

**38 CFR § 1.965 Application of Standard Criteria
(utilizing “equity and good conscience”):**

- (1) Fault of debtor.** Where actions of the debtor contribute to creation of the debt.
- (2) Balancing of faults.** Weighing fault of debtor against Department of Veterans Affairs fault.
- (3) Undue hardship.** Whether collection would deprive debtor or family of basic necessities.
- (4) Defeat the purpose.** Whether withholding of benefits or recovery would nullify the objective for which benefits were intended.
- (5) Unjust enrichment.** Failure to make restitution would result in unfair gain to the debtor.
- (6) Changing position to one's detriment.** Reliance on Department of Veterans Affairs benefits results in relinquishment of a valuable right or incurrence of a legal obligation.

