



AMERICAN ASSOCIATION OF  
COLLEGES OF OSTEOPATHIC MEDICINE



*Via U.S. Mail and Electronic Mail (arne.duncan@ed.gov)*

October 28, 2010

The Honorable Arne Duncan  
Secretary of Education  
U.S. Department of Education  
400 Maryland Avenue, S.W.  
Washington, D.C. 20202-1510

Dear Secretary Duncan:

On behalf of the American Association of Colleges of Osteopathic Medicine (AACOM) and the Association of American Medical Colleges (AAMC), we are pleased to offer comments on the Department of Education's recent initiative to measure gainful employment using student loan repayment.

AACOM represents the administrators, faculty, and students of the nation's 26 colleges of osteopathic medicine and four branch campuses that offer the doctor of osteopathic medicine degree. Today, more than 18,000 students are enrolled in osteopathic medical schools. More than 20 percent of new U.S. medical students are training to be osteopathic physicians. The AAMC is a not-for-profit association representing all 133 accredited U.S. medical schools; nearly 400 major teaching hospitals and health systems; and nearly 90 academic and scientific societies. Through these institutions and organizations, the AAMC represents 128,000 faculty members, 75,000 medical students, and 110,000 resident physicians.

AACOM and the AAMC commend the Department for proposing regulations designed to promote the principles of accountability in the Title IV student financial aid programs. We recognize that appropriate oversight is a fundamental function of the Department to ensure federal funding is properly allocated. Moreover, we thank the Department for its willingness to provide leadership on this important matter.

At a time when our nation faces a critical and growing shortage of physicians, AACOM and the AAMC ask that the Department, in examining gainful employment and student loan repayment, take into consideration the factors unique to medical education. U.S. medical students follow a common sequence of course work, clinical training, and national board exams, regardless of whether they attend a public, non-profit, or for-profit medical school. Following graduation, physicians cannot begin to practice until they complete additional graduate medical education training, which takes between three and seven years (depending upon their field of specialty) and pass additional national licensure exams.

The unique process of medical education can pose a significant financial burden to medical students who risk large amounts of debt and rely on various federal loan options. During

residency training, physicians earn a stipend; however, that income is generally not sufficient to begin full repayment of educational loans, and is certainly not indicative of the future practicing physician's salary. As a result, medical residents depend on federal financial aid programs such as forbearance and income-based repayment to postpone or reduce their obligations until they become licensed physicians. Under the proposed gainful employment rule, borrowers who participate in these repayment programs after graduation would be not counted as repaying their loans nor as gainfully employed.

While AACOM and the AAMC understand that the proposed regulation would only affect for-profit medical schools, we have concerns with the potential non-regulatory impact of misleading repayment measurement on all U.S. medical schools. We further caution that if these regulations are applied to the non-profit as well as for-profit U.S. medical schools, potentially all institutions would be deemed ineligible for Title IV student financial aid programs.

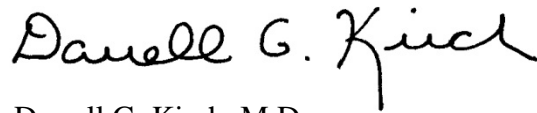
While AACOM and the AAMC agree with the Department's statement that "programs offered by the for-profit sector must lead to measureable outcomes, or those programs will devalue postsecondary credentials through oversupply" (NPRM, 43617), we maintain repayments during the residency training period are not an appropriate measure.

Thank you for providing the opportunity to share our views. AACOM and the AAMC look forward to working closely with the Department to ensure medical students and schools are well served by Title IV student financial aid programs. If you have questions or require further information, please contact Pamela Murphy at 301-968-4151 or [pmurphy@aacom.org](mailto:pmurphy@aacom.org); or Matthew Shick at 202-862-6116 or [mshick@aamc.org](mailto:mshick@aamc.org).

Sincerely,



Stephen C. Shannon, D.O., M.P.H.  
President and CEO  
AACOM



Darrell G. Kirch, M.D.  
President and CEO  
AAMC