



August 28, 2025

The Honorable Linda McMahon
Secretary of Education
US Department of Education
400 Maryland Ave, SW
Washington, DC 20202

Re: Negotiated Rulemaking, ED-2025-OPE-0151, to implement statutory changes to Title IV, HEA programs included in the *One Big Beautiful Bill Act*, including changes to Federal student loan programs and institutional and programmatic accountability

Dear Secretary McMahon:

The American Association of Colleges of Osteopathic Medicine (AACOM) thanks you for the opportunity to comment on the U.S. Department of Education's (ED's) implementation of the *One Big Beautiful Bill Act* (OBBBA) and the intent to conduct negotiated rulemaking. AACOM represents all 43 colleges of osteopathic medicine (COMs) in the United States. **Our member schools educate more than 38,000 future physicians—close to 30 percent of all U.S. medical students—at 70 teaching locations.** AACOM also represents osteopathic graduate medical education professionals and trainees at U.S. medical centers, hospitals, clinics and health systems.

Reimagining and Improving Student Education (RISE) Committee

Grad PLUS Loans and the 2026 Phase-out

AACOM appreciates ED's effort to implement the OBBBA and streamline federal financial assistance programs. We strongly encourage a thoughtful and fair transition in federal student loan policy that maintains stability in medical school enrollment and healthcare workforce planning. By providing a balanced, extended phase-out of Grad PLUS loans, ED can ensure that aspiring physicians are not deterred from entering the profession, helping to safeguard access to care and promote the health and economic vitality of communities nationwide.

The United States is facing a physician shortage, and graduates of AACOM member schools are addressing that critical need. Sixty percent (60%) of COMs are located in Health Professional Shortage Areas (HPSAs), and more than 40 percent of doctor of osteopathic medicine (DO) graduates plan to serve in high-need communities. Osteopathic medical students overwhelmingly avail themselves of federal financial aid programs, and AACOM is committed to ensuring future students have the financial support they need to achieve their goals of becoming

physicians. ED must ensure that its policies encourage more osteopathic medical graduates, and one way to accomplish this is to preserve and expand access to affordable financing. This affordable financing is essential to sustaining a strong physician pipeline, particularly in primary care and underserved areas.

Loan Eligibility Relative to Grandfathering

AACOM recommends ED clarify through regulation that loans approved prior to the July 1, 2026 deadline—regardless of disbursement date—should qualify for grandfathering, provided other eligibility criteria are met.

The OBBBA allows students who, as of June 30, 2026, (i) are “enrolled in a program of study at an institution of higher education; and (ii) ha[ve] received a” Grad PLUS loan for such program to continue borrowing Grad PLUS loans after the program ends on July 1, 2026 for up to three additional academic years or the number of academic years remaining in the program, whichever is sooner. This “grandfathering” provision provides critical flexibility for students who rely on Grad PLUS loans to finance their medical education.

ED must clarify whether Grad PLUS loans shall be approved and fully disbursed before July 1, 2026, for borrowers to qualify for grandfathered status under existing terms, or whether the loans must simply be approved. This distinction has serious implications for those osteopathic medical students who often receive loan approval before July 1 yet, due to administrative or academic calendar constraints, do not have funds disbursed until sometime in the future. Without explicit guidance, students may unknowingly lose eligibility for Grad PLUS access, resulting in sudden funding shortfalls that could interrupt their education.

Loan Caps

To support the growth of the physician workforce and mitigate the expanding physician shortage, AACOM urges ED to continue exercising its authority under section 428H(d) of the Higher Education Act (HEA) to allow eligible students enrolled in DO programs to borrow up to \$75,000 per year and up to \$300,000 in the aggregate over the entirety of the program. While the OBBBA set annual and lifetime professional degree caps, the new law did not amend section 428H(d) of the HEA, which grants the Secretary authority to set higher borrowing limits for students “engaged in specialized training requiring exceptionally high costs of education.” Since 1996, ED has used its authority to grant higher borrowing limits to specific health professional degree programs above what is specified in statute.

Enactment of the OBBBA has not changed the fact that DO programs remain “specialized training requiring exceptionally high costs of education.” With an average annual cost of attendance of \$89,000 and an average graduate indebtedness of \$259,000, this higher limit of \$300,000 would cover most of the cost of medical school for the majority of medical students,

directly benefiting those from rural and underserved areas who are more likely to return and serve in these communities.

Accountability in Higher Education and Access through Demand-driven Workforce Pell (AHEAD) Committee

Accountability Provisions

In recognition of the unique circumstances of DO program graduates, AACOM encourages ED to delay the assessment of medical graduates' earnings until one year after completion of physician residency or fellowship to ensure a fair and accurate assessment of graduates' true earning capacity. By doing so, ED will ensure they're accurately capturing the earnings growth provided by osteopathic medical education.

AACOM appreciates the final adjustments in the OBBBA to measure graduates' earnings four years after they complete their degree. AACOM also shares ED's goal of ensuring access to taxpayer-funded federal student loans only for programs that meet minimum accountability benchmarks and do not saddle students with overly burdensome debt. However, ED must consider that medical graduates are generally required to complete three to seven years of postgraduate residency training to obtain state licensure or become board-certified for a particular medical specialty. Many medical graduates also pursue post-residency fellowships that extend their training for an additional one to three years. Therefore, the four year post-completion assessment will measure the earnings of many physicians during residency or fellowship, underestimating their earning potential and risking access to federal financing for future medical students.

Financial Value Transparency (FVT) and Gainful Employment (GE)

AACOM urges ED to repeal the FVT and GE regulations and cancel the pending data collection requirements—including the collection delayed until September 30 and the new collection scheduled for October 1. With the OBBBA establishing a new accountability structure, it is counterproductive and would create confusion for medicals students and COMs to impose overlapping measures on the same programs.

As ED refines the accountability framework, AACOM encourages ED to also consider the impact of the FVT and GE regulations, which remain in effect. Ideally, ED will repeal the FVT and GE regulations in light of the new accountability measures designed to achieve the same outcomes. However, if maintained, AACOM encourages ED to recognize the unique return-on-investment timeline for physicians, which includes three to seven years of mandatory post-graduation residency training, and align policies to reflect this timeline. In the 2025 Match, COMs achieved an overall residency placement rate of 99.12 percent. This exceptionally high placement rate means osteopathic medical graduates are moving directly into the residency programs that

prepare them to serve patients, strengthen the physician workforce, and expand access to care in communities nationwide. Ensuring that accountability measures reflect these realities is essential to maintaining a strong physician pipeline and meeting the nation's healthcare needs.

Conclusion

Osteopathic medicine produces nearly one-third of the nation's medical graduates, the majority of which practice primary care and in underserved areas. As changes to the higher education and student loan landscape are implemented, AACOM encourages ED to consider the effects these regulations will have on the nation's medical schools and their ability to train the next generation of physicians. AACOM is committed to working closely with ED and welcomes the opportunity to partner in ensuring a seamless transition for our osteopathic medical students and COMs.

Respectfully,

A handwritten signature in black ink, reading "David A. Bergman". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

David Bergman, JD
Senior Vice President of Government Relations and Health Affairs