



AMERICAN ASSOCIATION OF  
COLLEGES OF OSTEOPATHIC MEDICINE

OFFICE OF THE PRESIDENT

August 10, 2015

Wendy Macias  
U.S. Department of Education  
1990 K Street, N.W.  
Room 8017  
Washington, D.C. 20006

Dear Ms. Macias:

On behalf of the American Association of Colleges of Osteopathic Medicine (AACOM), we thank you for the opportunity to offer comments on the Notice of Proposed Rulemaking (Docket ID ED-2014-OPE-0161). AACOM represents the 31 accredited colleges of osteopathic medicine in the United States. These colleges are accredited to deliver instruction at 44 teaching locations in 29 states. In the 2014-2015 academic year, these colleges educated over 24,600 future physicians – more than 25 percent of new U.S. medical students.

AACOM continues to support accountability and transparency for all federal financial aid programs to ensure borrowers are protected and well-informed. However, we have concerns with the proposed regulation's unequal treatment of graduate and professional students by requiring an additional five-year repayment prior to any loan forgiveness. High medical education debt threatens to discourage the pursuit of primary care specialties and further exacerbates the nation's physician workforce shortage. Recent graduates of osteopathic medical schools report graduating with an average medical education debt of \$220,945. This is an increase of nearly \$85,000 in the last decade.

In recent years, graduate and professional students have been negatively impacted by numerous federal policies which has further escalated the cost of their education. The elimination of the in-school interest subsidy on Federal Stafford loans for graduate and professional students in the *Budget Control Act of 2011* has increased the debt burden for these students upon graduation. Furthermore, under the *Bipartisan Student Loan Certainty Act*, for the first time, graduate and undergraduate students borrowing rates will be clearly differentiated, with graduate student rates being higher (ten-year Treasury note rate plus 3.6% compared to 2.05% for undergraduates). The caps put in place by this law are also higher for graduate students—9.5% for Stafford loans and 10.5% for PLUS loans compared to 8.5% for undergraduates. These differences will make graduate education even more costly, particularly as rates increase with the market and loan rates approach the cap which the Congressional Budget Office has projected will take place in the coming years. If the common goal is to make postsecondary and graduate

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education more affordable, creating federal policies that punish graduate and professional students is not the answer.

AACOM supports the eligibility expansion in the proposed regulation's repayment plan, however, we have concerns with the establishment of another income-contingent repayment plan. Furthermore, although we support providing students – in a streamlined and simplified manner – the necessary resources and tools to help students manage their loan debt through financial literacy, we encourage the Department to explore streamlining and improving the loan repayment and forgiveness programs that are already in place to ensure borrowers receive clear and thorough information regarding their repayment options, rather than creating more confusion with an already complex federal loan repayment system.

Thank you for providing the opportunity to share our views. AACOM looks forward to working closely with the Administration and the Department to ensure medical students and schools are well-served by Title IV student financial aid programs, and that students are provided with the necessary financial aid services to make the best possible choices for their future.

Respectfully,

A handwritten signature in black ink, appearing to read "SC Shannon". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

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