
DCSE Policy & Procedures Unit
Policy Update
PPU 06-02-005
February 14, 2006

SUBJECT: Judgment Expiration and Hayden Issues

Please contact the Policy Unit if you have any questions regarding these or any other changes at
*DCSE-POLICYQUESTIONS, CSE.POLICY or (602) 274-7951.

*The IV-D PARTNERS should send POLICY inquiries directly to *DCSE-POLICYQUESTIONS@azdes.gov*

This PPU is being sent to IV-D Staff clarify concerns the Policy Unit has received about what action to take with Hayden Cases pending interstate or other actions.

Lien Releases

In a true *Hayden* case (i.e. where no judgment was obtained prior to the running of the three year statute of limitations), there will be no issue of completing a satisfaction of judgment, as no underlying judgment exists. If there was an administrative lien obtained, that lien should be released prior to case closure. No consent from the CP is required to release an administrative lien. It is not necessary to obtain consents in advance from a CP.

In a case where a judgment was obtained and recorded, and it then expired for lack of renewal, there is nothing that requires DCSE to file a satisfaction or lien release. The reason is that the judgment was not satisfied. It is the debtor's responsibility to establish (to creditors, title companies or others) that the judgment is no longer valid because of its expiration. If a debt is uncollectible as a result of the *Hayden* case, the NCP can inform the creditor that the debt no longer exists.

Whether the debt was extinguished for failure to obtain a judgment per *Hayden*, or was extinguished by a failure to renew a judgment, DCSE must stop reporting the debt to credit bureaus pursuant to A.R.S. § 25-512. If a request for a current balance is received from an entity (e.g. a title company or lender) it should be reported as zero (i.e., extinguished).

Income Withholding Order

If there is no active judgment on a case and the debt has been extinguished pursuant to *Hayden*, the debt should be deactivated, the income withholding order should be stopped, and other administrative remedies should be suppressed. If the case has been sent to another jurisdiction with a longer statute of limitation, the case can remain open until DCSE is informed that the other jurisdiction will or will not enforce. If the other jurisdiction does enforce, the case can remain open and the CCH debt can be reactivated to process payments received from the other jurisdiction. Arizona administrative remedies should remain suppressed until a judgment is obtained from the other jurisdiction. If the other jurisdiction declines to enforce, the case should be closed.

If the case has an existing partial judgment in-force, the income withholding order should continue and the R-Narrative should be removed. The CCH arrears should be deactivated. When the JCH arrears and other active arrears are paid off, any money coming in can be refunded to the obligor because there will be no remaining debt. If, in the interim, a judgment

has been received from another state, a new JCH debt can be set up which, in essence, will replace the CCH debt that Arizona was forced to deactivate.