- (3) A creditor not subject to Federal Reserve Board Regulation Z (12 CFR 226), such as a public utility company, shall submit with the request a certificate that no interest, finance charge, or other fee is in excess of that permitted by the law of the State in which the obligation was incurred.
- (4) A foreign-owned company having debt complaints shall submit with its request a true copy of the terms of the debt (English translation) and shall certify that it has subscribed to the Standards of Fairness (appendix B to this part).
- (5) Debt complaints that meet the requirements of this part shall be processed by Department of Defense Components. "Processed" means that Heads of the Department of Defense Components, or designees, shall:
- (i) Review all available facts surrounding the transaction forming the basis of the complaint, including the member's legal rights and obligations, and any defenses or counterclaims the member may have.
- (ii) Advise the member concerned that:
- (A) Just financial obligations are expected to be paid in a proper and timely manner, and what the member should do to comply with that policy;
- (B) Financial and legal counseling services are available under DoD Directive 1344.73 in resolving indebtedness: and
- (C) That a failure to pay a just debt may result in the creditor obtaining a judgment from a court that could form the basis for collection of pay from the member pursuant to an involuntary allotment.
- (iii) If a member acknowledges a debt as a result of creditor contact with a DoD Component, advise the member that assistance and counseling may be available from the on-base military banking office, the credit union serving the military field of membership, or other available military community service organizations.
- (iv) Direct the appropriate commander to advise the claimant that:
- (A) Those aspects of DoD policy prescribed in 32 CFR part 112.4, are pertinent to the particular claim in question; and
- (B) The member concerned has been advised of his or her obligations on the claim.
- (v) The commander's response to the claimant shall not undertake to arbitrate any disputed debt, or admit or deny the validity of the claim. Under no circumstances shall the response indicate whether any action has been

taken, or will be taken, against the member as a result of the complaint.

- (b) The following procedures apply to the processing of involuntary allotments from the pay of members of the Military Services.
- (1) Involuntary allotment application.
 (i) Regardless of the Service Affiliation of the member involved, with the exception of members of the Coast Guard an application to establish an involuntary allotment from the pay of a member of the Military Services shall be made by sending a completed DD Form 2653, "Involuntary Allotment Application" (appendix C to this part) to the appropriate address listed below. Applications sent to any other address shall be returned without action to the applicant.
- (For Army, Navy, Air Force, or Marine Corps)

Defense Finance and Accounting Service, Cleveland Center, Code L, P.O. Box 998002, Cleveland, OH 44199–8002

(For Coast Guard only)

Coast Guard Pay and Personnel Center (LGL), 444 S.E. Quincy Street, Topeka, KS 66683–3591

- (ii) Each application must include a copy of the final judgment certified by the clerk of court and such other documents as may be required by § 113.6(b)(1)(iv).
- (iii) A garnishment summons or order is insufficient to satisfy the final judgment requirement of § 113.6(b)(1)(ii) and is not required to apply for an involuntary allotment under this part.
- (iv) Involuntary allotment applications must contain the following information, certifications, and acknowledgment:
- (A) The full name, social security number, and branch of Service of the military member against whose pay an involuntary allotment is sought. Although not required, inclusion of the member's current duty station and duty address on the application form will facilitate processing of the application.
- (B) The applicant's full name and address. If the applicant is not a natural person, the application must be signed by an individual with the authority to act on behalf of such entity. If the allotment is to be in favor of a person other than the original judgment holder, proof of the right to succeed to the interest of the original judgment holder is required and must be attached to the application.
- (C) The dollar amount of the judgment. Additionally, if the judgment awarded interest, the total dollar amount of the interest on the judgment accrued to the date of application.

- (D) A certification that the judgment has not been amended, superseded, set aside, or satisfied; or, if the judgment has been satisfied in part, the extent to which the judgment remains unsatisfied.
- (E) A certification that the judgment was issued while the member was not on active duty (in appropriate cases). If the judgment was issued while the member was on active duty, a certification that the member was present or represented by an attorney of the member's choosing in the proceedings, or if the member was not present or represented by an attorney of the member's choosing, that the judgment complies with the Soldiers' and Sailors' Civil Relief Act of 1940, as amended (50 U.S.C. appendix sections 501–591).
- (F) A certification that the member's pay could be garnished under applicable State law and section 5520a(k) of the United States Code, if the member were a civilian employee.
- (G) A certification that, to the knowledge of the applicant, the debt has not been discharged in bankruptcy, nor has the member filed for protection from creditors under the bankruptcy laws of the United States.
- (H) A certification that if the judgment is satisfied prior to the collection of the total amount through the involuntary allotment process, the applicant will provide prompt notice that the involuntary allotment must be discontinued.
- (I) A certification that if the member overpays the amount owed on the judgment, the applicant shall refund the amount of overpayment to the member within 30 days of discovery or notice of the overpayment, whichever, is earlier, and that if the applicant fails to repay the member, the applicant understands he or she may be denied the right to collect by involuntary allotment on other debt reduced to judgments.
- (J) Acknowledgment that as a condition of application, the applicant agrees that neither the United States, nor any disbursing official or Federal employee whose duties include processing involuntary allotment applications and payments, shall be liable for any payment or failure to make payment from moneys due or payable by the United States to any person pursuant to any application made in accordance herewith.
- (v) The original and three copies of the application and supporting documents must be submitted by the applicant to DFAS.
- (vi) A complete "application package" (the DD Form 2653, supporting documentation, and three copies of the

³ See footnote 1 to § 113.3(b).