

RESOLUTION 43-15

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3 Title: Opposing Changes to Public Service Loan Forgiveness
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5 Introduced by: Brenton Kinker, Sarah Gorgis Gunjan Malhotra, Tamara Roumayah,
6 Jeremy Llaniguez, and Joshua Kong for the Medical Student Section
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8 Original Author: Brenton Kinker
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10 Referred to: Reference Committee E
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12 House Action: **APPROVED AS AMENDED**
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15 Whereas, between 1992 and 2012, median medical student debt has grown 6.3
16 percent per year, far outpacing the inflation rate of 2.5 percent per yearⁱ, leading to rising
17 medical student debt from an average of \$50,000 in 1992 to \$180,000 for the class of 2014,
18 and

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20 Whereas, the four year cost of attendance at private medical schools for the class of
21 2015 is \$298,538 and \$226,447 at public medical schoolsⁱⁱ, and

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23 Whereas, underrepresented minorities rank cost as the number one deterrent to
24 attaining a medical educationⁱⁱⁱ ^{iv}, and

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26 Whereas, 40 percent of medical student graduates in 2014 expected to make use of a
27 loan forgiveness or repayment programⁱⁱ, and

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29 Whereas, student debt levels correlate with specialty choice^v, and

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31 Whereas, the fall in monetary return on investment for a career in primary care has
32 coincided with the shortage of primary care physiciansⁱⁱⁱ, and

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34 Whereas, the aggregate limit of Stafford borrowing for medical students is
35 substantially higher than for other students (\$224,000 for medical students, \$138,500 for
36 other graduate students, and \$57,500 for undergraduate students)^{vi,vii}, and

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38 Whereas, in response to financial burdens of high-debt borrowers serving in low-
39 income and public service jobs, in 2007 Congress passed the “College Cost Reduction and
40 Access Act” that established the Income-Based Repayment (IBR) system and the Public
41 Service Loan Forgiveness (PSLF) program that expanded policies that originated in the
42 Federal Direct Loan Program^{viii,ix}, and

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44 Whereas, the Department of Education created various repayment plans based on
45 income, including: an Income Based Repayment Plan (IBR), an Income Contingent
46 Repayment Plan (ICR), and a Pay As You Earn Plan (PAYE)^x, and

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48 Whereas, these repayment plans are substantively different, with different interest
49 rates, differing requirements of financial hardship, and differing repayment periods to
50 accommodate the many needs of high-debt yet diverse professionals, and

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52 Whereas, the President’s Fiscal Year 2015 Budget proposes to “extend PAYE to all
student borrowers;” thereby, eliminating the other repayment options^{xi}, and

53 Whereas, the Department of Education has proposed capping Public Service Loan
54 Forgiveness under PAYE at the aggregate limit of undergraduate borrowing (\$57,500) in
55 accordance with the President’s 2015 Budget^{xi}, and

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57 Whereas, capping Public Service Loan Forgiveness at \$57,500 would be devastating
58 to medical students, underrepresented minorities, underserved communities, and the field of
59 primary care; therefore be it

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61 RESOLVED: That the American Medical Association advocate for maintaining a
62 variety of student loan repayment options to fit the diverse needs of graduates; and be it
63 further

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65 RESOLVED: That the American Medical Association work with the United States
66 Department of Education to ensure that any cap on loan forgiveness under the Public Service
67 Loan Forgiveness program be equal to the principal amount borrowed; leaving any accrued
68 interest the responsibility of the borrower; and be it further

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70 RESOLVED: That the American Medical Association ask the United States
71 Department of Education to include all terms of Public Service Loan Forgiveness in the
72 contractual obligations of the Master Promissory Note.

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75 WAYS AND MEANS COMMITTEE FISCAL NOTE: None

ⁱ Association of American Medical Colleges. Physician education debt and the cost to attend medical school. 2013. Available at <https://www.aamc.org/download/328322/data/statedebtreport.pdf>. Accessed February 1, 2015.

ⁱⁱ Association of American Medical Colleges. Medical Student Education: Costs, Debt, and Loan Repayment Facts. <https://www.aamc.org/download/152968/data/debtfactcard.pdf>. Accessed February 1, 2015.

ⁱⁱⁱ Rohlifing J, et al. Medical student debt and major life choices other than specialty. Medical Education Online, [S.l.], Nov. 2014. ISSN 1087-2981. Available at: <http://med-ed-online.net/index.php/meo/article/view/25603>. Date accessed: 1 Feb. 2015.

^{iv} Greysen SR, Chen C, Mullan F. A history of medical student debt: observations and implications for the future of medical education. Acad Med. 2011;86:840–5.

^v Rosenblatt RA, Andrilla CH. The impact of U.S. medical students’ debt on their choice of primary care careers: an analysis of data from the 2002 medical school graduation questionnaire. Acad Med. 2005;80:815–19.

^{vi} 34 CFR SEC 685.203

^{vii} Dear Colleague Letters GEN-08-04

^{viii} College Cost Reduction and Access Act, P.L. 110-84 (2007) (<http://www.gpo.gov/fdsys/pkg/PLAW-110publ84/html/PLAW-110publ84.htm>)

^{ix} U.S. Code Title 20, Chapter 28, Subchapter IV, Part C, § 1087a-j (www.uscode.house.gov)

^x 34 CFR 685.209 available at http://www.ecfr.gov/cgi-bin/text-idx?SID=bdf5645e3ee9a54500f75bfbc94323be&node=se34.4.685_1209&rgn=div8

^{xi} Student Loan Overview, Department of Education Fiscal Year 2015 Budget Proposal, S-13. Available at <http://www2.ed.gov/about/overview/budget/budget15/justifications/s-loansoverview.pdf>