



Submitted at www.regulations.gov

May 8, 2025

The Honorable Linda McMahon
Secretary
U.S. Department of Education
Office of Postsecondary Education
400 Maryland Avenue SW, 5th Floor
Washington, DC 20202

RE: Intent to Receive Public Feedback for the Development of Proposed Regulations and Establish Negotiated Rulemaking Committee on various programs authorized under Title IV of the Higher Education Act; **Docket ID: ED-2025-OPE-0016**

Dear Secretary McMahon:

The Association of American Medical Colleges (AAMC) appreciates the opportunity to provide comments in response to the Department of Education's "Intent to Receive Public Feedback for the Development of Proposed Regulations and Establish Negotiated Rulemaking Committee" on various programs authorized under Title IV of the Higher Education Act; Docket ID: ED-2025-OPE-0016. In the following comments, we provide insight from the academic medicine community on 1) preserving existing eligibility for public service loan forgiveness; 2) maintaining access to income-driven repayment plans; and 3) mitigating excessive student loan capitalization policies and origination fees.

The AAMC (Association of American Medical Colleges) is a nonprofit association dedicated to improving the health of people everywhere through medical education, health care, biomedical research, and community collaborations. Its members are all 160 U.S. medical schools accredited by the Liaison Committee on Medical Education; 12 accredited Canadian medical schools; nearly 500 academic health systems and teaching hospitals, including Department of Veterans Affairs medical centers; and more than 70 academic societies. Through these institutions and organizations, the AAMC leads and serves America's medical schools, academic health systems and teaching hospitals, and the millions of individuals across academic medicine, including more than 210,000 full-time faculty members, 99,000 medical students, 162,000 resident physicians, and 60,000 graduate students and postdoctoral researchers in the biomedical sciences. Through the Alliance of Academic Health Centers International, AAMC membership reaches more than 60 international academic health centers throughout five regional offices across the globe.

Maintaining Existing Public Service Loan Forgiveness Qualifying Employer Eligibility

AAMC supports regulatory activities to preserve the existing definition of a qualifying employer for eligibility purposes under Public Service Loan Forgiveness (PSLF) to preserve Congressional intent on eligible public service jobs. Nongovernmental public service is defined in § 685.219 for PSLF¹ as:

¹ [eCFR :: 34 CFR 685.219 -- Public Service Loan Forgiveness Program \(PSLF\)](#).

Services provided by employees of a non-governmental qualified employer where the employer has devoted a majority of its full-time equivalent employees to working in at least one of the following areas (as defined in this section): emergency management, civilian service to military personnel, military service, public safety, law enforcement, public interest law services, early childhood education, public service for individuals with disabilities or the elderly, public health, public education, public library services, school library, or other school-based services.

Any effort to narrow eligibility threatens to undermine PSLF as a critical tool to retain and recruit public servants, including the next generation of physicians who help to increase access to health care, particularly in rural and medically underserved communities. The AAMC estimates a shortage of up to 86,000 physicians by 2036 with substantial shortfalls in primary and non-primary care specialties.²

According to the AAMC's 2024 *Graduation Questionnaire*,³ more than 55% of medical school graduates plan to pursue PSLF. Interest in the program has increased over the past nine years, with nearly 40,000 of respondents indicating intent to pursue the program. These future physicians, encouraged by the support of PSLF, will become the next generation of physicians practicing at nonprofit hospitals, public health departments, and community clinics. As medical students invest in their future careers to serve all patients, including during their required medical residency training, we must support access to medical education and their continued eligibility for [public service loan forgiveness](#).

Moreover, we urge the Department to ensure that borrowers who have already indicated an interest in PSLF and submitted employment certification information, will continue to be eligible for forgiveness even in the event of any changes to the program. This action would go a long way toward ensuring stability for existing borrowers who have factored such eligibility into their career choices, as the program intended.

Access to Income-Driven Repayment Plans

The AAMC recognizes the importance of access to Title IV student aid funding as a critical means to support the nation's physician workforce. According to the latest AAMC Fact Card,⁴ 63% of graduates plan to enter loan forgiveness or repayment programs. The availability of key federal borrower benefits and protections, including repayment assistance through the federal income-driven repayment (IDR) plans, enables physician borrowers to responsibly repay their loans. We support efforts to provide loan forgiveness for the timely repayment of loans. Federal loans for graduate and professional students already carry a greater financial burden since they have higher interest rates, higher loan origination fees, accrue interest while students are pursuing their degrees, and traditionally come with longer repayment terms than undergraduate degrees. Yet, graduate, and professional borrowers present near nonexistent default rates and are a good federal investment for taxpayers because they elicit higher returns over the lifetime of repayment.

The AAMC acknowledges the current complexity of the federal student loan repayment landscape and supports thoughtful efforts to streamline and simplify loan repayment options in a way that retains the

²[Physician Workforce Projections | AAMC](#)

³ <https://www.aamc.org/data-reports/students-residents/report/graduation-questionnaire-gq>

⁴ [Medical Student Education: Debt, Costs, and Loan Repayment Fact Card for the Class of 2024](#)

principles of income driven repayment that base a borrower's monthly payment on discretionary income and household size information. Accumulating student loan interest can add thousands to a borrower's balance. Ensuring that interest does not grow beyond a borrower's monthly payment amount makes repayment more manageable. In addition, terms of the existing Pay as You Earn plan which limits interest capitalization when a borrower no longer shows a Partial Financial Hardship is an important benefit that supports affordable and timely repayment. Paramount, is ensuring that the loan repayment process is not overly burdensome, allowing for clear information on existing plans and their terms and conditions, while maintaining income-driven loan repayment tenets that support successful repayment for all borrowers. Streamlining the loan repayment process and ensuring that guidance on available options is comprehensive and consistent, will significantly support both current and aspiring medical professionals, allowing them to deliver compassionate, high-quality care to patients and communities across the nation without the added stress of financial uncertainty due to fluctuating repayment options.

Mitigating Interest Capitalization & Loan Origination Fee Policies

In addition to the above outlined comments, the AAMC supports efforts to remove statutory interest capitalization and loan origination fees. Interest capitalization can be a crushing component of financing a postsecondary education when a student loan borrower is unable to make a payment that covers the full monthly payment due, resulting in unpaid interest being added to the overall balance of the loan. Moreover, students are often unable to access the full amount of the loans they borrow due to excessive loan origination fees being charged, an unnecessary surcharge on students with financial need. The AAMC believes that all statutory interest capitalization as well as loan origination fees should be removed and supports legislative efforts that accomplish this goal.

The AAMC appreciates your consideration of our comments. Should you have any questions, please contact my colleagues Devan O'Toole (dotoole@aamc.org) or Kristen Earle (kearle@aamc.org).

Sincerely,



Danielle Turnipseed, JD, MHSA, MPP
AAMC Chief Public Policy Officer

cc: David J. Skorton, MD,
President and CEO