996

The Debt Collection Improvement Act of 1996 (DCIA) fundamentally changed the manner in which the Federal government is required to manage the collection of its delinquent debts. Congress has directed that the management of delinquent obligations is to be centralized at the Treasury Department in order to increase the efficiency of our collection efforts. The Administration strongly supported this legislation and is fully committed to its successful implementation. However, implementation of the statute’s requirements to date has not met either the President’s or the Congress’ expectations.

I am writing to enlist your personal and active participation in a concerted effort to revitalize compliance with the statutory mandate. The statute is comprehensive and complex, and cannot be successfully implemented without all affected agencies working in close cooperation with the Treasury Department to analyze and refer the appropriate delinquent debts. The Secretary of the Treasury has instructed the Financial Management Service to meet promptly with the affected agencies to expedite this process.

Effective management of delinquent debt is highlighted in the President's FY 99 Budget as a Priority Management Objective. Accordingly, it is my expectation that each agency will address implementation of the DCIA with the utmost urgency and with the highest levels of cooperation. I have asked Acting Deputy Director Ed DeSeve to work with the President's Management Council to focus on the specific areas in need of immediate attention and to keep me advised of your progress in meeting these expectations. I know that by working together we will be successful in this important endeavor.