

Loans for Disadvantaged Student Program

What is the Loan for Disadvantaged Students Program?

This is a **subsidized 5% fixed-interest rate** loan made available through the U.S. Department of Health and Human Services (DHHS). The purpose of the Loan for Disadvantaged Students (LDS) program is to provide long-term funding and low-interest rates to eligible medical students from disadvantaged backgrounds who are enrolled full time. The loan includes a **12-month grace** period before repayment and is eligible for deferment throughout medical residency. Awards are made to medical students with the lowest combined parent and student contributions (PC and SC) based on the federal needs-analysis calculation. Students must come from an **economically disadvantaged** background (low income level tables are published annually by DHHS), and/or are considered by the admissions committee to have come from an **environmentally disadvantaged** background (criteria determined at the time of admission review).

How much can I borrow?

The Financial Aid Office will determine how much you can borrow based on your eligibility, the amount of **LDS** funds available for the institution, and other criteria. The maximum award per student is cost of attendance (including tuition/fees, education expenses, and reasonable living expenses) less other aid and resources.

How do I qualify for a LDS?

- Enrollment full time in a degree program leading to a doctor of medicine or doctor of osteopathy.
- United States citizen or eligible noncitizen.
- Provide parent financial asset and household information.
- Demonstrate financial need.
- Maintain good academic standing year-long.
- Register with Selective Service if required by law.
- Owe no federal grant refund and not be in default on any federal loan.

Why must I provide financial information about my parents to obtain a LDS?

To assist schools in allocating limited LDS funds, the Department of Health and Human Services requires parent information from all students to determine financial need without regard to age, tax, or marital status.

LOAN REPAYMENT

- Repayment begins following a 12-month grace period after you cease to be a full-time student.
- Interest at 5% is computed on the unpaid principal balance and begins to accrue upon expiration of your grace period unless you are eligible to defer payment.
- Loans are repayable over a period of not less than 10 years, no more than 25 years, at the discretion of the institution.
- LDS is eligible for Federal Loan Consolidation.

May payment of my LDS be deferred?

YES. Periodic installments of principal and interest need not be paid, and interest shall not accrue, while the Borrower:

- Serves on active duty as a member of a uniformed service of the United States, for up to **three years**.
- Serves as a volunteer under the Peace Corps Act, for up to **three years**.
- Pursues advanced professional training, including internships and residencies.
- Pursues a full-time course of study at a health professions school eligible for participation in the Loans for Disadvantaged Students Program.
- Leaves the Institution with the intent to return to the Institution as a full-time student, to engage in a full-time educational activity which is directly related to the health profession for which the Borrower is preparing, as determined by the Secretary of Health and Human Services for up to **two years**.
- Participates in a fellowship training program or a full-time educational activity which is directly related to the health profession for which the Borrower's prepared at the Institution, and is engaged in by the Borrower within

12 months after the completion of the Borrower's participation in advanced professional training as described in the promissory note section 4(c) for up to **two years**.

What happens to my LDS in the event of death or disability?

Your obligation to repay the loan will be canceled upon receipt of the required documentation in the event of your death or permanent and total disability.