

CHAPTER 90  
PUBLIC ASSISTANCE DEBT RECOVERY UNIT (PADRU)  
[Prior to 4/7/10, see 481—Ch 71]

Chapter rescission date pursuant to Iowa Code section 17A.7: 2/25/31

PREAMBLE

More information related to this chapter can be found in 441—Chapter 11.

[ARC 0013D, IAB 1/21/26, effective 2/25/26]

**481—90.1(10A) Definitions.** The following definitions apply:

“*Active case*” means a household that is receiving public assistance.

“*Allotment reduction*” means an amount withheld from a financial or SNAP benefit.

“*Benefit reduction*” refers to SNAP.

“*Debt*” means the dollar amount of public assistance, by program, received by or on behalf of a person or provider in excess of that allowed by law, rules, or regulations for any given month(s); or the dollar amount of public assistance unlawfully transferred or obtained in violation of program rules; or the dollar amount of unpaid IowaCare personal financial responsibility obligations.

“*Debtor*” means any person who has been determined by HHS or by the department to be responsible for the repayment of a particular public assistance debt.

“*Department*” means the department of inspections, appeals, and licensing.

“*Economic fraud bureau*” means the economic fraud bureau of the investigations division of the department.

“*FIP*” means the family investment program described in 441—Chapters 40, 41, 45 and 46.

“*Grant reduction*” refers to the FIP and to RCA.

“*HHS*” means the Iowa department of health and human services.

“*Notice of debt*” means a notice that informs the debtor that a debt in a public assistance program has occurred and identifies the debt amount, the dates on which the debt was incurred, the cause of the debt, and the options the debtor has to repay the debt (more information can be found in 441—Chapter 11).

“*Public assistance*” means any program that HHS administers that confers a financial, medical, or SNAP benefit.

“*RCA*” means refugee cash assistance as described in 441—Chapter 60.

“*Recovery*” means the repayment of a debt by direct cash or credit card payment from the debtor, by allotment reduction, by setoffs, or by garnishment of wages or assets.

“*Repayment agreement*” means the same as defined in rule 441—11.1(217).

“*Setoffs*” means the practice described in Iowa Code section 421.65 and 701—Chapter 26.

“*SNAP*” means the Supplemental Nutrition Assistance Program as defined in rule 441—65.1(234).

“*Title XIX divestiture*” means a debt against a person who receives transferred assets from a Medicaid applicant or recipient within five years prior to an application for medical assistance if the applicant is approved for medical assistance (Medicaid) or a transfer impacting the recovery or payment of a medical assistance (Medicaid) debt.

[ARC 0013D, IAB 1/21/26, effective 2/25/26]

**481—90.2(10A) Recovery process.** The recovery process begins when data specifying which public assistance program(s) owed a debt is successfully entered on the designated overpayment recovery system and a notice of debt is issued to the debtor.

[ARC 0013D, IAB 1/21/26, effective 2/25/26]

**481—90.3(10A) Records.** PADRU maintains an account for each debt that has occurred for a debtor filed under the debtor’s name, including information maintained pursuant to rule 441—11.2(217).

[ARC 0013D, IAB 1/21/26, effective 2/25/26]

**481—90.4(10A) Debt repayment.** A notice of debt pursuant to 441—subrule 11.2(2) or Form 470-0495, Agreement to Pay a Debt, is used to initiate payments of a debt. The minimum rate of payment is determined by each program unless set by a court order or otherwise negotiated by HHS. All recoveries are transmitted to the HHS cashier. Payments are made directly by cash, check, or money order or through an online payment portal by the debtor except as otherwise provided in this rule. The amount of allotment reduction for a FIP overpayment caused by an agency error will be different from the amount of allotment reduction for a client error, as determined by HHS.

**90.4(1) Active cases—PROMISE JOBS program.** For payment reduction for the PROMISE JOBS program, the debtor has to provide written permission to effectuate a FIP reduction.

**90.4(2) Active cases—FIP, RCA, SNAP.** Allotment reduction will be used, except that cash payment pursuant to a repayment agreement may be used when the repayment amount exceeds the amount that may be collected by allotment reduction.

**90.4(3) SNAP with electronic benefit balances.** SNAP payments may be made by returning electronic benefits to pay the debt.

[ARC 0013D, IAB 1/21/26, effective 2/25/26]

**481—90.5(10A) Further collection action.** If complete repayment has not been received by the methods described in rule 481—90.4(10A), or if the repayment agreement is not returned, further collection action may be taken. This action includes but is not limited to the following:

**90.5(1) For all debts.**

- a. Debts of \$6,500 or less, small claims court action.
- b. Debts of more than \$6,500, referral to the attorney general for district court action.
- c. State income tax refund setoffs in accordance with 441—Chapter 11 and Iowa Code section 421.65.
- d. The filing of a claim in a debtor's estate or bankruptcy proceedings.
- e. Garnishment of wages or assets.
- f. Setoffs of a state warrant.
- g. Distress warrants.
- h. Liens.

**90.5(2) For SNAP debts.** In addition to the above actions, federal offsets may be used for the collection of SNAP debts in accordance with rule 441—11.5(234).

[ARC 0013D, IAB 1/21/26, effective 2/25/26]

**481—90.6(10A) Appeal rights.** If a notice of debt or other notice of adverse action is received by the debtor and the debtor wishes to contest the debt, an appeal is submitted to the recovery unit or to HHS. If an appeal is submitted, the recovery process is suspended until conclusion of the appeal process outlined in 481—Chapter 9 and 441—Chapter 7.

[ARC 0013D, IAB 1/21/26, effective 2/25/26]

**481—90.7(10A) Data processing systems matches.** The recovery unit compares information with other data processing systems to identify the location, resources, or income of a debtor. Part or all of a data processing system is used. The recovery unit uses but is not limited to using the data processing systems of the following entities:

1. Social Security Administration,
2. Department of workforce development,
3. Department of revenue,
4. Department of administrative services,
5. Department of transportation (driver's license and motor vehicle registration), and
6. Department of health and human services.

[ARC 0013D, IAB 1/21/26, effective 2/25/26]

**481—90.8(10A) Confidentiality.** The confidentiality of records is in accordance with 441—Chapter 9.

[ARC 0013D, IAB 1/21/26, effective 2/25/26]

These rules are intended to implement Iowa Code section 10A.402.

[Filed 9/18/87, Notice 7/29/87—published 10/7/87, effective 11/11/87]  
[Filed 1/5/90, Notice 8/23/89—published 1/24/90, effective 2/28/90]  
[Filed 9/27/90, Notice 5/30/90—published 10/17/90, effective 11/21/90]  
[Filed 9/27/90, Notice 7/25/90—published 10/17/90, effective 11/21/90]  
[Filed 1/3/92, Notice 11/27/91—published 1/22/92, effective 2/26/92]  
[Filed emergency 7/15/93—published 8/4/93, effective 7/15/93]  
[Filed emergency 7/8/94—published 8/3/94, effective 7/8/94]  
[Filed 3/31/95, Notice 11/9/94—published 4/26/95, effective 5/31/95]  
[Filed emergency 7/24/97—published 8/13/97, effective 7/24/97]  
[Filed 12/19/01, Notice 11/14/01—published 1/9/02, effective 2/13/02]  
[Filed 7/2/04, Notice 5/26/04—published 7/21/04, effective 8/25/04]  
[Filed ARC 8656B (Notice ARC 8484B, IAB 1/13/10), IAB 4/7/10, effective 5/12/10]  
[Filed ARC 3523C (Notice ARC 3407C, IAB 10/25/17), IAB 12/20/17, effective 1/24/18]  
[Filed ARC 6518C (Notice ARC 6412C, IAB 7/13/22), IAB 9/7/22, effective 10/12/22]  
[Filed ARC 0013D (Notice ARC 9753C, IAB 11/26/25), IAB 1/21/26, effective 2/25/26]