
45 C.F.R. § 1177.22

Bases for compromise.

(a) NEH may compromise a debt if the Government cannot collect the full amount because:

- (1) The debtor is unable to pay the full amount in a reasonable time, as verified through credit reports or other financial information;
- (2) The Government is unable to collect the debt in full by enforced collection proceedings within a reasonable time;
- (3) The cost of collecting the debt does not justify the enforced collection of the full amount; or
- (4) There is significant doubt concerning the Government's ability to prove its case in court.

(b) NEH will consider the following relevant factors when determining the debtor's inability to pay:

- (1) The debtor's age and health;
- (2) The debtor's present and potential income;
- (3) The debtor's inheritance prospects;
- (4) The possibility that the debtor has concealed or improperly transferred assets; and
- (5) The availability of assets or income that may be realized by enforced collection proceedings.

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