



AMERICAN ASSOCIATION OF
COLLEGES OF OSTEOPATHIC MEDICINE

OFFICE OF THE PRESIDENT

July 30, 2013

Dear Member of Congress:

On behalf of the American Association of Colleges of Osteopathic Medicine (AACOM), which represents the nation's 29 colleges of osteopathic medicine at 37 locations in 28 states, I am writing to express serious concerns with the Senate-passed Bipartisan Student Loan Certainty Act of 2013, which would increase the financial debt burden for osteopathic medical students across the country. As you know, this bill would allow student loan interest rates to rise with the market rate and apply the cost savings to federal deficit reduction. Instead, AACOM supports a more reasonable long-term solution that explores less severe options for solving the student loan interest rate dilemma.

There are more than 21,000 students enrolled at osteopathic medical schools across the nation, and on average, they are graduating with medical educational debt of \$205,000. The majority of our students are already burdened with significant undergraduate debt, and have been negatively affected by provisions in the Budget Control Act of 2011 that resulted in the elimination of the in-school interest subsidy on all Federal Stafford loans and loan repayment incentives for borrowers. The new legislation creates standards for graduate student loans that will impose additional hardships for all medical students.

The proposed provisions exacerbate this financial stress by setting graduate interest rates disproportionately higher than undergraduate interest rates, and although caps are imposed, they are set at levels above even the current fixed rates, for both undergraduate and graduate loans. Finally, we have grave concerns with the variable rate component because it makes future financial planning for our students even more uncertain.

Instead of approving this abrupt approach to a complex issue, Congress should embrace policies that help future physicians afford medical school, rather than adopt compromises that increase the financial debt burden on students in order to pay down our national debt. Measures that will ultimately reduce patients' access to care and worsen the critical physician workforce shortage may be "penny-wise" but are clearly "pound foolish." I strongly urge you to work to find long-term solutions to deter a larger student loan debt crisis and support proposals that allow both undergraduate and graduate students to better afford their education. We look forward to working with Congress and the Administration during the upcoming reauthorization of the

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Higher Education Act to address the issue of student loan interest rates as part of a larger, sustainable focus on affordability.

Respectfully,

A handwritten signature in black ink, appearing to read "SC Shannon". The signature is written in a cursive style with a prominent "S" and "C" at the beginning.

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