

**PART 765—DIRECT LOAN  
SERVICING—REGULAR**

Sec.

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**Subpart A—Overview****§ 765.1 Introduction.**

(a) *Purpose.* This part describes the policies for servicing direct FLP loans, except for borrowers who are delinquent, financially distressed, or otherwise in default on their loan.

(b) *Servicing actions.* Servicing actions described in this part include:

- (1) Limited resource reviews;
- (2) Graduation to commercial credit;
- (3) Application of payments;
- (4) Maintaining and disposing of security;
- (5) Transfer of security and assumption of debt; and
- (6) Servicing accounts of deceased borrowers.

(c) *Loans covered.* The Agency services direct FLP loans under the policies contained in this part. This part is not applicable to Non-program loans, except where noted.