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DEPARTMENT OF THE ARMY
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PERSONNEL—GENERAL

REMISSION OR CANCELLATION OF INDEBTEDNESS
ENLISTED MEMBERS

Effective 1 October 1979

This revision includes new guidance on how to submit and process applications for remission and cancellation of debts to the United States. It requires submission of additional material to support the case. Local supplementation of this regulation is permitted, but not required. If supplements are issued, Army Staff agencies and major Army commands will furnish one copy of each to HQDA(DAPC-EPA-P), Alexandria, VA 22331; other commands will furnish one copy of each to the next higher headquarters.

Interim changes to this regulation are not official unless they are authenticated by The Adjutant General. Users will destroy interim changes on their expiration dates unless sooner superseded or rescinded.

As used throughout this regulation, the words "he", "him", and "his" include both the masculine and feminine genders unless otherwise specifically stated.

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*This regulation supersedes AR 600-4, 9 February 1976.

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CHAPTER 1

GENERAL

1-1. Purpose. This regulation gives instructions for submitting and processing applications for remission or cancellation of indebtedness to the United States. Applications must be based on injustice, extreme hardship, or both. This includes debts caused by errors made in pay to or on behalf of a soldier (sec C, chap. 7, part seven, DODPM). Waiver of mistakes in pay and allowances may be considered under AR 37-56.

1-2. Applicability. This regulation applies to all active Army enlisted members. It does not apply to members of Reserve Components on inactive duty training or active duty for training (para 70721, DODPM).

1-3. Explanation of terms. *a. Erroneous payments.* Pay or allowances to a soldier, including travel and transportation allowances, to which he is not entitled.

b. Hardship. Repayment of monies which greatly affects the welfare of the soldier, his dependents, or both, or causes them to suffer unduly.

c. Injustice. Wrongs or misrepresentations on the part of the Government that are caused by persons acting as officials. For example, a soldier has received an erroneous payment in good faith, and without fault, prior knowledge, or reason to suspect an error.

d. Overpayment. An amount paid to a member which is in excess of that to which entitled (Glossary of Terms, DODPM-A1).

e. Soldier. Enlisted member.

1-4. Authority. *a.* Section 4837(d), title 10, United States Code, authorizes the Secretary of the Army to remit or cancel a soldier's remaining unpaid debts to the United States, or its instrumentalities, before or at the time of his honorable discharge. It must be determined that remission or cancellation is in the best interest of the United

States. It must also enhance morale or encourage reenlistments.

b. The debt must be one over which the Department of the Army has control and which was incurred while serving on active duty.

c. The Secretary of the Army designates the CG, US Army Military Personnel Center (MILPERCEN) to act for him in processing applications to remit or cancel any part of a soldier's debts (*a* above). This will be done in accordance with the standards prescribed in this regulation.

d. The Assistant Secretary of the Army (Manpower and Reserve Affairs) will consider applications for remission or cancellation of indebtedness that are not within the authority of CG, MILPERCEN. These applications must show unusual circumstances within the scope of the authority of the Secretary of the Army (10 U.S.C. 4837(d)).

1-5. Objectives. The objectives of remission or cancellation are to—

a. Reduce serious debt problems of soldiers on active duty when caused by injustice.

b. End extreme hardship or undue suffering of soldiers or their dependents.

c. Boost morale or encourage reenlistments through actions in *a* and *b* above.

1-6. Indebtedness which may be remitted or canceled under 10 U.S.C. 4837(d). When it is in the best interest of the United States or its instrumentalities, the Secretary of the Army, or his designee based on the standards of this regulation, may authorize remittance of a soldier's debts to the United States before or at the time of his honorable discharge in cases arising from the following:

a. Payments made in error to or on behalf of the soldier.

b. Debts incurred by a soldier while he may have been serving as an officer of the US Army.

c. Debts which the soldier acknowledges as valid.

d. Debts for which an appeal has been denied (sec D, chap. 7, part seven, DODPM).

e. Debts for which request for waiver has been denied (sec F, chap. 7, part seven, DODPM).

f. Debts established in a report of survey (AR 735-11) for the loss or destruction or damage to Government property. (See para 2-7.)

1-7. Indebtedness which may not be remitted or canceled under 10 U.S.C. 4837(d). Indebtedness will not be remitted or canceled under the conditions below.

a. When a soldier's pay is not reduced promptly in connection with—

(1) Forfeiture of pay imposed by a court-martial sentence, or

(2) Forfeiture of pay under Article 15, UCMJ.

b. After a soldier has been discharged, unless he has reenlisted.

c. When members of the Reserve Components are not on full-time active duty (MS Comp Gen. B-187078, 28 Mar 1977).

d. When a soldier is retired, regardless of whether the debt was incurred while he was on active duty or after retirement.

e. When debts arise from situations in which Army soldiers are held liable for damage or loss of property of another Service.

f. When debts are due to loss of public funds obtained or converted to own use through fraud, larceny, embezzlement, or other unlawful means.

1-8. Reducing problems of indebtedness. a. The commander is responsible for helping the soldier to resolve his personal debt problems. This includes errors in pay. The local servicing military personnel officer (MILPO) and the finance and accounting officer (FAO) will help the commander to resolve indebtedness caused by administrative transactions.

b. Soldiers must make sure that their financial accounts are correct. They must review their monthly leave and earnings statement (LES) and report errors or discrepancies to the commander and the FAO. Examples of possible errors or discrepancies in the LES are:

(1) Leave balance.

(2) Receipt of basic allowance for quarters

(BAQ), station housing allowance (SHA), or cost of living allowance (COLA) with dependents when it should be without dependents.

(3) Family separation allowance when the soldier is divorced and does not have legal custody of the child or children.

1-9. Policy. a. A soldier indebted to the US Government may request that the debt be remitted or canceled based on extreme hardship, injustice, or both. The debt must be within the scope of paragraph 1-6. If based on hardship, the debt must be \$100 or more. If the Secretary of the Army, or his designee, does not approve the request, collection will be made as provided by part seven, chapter 7, DODPM. Collection will not be further suspended even if a second application is submitted, unless the immediate commander decides that extreme hardship would result.

b. When any portion of a debt has been repaid or collected before the immediate commander signs the application, that portion will not be considered for remission or cancellation. Collection of the debt will be suspended as of the date the immediate commander signs the application, unless protection of the interests of the Government warrants otherwise or the soldier desires collection. In these cases, monies due will be withheld pending final action on the application (para 70706, AR 37-104-3).

(1) Amounts withheld after the commander signs the application (to protect the Government) are not "collected" amounts. They will be paid to the soldier if the debt is remitted. The amount remitted is that amount of the debt not previously collected as of the date the commander signed the application, or any lesser amount determined by the Secretary of the Army or his designee.

(2) If the application is not approved, collection will be reinstated. The amounts withheld after the commander signed the application ((1) above) become "collected" amounts. Any portion of the debt caused by errors in pay and allowances which is not remitted or canceled before the soldier is released from active duty, honorably discharged, or retired may be considered for waiver under AR 37-56. If waiver is approved, amounts paid to the Government may be refunded.

This applies to debts arising out of erroneous payments of pay and allowances other than travel and transportation.

(3) Applications that may be considered for remission or cancellation, or waiver, should not be sent to the Army Board for Correction of Military Records (ABCMR). However, soldiers whose applications would normally be considered, but due to uncontrollable circumstances (such as collection before the commander signs it, ETS before final determination, or ETS before submitting the application), may apply to the Army Board for Correction of Military Records, Department of the Army, WASH DC 20310 (AR 15-185). The debt must not be one which may be considered for waiver (AR 37-56). If the Board approves the application, any payments due the soldier will be processed in accordance with chapter 9, part four, AR 37-104-3.

1-10. Procedures. *a.* The CG, MILPERCEN—

(1) Prepares policy and procedures for processing applications for remission or cancellation of debts to the US Government.

(2) Processes applications for remission or cancellation of unpaid debts. When appropriate, sends the application, with recommendation to the Assistant Secretary of the Army (Manpower and Reserve Affairs) for final decision (para 1-4*d*).

(3) Maintains statistical reports on the processed applications.

(4) Carries out the objectives of this regulation on all applications processed to protect the rights of the soldier and the interest of the Army.

(5) Advises and assists the heads of HQDA agencies and major Army commanders on the remission and cancellation of debts.

b. CG, MILPERCEN will not consider application if—

(1) There is evidence of fraud on the part of the applicant.

(2) The amount is \$100 or less and based on hardship only.

1-11. Determining injustice or hardship. The Secretary of the Army, or CG, MILPERCEN fol-

lowing the standards in this regulation, determines injustice or hardship based on information and documentation submitted with the application. When a soldier has received overpayment, remission or cancellation is not automatically approved. The following are considered:

a. The Army's policy on the area in which the soldier is indebted (e.g., excess leave or BAQ while living in Government quarters).

b. The soldier's awareness of policy and procedures, in view of his primary and secondary military occupational specialty (MOS), rank, and years of service.

c. The soldier's monthly income after deductions, including monthly expenses.

d. The soldier's contribution to the indebtedness by not having the situation corrected.

e. Additional income or assets (e.g., spouse's salary, savings account, and number of bonds).

1-12. Additional factors which may be considered in determining injustice. The application must contrain substantial evidence that—

a. The applicant did not know, and could not have reasonably known, of the error, or

b. The applicant did inquire to a proper authority and was told that he was being paid correctly. For example, the personnel officer or other responsible official stated that the payment was correct and the FAO believed it to be correct, or

c. Payment was made Army-wide for a period of time, but later decisions of the Comptroller General or DA administrative action abolished such payments.

1-13. Additional factors which may be considered in determining hardship.

a. Repayment will cause extreme hardship because of excessive monthly expenses due to—

(1) Living in a high cost area.

(2) Living apart from dependents because of military orders.

(3) Number and age of dependents.

(4) Medical and dental bills.

(5) Other unusual expenses.

b. Expenses caused by lavish or excessive standards of living are not a basis for hardship.

CHAPTER 2

PREPARATION AND SUBMISSION OF APPLICATION

2-1. How to apply. Soldiers will complete two copies of DA Form 3508-R (Application for Remission or Cancellation of Indebtedness) (fig. 2-1). DA Form 3508-R will be locally reproduced on 8- by 10½-inch paper and printed front and back, when possible.

2-2. Basis for application. *a. Undue hardship.* If hardship is claimed in item 15, DA Form 3508-R, fill out all items on the form. In section VII, include any unusual factors or obligations which could help prove that repayment would cause extreme hardship. For items that do not apply, enter N/A.

b. Injustice. If claiming injustice only, fill out sections I, VII, and VIII.

c. Injustice and hardship. If claiming both injustice and hardship, fill out all sections of the form. Failure to fill out all sections of the form will result in application being returned for completion.

2-3. Inclosures to applications. Include the following forms as inclosures. Send the form current at the time of the debt.

a. Required inclosures. Attach the following to DA Form 3508-R.

(1) Applicant's sworn statement (DA Form 2823). (See para 2-4.)

(2) Clear copy of latest Leave and Earnings Statement (DA Form 3638 (Test)).

(3) Documents that disclose cause, reason, category, amount, and inclusive period of indebtedness, such as Pay Adjustment Authorization (DD Form 139), or USAFAC Forms 0-1611 or 0-1664 (sent to soldier by USAFAC).

b. Additional inclosures. Attach the following:

(1) If the debt is caused by allotment overpayment.

(a) Copies of all authorizations (DA Forms 1341 (JUMPS-Army allotment authorization)) to

start, stop, or change allotments during the period of indebtedness.

(b) Clear copies of JUMPS-Army Leave and Earnings Statement (DA Form 3686 (Test)) for the entire period of the indebtedness. Submit true copies when reproduced copies are not clear.

(2) If the debt is caused by excess weight of household goods (HHG). (Send only those forms that apply.)

(a) Inventory of HHG, DD Form 1701.

(b) Personal Property Counseling Checklist, DD Form 1797.

(c) Application for Shipment and/or Storage of Personal Property, DD Form 1299.

(d) Statement of Accessorial Services Performed, DD Form 619-1.

(e) Packing List, DD Form 1750.

(f) Government Bill of Lading, SF 1103.

(g) Government Bill of Lading Correction Notice, DD Form 1352.

(h) Reweigh of Personal Property, DD Form 1671.

(i) Signature and Tally Record, DD Form 1907.

(j) Basic Agreement for Storage of HHG, DD Form 1162, DD Form 1162-1, and DD Form 1162-3.

(k) Offer of Services for HHG Storage, DD Form 1163.

(l) HHG Storage Record, DD Form 1100.

(m) Other forms that apply.

(3) If the debt is caused by an erroneous payment or an overpayment. (Send only those forms that apply.)

(a) Enlistment/Reenlistment Document—Armed Forces of the United States, DD Forms 4/1 through 4/5.

(b) Statement for Enlistment, Part VI—US Army Cash Bonus Enlistment Option, DA Form 3286-17.

(c) Statement of Service for Computation

of Length of Service for Pay Purposes. DA Form 1506.

(d) Military Pay Voucher, DA Form 2349 or DA Form 2139.

(e) Proof Military Pay Voucher (MECH), DA Form 2349-1.

(f) Reenlistment Bonus Inquiry, DA Form 2522-R.

(g) Request for Extension of Current Period of Active Duty, DA Form 3339-R.

(h) Request for Regular Army Reenlistment or Extension, DA Form 3340.

(i) Report of Separation from Active Duty, DD Form 214.

(j) Notification of Change in Service Member's Official Records, DD Form 1343.

(k) Application for Correction of Military or Naval Records under the Provisions of Title 10, U.S. Code, Sec 1552, DD Form 149.

(l) Application for BAQ for Members with Dependents, DD Form 137.

(m) Authorization to Start or Stop BAQ Credit, DA Form 3298.

(n) Parent's Dependency Affidavit, DD Form 137-3.

(o) Application for Transportation for Dependents, DD Form 884.

(p) BAS-Certification, DD Form 1475.

(q) Statement to Substantiate Payment of Family Separation Allowance, DD Form 1561.

(r) Other forms that apply.

(4) Statements from persons knowing the circumstances of the debt.

(5) Statements from officers or soldiers having information on the debt indicating approval would be in the best interest of the Government. Reasons must be fully explained.

(6) Any other evidence to support the case.

2-4. Sworn statement. The applicant must submit a detailed sworn statement on DA Form 2823. If the form is not available, submit a written statement which has been countersigned by an officer having notary powers (10 U.S.C. 936 and Art. 136 UCMJ) or by a notary public.

a. Injustice claimed. Explain why the indebtedness is an injustice and why he believes it is a mistake.

b. Hardship claimed. Explain and show that repayment would create extreme hardship. The statement must include the following:

(1) Circumstances. Include cause and reason the debt incurred.

(2) Period involved.

(3) Date of discovery.

(4) How, when, and who officially informed the soldier.

(5) Suspicion or knowledge of error.

(6) To whom the soldier told about the error or his suspicion of the error.

(7) Efforts made to have error corrected (5 above).

(8) Efforts made to have error corrected after notice of collection began.

(9) Evidence to support efforts to correct cause of debt.

(10) Reason for delay, if any, in correcting error.

(11) If erroneous funds were safeguarded or spent. Explain fully.

(12) A complete list of the attached inclosures (para 2-3).

2-5. Categories of indebtedness. Listed below are some examples of debts (item 13, DA Form 3508-R) which may be considered for remission or cancellation. However, others may be considered.

a. Basic allowance for quarters (BAQ).

b. Basic allowance for subsistence (BAS).

c. Cost of living allowance (COLA).

d. Family separation allowance (FSA).

e. Station housing allowance (SHA).

f. Excess leave.

g. Household goods (HHG).

h. Hold baggage.

i. Dependent travel.

j. Mobile home.

k. Temporary duty (TDY)

l. Temporary lodging allowance (TLA).

m. Pay entry basic date (PEBD).

n. Foreign duty pay (FDP).

o. Flight pay

p. Parachute pay.

q. Special duty assignment pay.

r. Proficiency pay (PROFP).

s. Enlistment bonus (EB).

t. Regular reenlistment bonus (RRB).

u. Selective reenlistment bonus (SRB).

2-6. Documents not immediately available. Forwarding indorsements may contain a request to

attach documents that the applicant or the commander do not have. Since the funds collected before the commander signs the application will not be remitted or canceled, do not delay sending the application to obtain the necessary documents (para 2-3). Instead, attach to the request a list of the missing documents and the approximate date they will be sent. Normally, MILPERCEN will not take final action until the needed documents are received.

2-7. Application as a result of a report of survey. Applications for remission or cancellation of a debt as a result of a report of survey will be considered if based on *extreme hardship only*. Re-

quests based on injustice will *not* be considered. A copy of the report of survey should be submitted with the application for remission or cancellation. Pending final decision on the application, the commander may authorize suspension or collection of the debt provided the interest of the Government is protected. In addition, CG, MILPERCEN may take final action on the application before the decision on the appeal to protect the interest of both the Government and the soldier. However, should the appeal be allowed, the funds withheld to satisfy the debt will be refunded to the soldier. This includes the funds withheld before suspension of collection of the debt.

CHAPTER 3

PROCESSING APPLICATIONS

3-1. Immediate commander. The immediate commander, after reviewing the facts, will assist the soldier in applying under the regulation most advantageous to him. (This AR or AR 37-56.) Before asking for personal information, the commander will tell the soldier about the "Data Required by the Privacy Act of 1974" (top of DA Form 3508-R, fig. 2-1) and will—

- a. Help the soldier prepare the application.
- b. Make sure that the facts are complete and accurate. When necessary, he will clarify them. He will make sure that—
 - (1) The application is accurate and complete.
 - (2) The sworn statement is detailed and based on hardship, injustice, or both, and includes the date the soldier was informed of being in debt.
 - (3) The list of current debts and monthly living expenses is complete, if based on hardship.
 - (4) Other financial obligations, other than normal living expenses are recorded, if based on hardship.
 - (5) The required documents are attached. (See para 2-3.)
- c. Inquire into and confirm statements made by the soldier. In cases based on hardship, make sure that the reported additional income, if it applies, and expenses (living expenses, allotments, bills, and receipts of payments to creditors) are accurate. Sign and date item 54, DA Form 3508-R.
- d. If necessary, ask the FAO or MILPO to explain the events that surround the debt.
- e. Assess the evidence and in a military letter—
 - (1) Recommend approval or disapproval. Give reasons for recommendation.
 - (2) State how remission or cancellation would or would not serve the best interest of the Government.
 - (3) State how the soldier's ability to dis-

charge moral and legal obligations to creditors and to provide for the welfare of dependents, if any, would be affected.

- (4) Point out any questionable item which cannot be confirmed.
- (5) State briefly whether the soldier's retention in the Service is desirable. If retention is not desirable, give specific reasons.
- (6) Provide the amount of training the Army has invested in him.
- (7) Show whether the soldier—
 - (a) Is at fault for being in debt.
 - (b) Could have prevented the debt.
 - (c) Acted properly in trying to correct the error.
 - (d) Acted in good faith.
- (8) State the help that he, the MILPO, or the FAO gave the soldier in alleviating or paying his debts.
- f. Briefly describe the soldier's efficiency and conduct with the organization. Include any major items of record, good or bad.
- g. If after applying, the soldier is expected to be separated before the ETS date on the application, promptly inform FAO. Give the reason for, and the date of the expected separation. Send an information copy to HQDA (DAPC-EPA-P) ALEX VA 22331.
- h. Recommend that collection be suspended or that FAO continue to withhold monies from the soldier's pay. Monies collected before the date the commander signed the application cannot be remitted or canceled (para 1-9b).
- i. Request the MILPO and the FAO to attach documents related to the case which are not at the unit.
- j. Send the original and one copy by military letter to the commander exercising special court-martial jurisdiction.

3-2. Commanders having special court-martial jurisdiction. These commanders will—

a. Review the application to ensure the case has been fully developed and documented.

b. When circumstances or unsupported allegations warrant, get more facts or data needed to develop a complete case before sending it to the FAO. For example, when the soldier alleges that the debt was incurred because of an error of a certain official or agency and the allegation is not supported by the facts, get a statement from that official or agency which explains the exact cause of overpayment or error in pay.

c. Evaluate the application and all the evidence.

d. Request the servicing MILPO to administratively review the application and attach any documents in the soldier's personnel record (MPRJ) that may have a bearing on the case.

e. Recommend that the remission be approved or the unsatisfied debt be canceled, in whole or in part, or recommend that the application be approved and give reasons.

f. Send two copies of the application to the FAO servicing the soldier. Ask FAO to attach required documents that the immediate commander or the MILPO did not furnish.

3-3. Finance and accounting officer. The FAO will—

a. When requested by the immediate commander, furnish a statement about the soldier's pay account or copies of Leave or Earnings Statement (DA Form 3686 (Test)) or other pay or pay related documents. Assist in finance and accounting procedures.

b. When the application from the commander having special court-martial authority is received, see if the commander has recommended suspension or continued withholding of pay. Fill out items 55 and 56, DA Form 3508-R.

c. Ensure that any finance and accounting documents needed to reach a decision are included. If there is any pertinent pay-related data that the immediate commander did not have, send it, by indorsement, to him for consideration before taking further action.

d. Send the application, by indorsement, to the commander having general court-martial jurisdiction for resolution when—

(1) The immediate commander has not requested continued withholding of sums to pay

off the debt pending the action of CG, MILPERCEN, and

(2) The FAO feels that, because of the soldier's remaining service obligation, the interest of the Government could not be adequately protected (5 U.S.C. 5514), and

(3) The matter cannot be resolved among the FAO, the immediate commander, and the commander having special court-martial jurisdiction.

e. If directed by the immediate commander and if proper—

(1) Stop collection as of the date the commander signed the application.

(2) Recredit to the soldier's account any amounts collected after that date.

(3) Advise the soldier of the status of his financial affairs pending a final decision on the application.

f. Send two copies of the application to HQDA (DAPC-EPA-P), Alexandria, VA 22331 for settlement. In the indorsement to MILPERCEN—

(1) Comment on any alleged administrative error or error in pay on finance and accounting procedures.

(2) Send documentation of proof of indebtedness.

(3) Tell if the soldier stated that he was misinformed of his entitlement.

(4) Include report of investigation under AR 15-6 if one was conducted in connection with the debt.

(5) Provide the following:

(a) The date the indebtedness was entered for collection.

(b) The date the soldier received notice of indebtedness.

(6) Recommend approval or disapproval. State reasons. Provide any other information needed to confirm the recommendation.

(7) Attach the following, when appropriate, and include the disbursing symbol (DSSN) and the AUTOVON number of the servicing finance and accounting office.

(a) A copy of the Pay Adjustment Authorization (DD Form 139), or other document stating amount, cause, reason, and inclusive periods of indebtedness. Explain how and what caused the debt.

(b) A statement of the pay account, a copy of the latest LES, or both.

(c) Documents which relate to the debt (para 2-3b).

g. If the soldier is to be separated before the ETS date on the application sent to MILPERCEN, immediately inform MILPERCEN of—

- (1) The foreseen separation.
- (2) The expected date of separation.
- (3) The reason for the separation.

h. Collect for the debt that remains (part seven, AR 37-104-3) if final action on the application has not been received by the date the soldier is to be separated from active duty, unless he is being separated to reenlist immediately and paragraph 3-4c applies.

i. Send an electrical message application when the date of applying is 30 days or less before the soldier's term of service expires. The interests of the Government must be protected. See appendix for guidance.

3-4. Collection pending final action on application.

a. Monies for a debt must be collected by the end of the expected period of active duty (5 U.S.C. 5514). If the debt can be paid within a soldier's remaining period of active duty—

(1) Stop collection as of the date the immediate commander signs the application (received by military letter).

(2) Recredit to the soldier's account any amounts collected on or after that date, regardless of the period involved. It is not necessary to wait for the decision of the CG, MILPERCEN.

b. If it is *not* possible to pay the debt in full, the commander may, to protect the Government, direct the FAO to withhold the sum from the soldier's pay. This includes any recredit (para 3-3e) which would have been collected had he not applied for remission or cancellation.

c. When the immediate commander has directed the FAO to continue withholding the soldier's pay, as distinguished from collection, because of the scheduled separation date, or if it is causing a financial hardship on the soldier, he will coordinate with the FAO to reduce the amount withheld each payday.

d. If the FAO, the immediate commander, and the commander having special court-martial authority cannot agree on the withholding of sums to pay the debt in full, send the application to the commander having general court-martial authority. He will decide on the withholding of

pay before sending it to MILPERCEN.

e. If section 5514 of title 5 United States Code is a factor and the soldier intends to reenlist at once after his normal term of service expires, he may agree to *partial* or *total* during the new enlistment if full collection of the debt before discharge would—

(1) Require total or nearly total stoppage or withholding of final pay, and

(2) Cause hardship for him and his dependents.

f. If a soldier extends his term of service, or is retained beyond expiration of term of service, his pay may be stopped or withheld as though the normal term had not expired.

3-5. Notification and disposition of final action.

a. CG, MILPERCEN will let the servicing FAO know, in writing, the final outcome on an application. The FAO will send a copy of the letter through the unit commander to the soldier with an appropriate statement on—

(1) The status of the collection.

(2) The amount of pay withheld (if any) to be refunded to the soldier.

(3) When the refund may be expected.

b. The FAO will adjust the soldier's pay account (para 70706, AR 37-104-3) when he receives notice of final action from MILPERCEN.

(1) If all items on the application are approved, the FAO will credit the soldier's pay account with any amount collected for the debt after the date the commander signed it.

(2) If the application is not approved or is approved for partial remission, the FAO will begin or reinstate collection. Reinstated collection will include the amounts withheld. If a refund of any amount withheld is due the soldier because the debt is partially remitted or canceled, refund the amount without any further action by the soldier.

(3) Send a copy of the approval or disapproval to the soldier, through his commander, advising the soldier of the status of his pay account.

(4) Send the original approval or disapproval to the US Army Finance and Accounting Center (USAFAC), Fort Benjamin Harrison, IN 46249. This is proof for any repayments or for the renewed collections (chap. 7, part nine, AR 37-104-3).

(5) File a copy of the approval or disapproval

in the soldier's personal financial record (PFR) as a permanent record.

c. If final action on an application has not been received by the date of the soldier's separation from active duty, the FAO will collect the outstanding debt (5 U.S.C. 5514 and table 7-7-6, DODPM).

3-6. Notification of final action on message applications. a. CG, MILPERCEN will make final decision on message applications except when action under paragraph 1-4d is required. Reply, by message, to FAO will state whether the request is approved or disapproved.

b. When the FAO receives the approval or disapproval, he will enter the following in item 11 of the final DA Form 2139 (Military Pay Voucher):

- (1) A brief explanation of the debt.
- (2) Remission or cancellation of the debt re-

quest by message DTG_____. Approved (or disapproved) by MILPERCEN message DTG_____.

c. The commander will send CG, MILPERCEN any pertinent information on events that occurred after sending the message application but before the final action taken. (The servicing FAO must be provided with the same information.) Using the fastest means of communication, the commander will furnish information on—

- (1) Reassignment.
- (2) Promotion or reduction in grade.
- (3) Reenlistment, extension of terms of service, or approval of retention beyond ETS.
- (4) Any administrative or punitive action which may result in the soldier being separated before the scheduled date.
- (5) Any other major factor which may be considered in making a final decision.

APPENDIX

FAO GUIDANCE IN PREPARING MESSAGE APPLICATIONS

A-1. Since applications normally require much documentation, use message application only when the actual circumstances can be adequately described in it. Before giving personal information to include in the application, make sure that applicants are aware of "Data Required by the Privacy Act of 1974" (top of DA Form 3508-R).

A-2. Send the following information to CDRMILPERCEN, ALEX VA //DAPC-EPA-P//:

- a.* The soldier's name, rank, pay grade, SSN, ETS and organization.
- b.* Cause of the indebtedness, inclusive dates, initial amount, and the amount of the remaining debt.
- c.* Whether the request is based on hardship or injustice, or both.
- d.* Number of dependents, their relationship and ages, and whether living with the sponsor and wholly dependent on him.
- e.* A detailed explanation of the circumstances and who verified it.
- f.* Data on bills, monthly living expenses and allotments (sec II, III, IV, DA Form 3508-R).
- g.* A statement of the soldier's pay account from DA Form 3686 (Test (JUMPS-Army Leave and Earnings Statement)).
- h.* Whether the spouse is or was in the military. If in the military, give spouse's SSN, BASD and ETS. State if the spouse resides with the applicant.
- i.* Other income (including spouse's) listed in items 19, 39 and 40, DA Form 3508-R.
- j.* Information in section VI of the forms. If expenses are excessive, explain.
- k.* Recommendation by all commanders and the FAO.
- l.* The AUTOVON numbers of the soldier's unit and the FAO.

The proponent agency of this regulation is the US Army Military Personnel Center. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Forms) to HQDA (DAPC-EPA-P), 2461 Eisenhower Avenue, Alexandria, VA 22331.

By Order of the Secretary of the Army:

Official:

J. C. PENNINGTON
Major General, United States Army
The Adjutant General

E. C. MEYER
General, United States Army
Chief of Staff

DISTRIBUTION:

To be distributed in accordance with DA Form 12-9A, requirements for AR, Personnel General.

Active Army: A
ARNG & USAR: D

APPLICATION FOR REMISSION OR CANCELLATION OF INDEBTEDNESS		For use of this form, see AR 600-4; the proponent agency is MILPERCEN.	
		Use additional blank sheet for continuation of items identifying each item by number.	
DATA REQUIRED BY THE PRIVACY ACT OF 1974			
AUTHORITY:		10 USC, Section 4837.	
PRINCIPAL PURPOSE:		To evaluate an application from an enlisted member for remission and cancellation of a debt to the United States.	
ROUTINE USES:		Information provided in this form, and other supporting documentation (including message applications) serves to substantiate your request, and will be used as a basis to support recommendation for approval or disapproval. This documentation will be maintained as a part of your Personal Financial Record.	
DISCLOSURE:		Voluntary. However, failure to supply all pertinent information may result in delay or unfavorable consideration of your request.	
INSTRUCTIONS: Answer each question. Questions that are not applicable, state N/A.			
SECTION I			
1. TO: (Complete address and telephone number of unit Cdr.) (Include AUTOVON number)		2. FROM:	
		a. NAME (Last, first, MI) _____	
		b. RANK _____ c. PAY GRADE _____	
		c. SOCIAL SECURITY NUMBER _____	
3. SERVICE DATA		4. PRESENT ORGANIZATION, STATION AND TELEPHONE NO (Include AUTOVON number)	
a. ETS _____ c. PMOS _____		a. _____	
b. BASD _____ d. DMOS _____		b. AUTOVON NO _____	
5. STATION WHERE DEBT INCURRED		6. INTEND TO	
		a. REENLIST <input type="checkbox"/> YES <input type="checkbox"/> NO	
		b. EXTEND <input type="checkbox"/> YES <input type="checkbox"/> NO	
		c. UNDECIDED <input type="checkbox"/> YES <input type="checkbox"/> NO	
7. MARITAL STATUS			
<input type="checkbox"/> MARRIED <input type="checkbox"/> NEVER MARRIED <input type="checkbox"/> WIDOWED <input type="checkbox"/> DIVORCED <input type="checkbox"/> LEGALLY SEPARATED <input type="checkbox"/> SEPARATED			
8. NAME OF SPOUSE (Last, first, MI, maiden)		9. DOES SPOUSE RESIDE WITH SPONSOR	
		<input type="checkbox"/> YES <input type="checkbox"/> NO (If no, explain)	
10. IS SPOUSE IN MILITARY		11. WAS SPOUSE IN MILITARY	
<input type="checkbox"/> YES (If yes, list spouse's SSN, BASD, ETS) <input type="checkbox"/> NO		<input type="checkbox"/> YES (If yes, list spouse's SSN, BASD, ETS) <input type="checkbox"/> NO	
a. SOCIAL SECURITY NUMBER _____		a. SOCIAL SECURITY NUMBER _____	
b. BASD _____ c. ETS _____		b. BASD _____ c. ETS _____	
12. NAME OF DEPENDENTS (Other than spouse)	RELATIONSHIP	DATE OF BIRTH	RESIDE WITH SPONSOR (If no, explain in item 9)
			<input type="checkbox"/> YES <input type="checkbox"/> NO
			<input type="checkbox"/> YES <input type="checkbox"/> NO
			<input type="checkbox"/> YES <input type="checkbox"/> NO
			<input type="checkbox"/> YES <input type="checkbox"/> NO
			<input type="checkbox"/> YES <input type="checkbox"/> NO
			<input type="checkbox"/> YES <input type="checkbox"/> NO
13. INITIAL AMOUNT AND CATEGORY OF INDEBTEDNESS (i.e. BAQ; DAS; FSA; COLA; SHA; HHG; EB; RRB, etc.)			
AMOUNT _____		CATEGORY _____	
AMOUNT _____		CATEGORY _____	
AMOUNT _____		CATEGORY _____	
14. DATE APPLICANT NOTIFIED OF INDEBTEDNESS		15. APPLICATION BASED ON	
		<input type="checkbox"/> HARDSHIP <input type="checkbox"/> INJUSTICE <input type="checkbox"/> BOTH	
COMPLETION OF SECTION II, III, IV, V, AND VI NOT REQUIRED IF APPLICATION IS BASED ON INJUSTICE ONLY. TURN TO SECTION VII.			

Figure 2-1

SECTION II - (INCOME)			SECTION III - (EXPENSES)	
AVERAGE MONTHLY EXPENSES	HUSBAND	WIFE	AVERAGE MONTHLY EXPENSES	
16. MONTHLY GROSS SALARY	\$	\$	21. RENT OR MORTGAGE PAYMENT	\$
17a. DEDUCTION: FEDERAL, STATE, AND LOCAL INCOME TAXES	\$	\$	22. FOOD	\$
17b. SGLI/SOLD HOME	\$	\$	23. TELEPHONE	\$
17c. FICA	\$	\$	24. UTILITIES	\$
17d. OTHER (Specify)	\$	\$	25. LAUNDRY	\$
			26. CLOTHING	\$
			27. MEDICAL (Nonreimbursable)	\$
			28. CAR OPERATING EXPENSE (Gas, etc.)	\$
			29. CAR INSURANCE	\$
			30. OTHER TRANSPORTATION EXPENSE (Bus, train, subway)	\$
			31. INSURANCE - NOT INCLUDED IN 17d AND 29 (Specify)	\$
17e. TOTAL DEDUCTIONS (Item 17a through 17d)	\$	\$	32. OTHER LIVING EXPENSES NOT LISTED IN SECTION IV (Specify)	\$
18. NET TAKE HOME PAY (Subtract item 17e from item 16)	\$	\$		
19. PART TIME JOB, PENSION COMPENSATION, OR OTHER INCOME (Specify)	\$	\$	33. ALLOTMENTS (Total from Section IV, item 32f)	\$
			34. MONTHLY PAYMENTS ON INSTALLMENT CONTRACTS AND OTHER DEBTS (Total from Section IV, item 34g)	\$
20. TOTAL MONTHLY NET INCOME (Item 18 plus item 19)	\$	\$	35. TOTAL MONTHLY EXPENSES (Items 21 through 34)	\$

SECTION IV

(INSTALLMENT CONTRACT AND OTHER DEBTS)

Show here ALL debts which you are required to pay in regular monthly installments, such as car, television, washing machine, payments to retailers, banks, finance companies, repayment of money borrowed for any purpose, doctor bills, hospital bills, etc. DO NOT include living expenses. NOTE: If payment of a debt is not on a monthly basis, write "0" in column E and describe arrangements in Section VI - REMARKS.

NAME AND ADDRESS OF CREDITOR (a)	DATE DEBT INCURRED AND PURPOSE OF DEBT (b)	ORIGINAL AMOUNT OF DEBT (c)	UNPAID BALANCE (d)	AMOUNT DUE MONTHLY (e)	AMOUNT PAST DUE (If any) (f)	LIQUIDATION DATE (g) *
36a.		\$	\$	\$	\$	
36b.		\$	\$	\$	\$	
36c.		\$	\$	\$	\$	
36d.		\$	\$	\$	\$	

SECTION IV - (Continued)						
NAME AND ADDRESS OF CREDITOR (a)	DATE DEBT INCURRED AND PURPOSE OF DEBT (b)	ORIGINAL AMOUNT OF DEBT (c)	UNPAID BALANCE (d)	AMOUNT DUE MONTHLY (e)	AMOUNT PAST DUE (If any) (f)	LIQUIDATION DATE (g) *
36e.		\$	\$	\$	\$	
36f.		\$	\$	\$	\$	
36g. TOTAL		\$	\$	\$	\$	
* IF REVOLVING ACCOUNT, STATE ACTUAL DATE ACCOUNT WILL BE LIQUIDATED IF NO OTHER PURCHASES ARE MADE.						
(ALLOTMENTS CURRENTLY IN EFFECT)						
CLASS	PURPOSE	PAYEE	AMOUNT	ESTIMATED EXPIRATION DATE		
37a.	SUPPORT a. b. c.		\$			
37b.	INSURANCE a. b. c.		\$			
37c.	FINANCIAL INSTITUTION (Specify) a. b. c.		\$			
37d.	REPAYMENT OF LOANS TO RED CROSS AND AER		\$			
37e.	OTHER (Specify) a. b. c.		\$			
37f. TOTAL			\$			
SECTION V						
(ADDITIONAL DATA)						
38a. HAVE YOU EVER DECLARED BANKRUPTCY (If yes, complete b, c and d) <input type="checkbox"/> YES <input type="checkbox"/> NO	b. DATE DISCHARGED FROM BANKRUPTCY	c. LOCATION OF COURT (City and State)		d. DOCKET NUMBER, IF KNOWN		

39. ENLISTMENT OR REENLISTMENT BONUS: LIST EACH INCREMENT OF SRB BONUS. PROVIDE INFORMATION FOR ANY BONUS RECEIVED WITHIN THE LAST YEAR AND ANY KNOWN AMOUNTS TO BE RECEIVED IN THE FUTURE.					
TYPE OF BONUS	AMOUNT RECEIVED	DATE(s) RECEIVED	AMOUNT TO BE RECEIVED	DATE(s)	INCREMENTS WILL BE RECEIVED
a. EB _____					
b. SRB _____					
c. RRB _____					
d. OTHER _____					
e. TOTAL					
40. CASH a. CHECKING \$ _____ b. SAVINGS \$ _____ c. BUILDING AND LOAN \$ _____ d. US SAVINGS BONDS (Current value) \$ _____ e. OTHER BONDS (i.e. Municipal) \$ _____ f. OTHER (Specify) \$ _____ g. CASH ON HAND \$ _____ h. TOTAL \$ _____			41. REAL ESTATE OWNED (Approximate resale value) _____ \$ _____ _____ \$ _____ _____ \$ _____		
			42. PURCHASES SINCE AWARENESS OR NOTIFICATION OF INDEBTEDNESS (Specify: TV; CB; Stereo; Appliances; Furniture; Jewelry; Photographic equipment, etc. and cost.) a. _____ \$ _____ b. _____ \$ _____ c. _____ \$ _____		
43. VEHICLES (List all)					
MAKE	YEAR	MODEL	MILEAGE	DATE PURCHASED	
AUTOMOBILE _____	_____	_____	_____	_____	
_____	_____	_____	_____	_____	
TRUCK _____	_____	_____	_____	_____	
MOTOR CYCLE _____	_____	_____	_____	_____	
TRAILER _____	_____	_____	_____	_____	
CAMPER _____	_____	_____	_____	_____	
BOAT _____	_____	_____	_____	_____	
44. OTHER ASSETS (Not listed in item 43)					
SECTION VI SUMMARY					
45a. COMBINED MONTHLY INCOME (Section II, item 20)		b. COMBINED MONTHLY EXPENSES (Section III, item 35)		c. BALANCE (Subtract 45b from 45a)	
TOTAL FOR APPLICANT AND SPOUSE \$ _____		TOTAL FOR APPLICANT AND SPOUSE \$ _____		\$ _____	

46. HOW MUCH OF THE BALANCE IN ITEM 45c CAN YOU APPLY TO YOUR DEBT TO THE US GOVERNMENT ON A MONTHLY BASIS

\$ _____

47. IF TOTAL MONTHLY EXPENSES EXCEED MONTHLY INCOME, HOW DO YOU PAY THE DIFFERENCE

SECTION VII

REMARKS

48. USE THIS SPACE AND ADDITIONAL SHEETS IF NECESSARY TO SUPPLY ANY OTHER PERTINENT INFORMATION AND TO CONTINUE YOUR ANSWERS TO PREVIOUS ITEMS. INDICATE ITEM NUMBER(S) TO WHICH YOUR COMMENTS APPLY.

SECTION VIII			
CERTIFICATIONS			
49. I (we) AFFIRM that the information contained herein is true, correct and complete to the best of my (our) knowledge and belief. The Sworn statement and required inclosures are attached. <i>(Spouse's signature is not required when application is based on injustice only).</i>			
APPLICANT'S SIGNATURE	DATE	SIGNATURE OF SPOUSE	DATE
PENALTY - THE LAW PROVIDES SEVERE PENALTIES WHICH INCLUDE FINE AND IMPRISONMENT, OR BOTH FOR THE WILLFUL SUBMISSION OF ANY STATEMENT OR EVIDENCE OF A MATERIAL FACT, KNOWING IT TO BE FALSE.			
50. VERIFICATION BY COMPANY COMMANDER OF FINANCIAL DATA I have seen documentation which substantiate that the financial data is correct.			
NAME AND SIGNATURE OF COMPANY COMMANDER			DATE
SECTION IX			
FOR FAO USE ONLY			
51. COLLECTION OF DEBT SUSPENDED <input type="checkbox"/> YES <input type="checkbox"/> NO			
a. AMOUNT COLLECTED PRIOR TO SUSPENSION	\$	_____	
b. AMOUNT BEING COLLECTED MONTHLY	\$	_____	
c. AMOUNT UNCOLLECTED THIS DATE	\$	_____	
52. VERIFICATION BY FAO (Checklist)			
ALL APPLICABLE ITEMS OF THE APPLICATION HAVE BEEN COMPLETED			<input type="checkbox"/>
APPLICATION HAS BEEN SIGNED BY APPLICANT AND SPOUSE, IF APPLICABLE			<input type="checkbox"/>
APPLICATION HAS BEEN VERIFIED BY COMPANY COMMANDER			<input type="checkbox"/>
APPLICANT'S SWORN STATEMENT IS ATTACHED			<input type="checkbox"/>
DA FORM 3686(TEST) IS ATTACHED			<input type="checkbox"/>
DOCUMENTS DISCLOSING CAUSE, REASON, CATEGORY, AMOUNT AND INCLUSIVE PERIOD OF INDEBTEDNESS <i>(DD Form 139, or USAFAC Forms 0-1611 or 0-1644).</i>			<input type="checkbox"/>
ADDITIONAL INCLOSURES THAT ARE APPLICABLE			<input type="checkbox"/>
RECOMMENDATION BY IMMEDIATE COMMANDER			<input type="checkbox"/>
RECOMMENDATION BY COMMANDER HAVING SPECIAL COURTS-MARTIAL JURISDICTION			<input type="checkbox"/>