



THE UNIVERSITY OF ARIZONA

College of Medicine

Phoenix

Loan for Disadvantaged Students

The Loans for Disadvantaged Students (LDS) program provides long-term, low-interest rate loans to full-time, financially needy students from disadvantaged backgrounds, to pursue a degree in allopathic medicine, osteopathic medicine, dentistry, optometry, podiatric medicine, pharmacy or veterinary medicine.

LDS is a federal loan program for exceptionally financially needy students who meet the federal definition of “disadvantaged.” Beginning with the 1993-94 academic year, all graduate students will be considered independent according to the need analysis formula in Title IV of the Higher Education Act. Nonetheless, institutions still must take parents' information into account for the purpose of awarding LDS funds. This requirement cannot be waived. In cases where the parents refuse to provide income information, an affidavit documenting such a refusal cannot be accepted in lieu of the required information. Unless the parents are deceased, a student who does not provide parental income information may not be considered for LDS funds.

The amount of LDS funds awarded to a student plus the amount of the student's expected family contribution—including parents' contribution—may not exceed the student's cost of attendance. However, funding will be limited based on what is available and number of eligible applicants.

Students eligible to apply for this loan must be a citizen, national, or lawful permanent resident of the U.S. and come from a disadvantaged background. An individual from a disadvantaged background is defined by the U.S. Department of Health and Human Services as one

* who comes from an environment that has inhibited the individual from obtaining the knowledge, skill and ability to enroll in and graduate from a health professions school or

* who comes from a family with an annual income below a level based on low-income guidelines according to family size published by the U.S. Bureau of the Census adjusted annually for changes in the Consumer Price Index, and adjusted by the Secretary of Health and Human Services for use in health professions and nursing programs. <http://aspe.hhs.gov/poverty-guidelines>

Loan Specifics

Terms and conditions of this program are subject to change; therefore, you should refer to your promissory note for the specific terms that apply to your loan.

- The interest rate is currently 5% annually
- It carries no origination and guarantee fees

- Repayment of principal and interest begins twelve months after graduation, withdrawal, or the commencement of less than full-time enrollment
- No interest accumulates while enrolled full-time or during the one-year grace period
- In cases of economic hardship, payments may be deferred, extended, or reduced
- The loan is forgiven in case of permanent disability or death
- You may be allowed up to 10 years to repay loans
- LDS may be consolidated with Federal Direct Loans for repayment purposes and/or to qualify for Public Service Loan Forgiveness

LDS offers deferment of principal and interest while the borrower:

Type of Activity	Maximum Number of Years for Deferment
Active duty in the uniformed services	Up to three years
Peace Corps volunteer	Up to three years
Advanced professional training	Unlimited
Leave of absence to pursue related educational activity	Up to two years
Training fellowship, training programs and related educational activities for graduates of health professions schools	Up to two years

More information can be found at the following HRSA website:

<https://bhw.hrsa.gov/sites/default/files/bhw/lfs.pdf>