

Loans for Disadvantaged Students(LDS)

Repayment Provisions	Loans for Disadvantaged Students(LDS)
Is there any penalty for prepaying or paying my loan off early?	No
How long is the initial grace period?	12 months
Does interest accrue during my grace period?	No
What is my interest rate? All student loans are simple interest loans; the interest is calculated on the unpaid principal balance at the time of billing.	5 percent
What is my minimum payment amount per month?	\$40.00
Am I responsible for all collection agency fees and litigation fees accrued on my loan?	Yes
Will my loan be accelerated if my account is turned over to a collection agency	Yes
Once my loan is accelerated and the entire principal balance and accrued interest is due immediately, will I lose all deferment and cancellation privileges?	Yes
If my loan is accelerated, will I receive a 6 month renewable grace period.	No
Will my student loan be reported to a National Credit Bureau?	Yes
Is my loan reported to a National Credit Bureau each month I am delinquent?	Yes
Will I be assessed late charges if my payment is not submitted on time?	Yes, up to 6% of the payment amount

Deferment Provisions	Loans for Disadvantaged Students (LDS)
Deferments are available if you are at least a half-time student at an institution of higher education	Yes, providing you enter the same discipline for which you received the loan
What is the maximum number of years for deferment for Active duty in the uniformed services?	Up to three years
What is the maximum number of years for deferment for a Peace Corps volunteer?	Up to three years
What is the maximum number of years for deferment for advanced professional training?	Unlimited
What is the maximum number of years for deferment for leave of absence to pursue related educational activity?	Up to two years
What is the maximum number of years for deferment for a training fellowship, training programs and related educational activities for graduates of health professions schools?	Up to two years
Forbearance is a temporary postponement or reduction of loan payments	

for a limited and specified period, or an extension of the time you have to repay your loans. You may receive forbearance if you request it and provide documentation to support the request. Contact your lender for specific details.	
---	--

Cancellation Provisions	Loans for Disadvantaged Students(LDS)
100 percent of the balance of your student loan will be canceled in the event of your death	Yes
100 percent of the balance of your loan will be canceled if you become permanently and totally disabled and your attending physician submits the appropriate forms.	Yes

For borrowers who filed for bankruptcy after October 7, 1998, a Federal student loan is not dischargeable in bankruptcy unless the bankruptcy court has determined that repayment would cause an undue hardship to the debtor. A loan is no longer dischargeable in bankruptcy no matter how long it has been in repayment.

Loans can also be discharged (canceled) if you cannot complete a course of study because the school closed or the loan application was falsely certified.