Obligation Recovery Center (Center) Debt Collection Process Debt is incurred with a state agency State agency attempts to collect debt Debtor does not pay the debt State agency sends final notice to debtor Debtor does not pay within 14 days State agency determines it is bad debt State agency refers debt to the Center for collection within 7 days Center adds 20% cost recovery fee to **Principal** balance Center sends letters & makes calls to debtor to satisfy debt or start payment plan Debtor pays in full or agrees to payment plan Debtor does not pay (and remains current with plan) After 60 days, Center provides electronic file daily Monday-Friday for enforcement notifications: Debt greater than \$50 Notification to Game Fish and Parks for hunting/fishing license blocks Debt greater than \$1,000 Notification to Game Fish and Parks for hunting/fishing license blocks Notification to Division of Motor Vehicles for Registration blocks Notification to Drivers License for license blocks Debtor does not pay within first 180 days Debtor pays in full or enters a payment plan Enforcement notification file is updated next report Center removes 20% cost recovery fee from balance cycle and block removed (must stay current on owed payment plan) Center refers the debt to an outside collection agency (OCA) for further collection efforts Collection fee of 20% is added to the Principal, Interest and Penalty total amount owed Collection efforts continue for one year or more Debtor pays in full or enters a payment plan Any uncollectible debt is returned to the Center Enforcement notification file is updated next report cycle and block removed (must stay current on payment plan) Center returns uncollectible debt to state agency State agency may request write off from the Board of Finance Last Update: January 16, 2017