



July 20, 2005

The Honorable John Boehner
Chairman, Committee on Education and the Workforce
1011 Longworth House Office Building
United States House of Representatives
Washington, DC 20515

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Jordan J. Cohen, M.D.
President

Dear Chairman Boehner:

On behalf of the Association of American Medical Colleges (AAMC), I urge you to support the Andrews amendment regarding residency program deferments during the July 20 Education and the Workforce Committee mark-up of H.R. 609, the "College Access and Opportunity Act." The Andrews amendment would extend the existing Economic Hardship Deferment from three to five years for qualified individuals in graduate medical and dental residencies and fellowships. The AAMC represents the nation's 125 accredited allopathic medical schools, some 400 major teaching hospitals and health systems, 94 academic and professional societies representing 109,000 faculty, and the nation's medical students and residents.

The average medical school graduate in 2004 carried a debt burden of over \$115,000. To alleviate some of this burden, borrowers who meet specific debt-to-income requirements are eligible for the Economic Hardship Deferment, during which time payments are not required on the borrower's federal education debt. However, the Economic Hardship Deferment is only available for three years, meaning that physicians whose career choices require more than three years of residency training may be required to either begin repaying their loans, or put their loans into forbearance, which can be an expensive option as interest continues to accrue and may be capitalized more often. For example, residency programs in obstetrics/gynecology and psychiatry last four years, and general surgery requires 5 years before specialization. In addition, the Andrews amendment would not require annual application for the deferment, and would include a greater population of borrowers by expanding from 220 percent to 230 percent the ratio of borrower's income to the federal poverty level or minimum wage required for qualification.

The Andrews amendment would allow future physicians to defer repayment of their student loans for up to five years of medical training, allowing them to postpone these significant additional expenses. Approving this amendment will help the next generation of the nation's physician workforce complete their education without worrying about how they are going to repay their debt. We look forward to working with you to secure passage of this important legislation.

Sincerely,

A handwritten signature in black ink that reads "Jordan J. Cohen".

Jordan J. Cohen, M.D.