

§ 1177.28 Scope and application.

(a) The standards set forth in this subpart apply to the suspension or termination of collection activity, pursuant to 31 U.S.C. 3711, on debts that do not exceed \$100,000, or such other amount as the Attorney General may direct, exclusive of interest, penalties, and administrative costs, after deducting the amount of partial payments or collections, if any. Prior to referring a debt to DOJ for litigation, NEH may suspend or terminate collection under this subpart with respect to debts that arise out of its activities, or that are referred or transferred to it for collection services.

(b) If, after deducting the amount of any partial payments or collections, the principal amount of a debt exceeds \$100,000, or such other amount as the Attorney General may direct, exclusive of interest, penalties, and administrative costs, the authority to suspend or terminate rests solely with DOJ. If NEH believes that suspension or termination of any debt in excess of \$100,000 may be appropriate, it will refer the debt to the Civil Division or other appropriate litigating division in DOJ, using the CCLR. The referral will specify the reasons for NEH's recommendation. If, prior to referral to the DOJ, NEH determines that a debt is plainly erroneous or clearly without legal merit, NEH may terminate collection activity without obtaining DOJ concurrence, regardless of the amount involved.