Loans for Disadvantaged Students (LDS) Guidelines

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 medical degree. LDS is made available through the U.S. Department of Health and Human Services (DHHS).

An individual from a disadvantaged background is defined by the U.S. DHHS 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 professional school
- 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

LDS applicants must provide parental information on their FAFSA for determination of eligibility, regardless of age or marital status. This requirement cannot be waived. Unless the parents are deceased, a student who does not provide parental income information will not be considered for LDS funds. If parents are deceased, please provide documentation, i.e. death certificate, obituary, etc. for both parents.

APPLICATION REQUIREMENTS:

1) Registered full-time in the Fall and Spring terms (12+ credit hours)
2) Complete or correct the 2023-2024 FAFSA (https://studentaid.gov/h/apply-for-aid/fafsa)
   a. Add parental information.
   b. Students and parents must utilize the IRS data retrieval tool on the FAFSA or submit signed copies of their 2021 federal income tax return.
3) Submit the 2023-2024 LDS Application form.

Deadline: Sunday, March 10, 2024
LOAN REPAYMENT

➢ LDS has a 0% interest rate while you are in school and during your internship and residency years. Then the loan accrues a 5% fixed-interest rate upon expiration of your grace period unless you are eligible to defer payment.
➢ Repayment begins following a 12-month grace period after you cease to be a full-time student.
➢ Loans are repayable over a period of not less than 10 years, and no more than 25 years, at the discretion of the institution.
➢ LDS can be consolidated with Stafford and other federal loans if you are concerned about being eligible for the Public Service Loan Forgiveness Program.

LOAN DEFERMENT

Periodic installments of principal and interest are not required to 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 LDS 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 that 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 (including internships and residencies) or before the completion of the Borrower’s participation in such training for up to two years.

LENDER: The University of Illinois (through funding from the U.S. DHHS)

LOAN SERVICER: Heartland ECSI (https://heartland.ecsi.net/)

** LDS awards are subject to the Cost of Attendance budget constraints. If you have accepted full financial aid before receiving LDS, we will adjust your loans as needed.

Awarding priority will be given to first-time LDS borrowers.
Adding Parental Information to your FAFSA:

1. Create an FSA ID for your parent at https://studentaid.gov/fsa-id/create-account

2. Select “Start or Edit a 2023-24 FAFSA Form” at https://studentaid.gov/h/apply-for-aid/fafsa.

3. Select “Make Corrections to My FAFSA Form”

4. Create a Save Key

5. Enter Section 3 “Dependency Status”

6. Scroll down to the “Independent Student Status” section. Select “Yes” to answer questions about your parents.

7. Complete the “Parent Demographics” and “Parent Financials” sections.

8. Finally, you and your parents will utilize the FSA ID and password to sign and submit.