

September 21, 2021

The Honorable Miguel Cardona
Secretary
U.S. Department of Education
400 Maryland Avenue, SW, Room 7E307
Washington, DC 20202

Re: Docket ID ED-2021-OUS-0082: Request for Information Regarding the Public Service Loan Forgiveness Program

Dear Secretary Cardona:

On behalf of the physician and medical student members of the American Medical Association (AMA), I appreciate the opportunity to provide information regarding the Public Service Loan Forgiveness (PSLF) program. The AMA urges the Department to consider the importance of the PSLF program for physician borrowers and encourages the Department to make the PSLF program more widely available to physician borrowers as well as provide stronger communication to borrowers so they can successfully complete the PSLF program.

Public Service & Student Debt

What are the direct and indirect effects of student debt on Americas public service workforce?

The AMA believes that the cost of medical education should never be a barrier to the pursuit of a career in medicine. However, medical education remains the most expensive post-secondary education in the United States. Nearly 75 percent¹ of medical school graduates have outstanding medical school debt, with the median amount being \$200,000.² This number will only continue to significantly increase as the cost of medical school continues to rise. In fact, for first year students in 2020-2021, the average cost of attendance increased from the prior year for public medical schools by 10.3 percent, making it likely that medical students will have to carry even larger student loans in the future in order to graduate.³

Moreover, when faced with the financial realities of managing significant medical school debt, students often pursue higher paying specialties leaving a significant shortage of primary care and family practice physicians.⁴ For example, one study indicated that 31 percent of medical students intended to pursue primary care in their first year of medical school, but due to debt and expected income, decided to switch to a higher paying specialty by the end of their fourth year.⁵ The debt burden that medical students must

¹ <https://www.aamc.org/system/files/2020-07/2020%20GQ%20All%20Schools%20Summary.pdf>.

² <https://www.aamc.org/system/files/2020-07/2020%20GQ%20All%20Schools%20Summary.pdf>.

³ <https://www.aamc.org/data-reports/reporting-tools/report/tuition-and-student-fees-reports/>.

⁴ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6609129/>.

⁵ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6609129/>.

undertake, resulting in choices concerning specialty type, has contributed to our growing primary care physician shortage and ultimately impacts the care and health of our U.S. population.⁶

In general, reducing medical student indebtedness promotes diversity within medicine and may lead to an increase in the primary care physician workforce as well as other undersupplied specialties. Rising medical school debt disproportionately impacts students who are low income. Due to the cost of medical school many low-income individuals are completely deterred from attending medical school in the first place. According to a national survey, the cost of attending medical school was the number one reason why qualified applicants chose not to apply.⁷ Additional surveys by the Association of American Medical Colleges (AAMC) support this conclusion and found that underrepresented minorities cited cost of attendance as the top deterrent to applying to medical school.⁸ Since minority students are more likely to enter primary care than their white counterparts, the immense debt burden of medical school has not only precluded diversity among physicians, but also has limited the potential number of primary care physicians and thus diminished improvement in patient care in underserved communities.⁹ With recent health reforms seeking to eliminate health care disparities amongst the U.S. population, increasing the number of historically underrepresented physicians is important to ensure a health care workforce that is more reflective of the general population.

Moreover, medical student debt is negatively associated with trainee well-being. Resident physicians usually are expected to work for about 80 hours per week for about \$50,000 per year before taxes are deducted. This means that during residency, which can last up to seven years, young physicians earn about \$10 per hour, which encourages burn out.¹⁰ This monetary devaluation of a resident's contribution to the medical team is only compounded by the amount of debt that they incur to become physicians. Each \$50,000 increase in medical school loan debt is associated with increased psychosocial stressors.¹¹ Students with higher aggregate amounts of medical student loan debt were more likely to express high levels of stress, delay getting married, and report that they would choose to not become a physician again, if given the opportunity.¹² Additionally, with medical students being forced to take on low paying residency and fellowship positions for up to eight years post-graduation, this generation of students is having to choose between paying back student loans or contributing to their retirement. A study found that student debtors save significantly less for retirement than non-debtors by age 30 and that this gap continues to grow over the student debtors' lifetime.¹³ Moreover, 73 percent of Americans say they expect to begin, or increase, their retirement contributions once their student loans are paid off. However, with most Americans unable to pay off student loans until they are in their 40s, decades will pass before individuals are able to invest for their retirement.¹⁴ By delaying saving for retirement, individuals miss

⁶ <https://www.aamc.org/news-insights/press-releases/new-aamc-report-confirms-growing-physician-shortage>.

⁷ https://www.researchgate.net/publication/324523861_Doctors_of_debt_Cutting_or_capping_the_Public_Service_Loan_Forgiveness_Program_PSLF_hurts_physicians_in_training.

⁸ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3760863/>.

Grayson, M. S., Newton, D. A. and Thompson, L. F. (2012), Payback time: the associations of debt and income with medical student career choice. *Medical Education*, 46: 983–991.

⁹ https://www.researchgate.net/publication/324523861_Doctors_of_debt_Cutting_or_capping_the_Public_Service_Loan_Forgiveness_Program_PSLF_hurts_physicians_in_training.

¹⁰ https://www.researchgate.net/publication/324523861_Doctors_of_debt_Cutting_or_capping_the_Public_Service_Loan_Forgiveness_Program_PSLF_hurts_physicians_in_training.

¹¹ <https://www.tandfonline.com/doi/full/10.3402/meo.v19.25603>.

¹² <https://www.tandfonline.com/doi/full/10.3402/meo.v19.25603>.

¹³ <https://www.forbes.com/sites/michaeldurkheimer/2018/07/03/should-i-save-for-retirement-or-pay-off-my-studentloans/?sh=5c7c3c2143e3>.

¹⁴ <https://www.cNBC.com/2019/08/08/84-percent-of-borrowers-say-student-loans-are-tanking-their-retirement.html>.

out on many of the long-term benefits of compound interest, which will either force them to have to save about 40 percent of their income, if they begin investing for their retirement in their 40s, in order to adequately support themselves in their retirement, or lead to an unsustainable reliance on Social Security, which itself is under threat of being depleted by 2037.¹⁵

Overall, the debt that medical students must accumulate to graduate from school and participate in a residency program impacts every aspect of their decision-making process, from even deciding to enter the field of medicine, to marriage, having children, retirement, and overall happiness. The debt burden experienced by America's physician workforce is immense and must be remedied.

What are the direct and indirect benefits of PSLF for America's public service workforce, including the effects of PSLF on individual borrowers, on the labor market, on communities, and on the populations served by public service workers?

The United States faces a looming physician shortage, the most drastic effects of which will disproportionately fall on rural and underserved communities. One tool Congress has implemented to address this is the PSLF program. By forgiving students' outstanding educational debt after 120 monthly payments made while working for government organizations or qualified nonprofit entities, this program has created a powerful incentive drawing aspiring physicians into such communities.

However, workforce experts predict that the U.S. will face a significant physician shortage for both primary care and specialty physicians over the next 13 years. In particular, the AAMC predicts a shortage of 124,000 physicians by 2034, including a projected shortage of primary care physicians of between 17,800 and 48,000.¹⁶ This in part is due to the aging U.S. population, which is growing in size and has more complex health needs, meaning that the demand for health professionals across the country will continue to grow. This shortage is also due to our aging physician population, many of whom will soon retire leaving gaps in community care since there has not been a significant enough increase in medical students to fill their spots upon retirement.¹⁷

Nevertheless, it is not just the elderly that are feeling the effects of the physician shortage. There are more than 7,200 federally-designated health professional shortage areas (HSPAs) where dire access issues persist for patients in both rural and urban underserved communities, and in both primary and specialty care.¹⁸ The Health Resources and Service Administration (HRSA) estimates that an additional 32,494 physicians are required to eliminate all current primary care, dental, and mental health HPSAs.¹⁹ With the existing and projected physician shortage, and the increased demands that have been placed on physicians during the pandemic, additional support for programs like PSLF, with an incentive to increase medical school enrollment and place providers in underserved communities is desperately needed.

The PSLF program has the potential to incentivize physicians to work for qualifying employers which ultimately will equate to more physicians practicing for 10 or more years in underserved communities. This increase in physicians will help lead to healthier communities and ultimately a healthier country as access to much-needed medical care increases. This benefit will extend to all physician specialties and is

¹⁵ <https://www.ssa.gov/policy/docs/ssb/v70n3/v70n3p111.html>.

¹⁶ <https://searchlf.amaassn.org/letter/documentDownload?uri=%2Fstructured%2Fbinary%2Fletter%2FLETTERS%2F2021-6-10-Letter-to-Pallone-and-Murray-re-HR-3671-the-DOC-Act.pdf>.

¹⁷ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7006215/>.

¹⁸ <https://www.aamc.org/news-insights/attracting-next-generation-physicians-rural-medicine>.

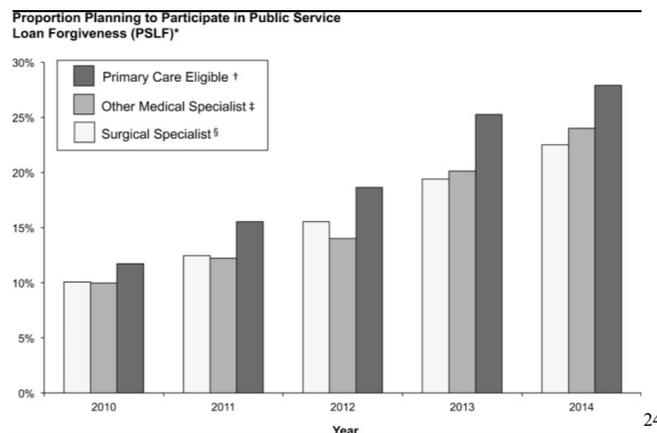
¹⁹ <https://data.hrsa.gov/topics/health-workforce/shortage-areas>.

likely to serve as an incentive for students who want to become primary care physicians to actually practice in that area knowing that they will have a manageable student loan repayment plan (see above). Moreover, it will likely continue to help to alleviate the primary care shortage, as studies have shown that numerous future primary care physicians intend to use PSLF more than programs that were historically designed to promote primary care, such as the National Health Service Corp (NHSC).²⁰ This will begin to help with the nation's primary care physician shortfall that is currently negatively impacting the health of our most vulnerable patients, as illustrated by a *JAMA* study which demonstrated that greater primary care physician supply is associated with lower patient mortality.^{21,22,23}

A successful PSLF program has other downstream benefits, such as negating the negative consequences of large student loans, including decreasing psychosocial stress, increasing emotional well-being, and enabling physicians to plan for larger financial decisions such as marriage, having children, buying a home, and saving adequately for retirement. Moreover, if the PSLF program can become more reliable, it could incentivize more individuals from a diverse background to go to medical school knowing that there will be an option for forgiveness once they have graduated and begin serving their communities. This option and change in financial mentality surrounding medical school could also help reduce our pending physician shortage. As such, the direct and indirect benefits of the PSLF program include the development of a larger physician workforce that has a greater presence in currently underserved populations, an overall healthier patient population, and greater financial security for physicians as they manage their student debt burden.

Does PSLF provide a strong incentive for borrowers to engage in public service work? How are public service workers' employment decisions affected by their debt and by PSLF?

Medical school debt is a major source of stress for medical students and young physicians, which is why loan forgiveness programs, such as the PSLF, have become a potential lifeline for those struggling with student debt, especially those who intend to become primary care physicians.



²⁰ <https://pubmed.ncbi.nlm.nih.gov/27295187/>.

²¹ <https://www.adaptivewfs.com/2018/04/17/physician-shortage-affects-patient-care/>.

²² <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3820521/>.

²³ <https://jamanetwork.com/journals/jamainternalmedicine/fullarticle/2724393?resultClick=1>.

²⁴ <https://pubmed.ncbi.nlm.nih.gov/27295187/#&gid=article-figures&pid=figure-1-uid-0>.

In a Merritt Hawkins survey, 34 percent of physicians completing a residency in 2019 cited student loan debt as a major concern.²⁵ As such, reliance on the PSLF program has only increased over the years, and according to the AAMC, in 2020 44.9 percent of medical student graduates intended to enter a loan forgiveness program.²⁶ As a result, according to an Association of Program Directors in Surgery study, approximately 20 percent of physician trainees reported participation in the PSLF program impacted their career decisions.^{27, 28}

However, there are pros and cons associated with participating in the PSLF program, including fewer employment opportunities and potentially a lower salary. For example, according to the American Hospital Association, there are a total of 6,090 registered hospitals in the United States. Of those, 2,946 are not-for-profit community hospitals, 962 are state and local government community hospitals, and 208 are federal government hospitals for total of 4,116 hospitals that are PSLF eligible, or roughly about 68 percent of hospitals in the United States.²⁹ Although most residency and fellowship programs are located in nonprofit institutions, the for-profit or nonprofit status of programs is not generally readily discernible to a medical student or resident investigating training options. Additionally, residents and fellows who are training in a nonprofit university-based residency or fellowship program will be excluded from the PSLF if they are officially employees of an affiliated for-profit hospital or health system.

During the match process, medical students may not be aware of or have access to information about the for-profit status of the entity that will pay their salary. Graduate medical education often takes place within complicated institutional arrangements of “sponsoring” and “participating” institutions. Even if residents and fellows rotate to several nonprofit clinical sites, and funds are contributed to that salary by nonprofit or government institutions, the institution writing the salary check may not be a nonprofit and thus not be a qualifying employer for the PSLF. This system can create multiple hurdles for physicians hoping to enter the PSLF program and means that physicians will need to be cautious when picking their future place of employment.

Additionally, the low success rate of 2.1 percent for current applicants has created a lack of confidence in the program, which has caused borrowers to disregard the program and instead take higher paying work and refinance their student loans.³⁰ However, if the program is successfully navigated and physicians are able to have their student loans forgiven, there is a positive payout especially for those that are passionate about lower paying specialties or performing work in underrepresented communities. For example, if the program is successfully completed physicians can see a significant financial benefit:

²⁵ https://www.merrithawkins.com/uploadedFiles/MerrittHawkins_Final_Year_Medical_Residents_Survey_2019.pdf.

²⁶ <https://www.aamc.org/system/files/2020-07/2020%20GQ%20All%20Schools%20Summary.pdf>.

²⁷ <https://pubmed.ncbi.nlm.nih.gov/34266790/>.

²⁸ According to Association of Program Directors in Surgery, 53.1 percent of trainees in surgical specialties are participating in the PSLF program, compared to 42.6 percent of trainees in medical specialties. This shift has happened more over the years as surgeons, who tend to have longer residency programs, have noted the potential benefit of PSLF. *See*, <https://www.sciencedirect.com/science/article/pii/S1931720421001690>.

²⁹ <https://www.aha.org/statistics/faPst-facts-us-hospitals>.

³⁰ <https://studentaid.gov/data-center/student/loan-forgiveness/pslf-data>.



This financial benefit translates into more physicians being able to care for underserved populations (see above) and allows them to focus on making minimum payments which enables physicians to fulfill other needs such as building and caring for a family, purchasing a home, and continuing to progress financially.³²

The financial draw is a strong incentive for physicians as they begin their medical careers and can lead to physicians working for qualifying employers for at least the first 10 years of their careers. However, this draw is somewhat negated by the lack of successful applicants and the potential unstable funding. Addressing these shortcomings would help improve physician participation.

Experiences With Public Service Loan Forgiveness

What borrower experiences should the Department and Congress consider when making improvements to PSLF?

Individuals do not have enough financial counseling before they enter the PSLF program. We suggest that the Department make information concerning the PSLF program and its requirements accessible and easy to find. The number of young physicians who intend to utilize the PSLF program is increasing every year, however, their knowledge of the program is not. When 934 medical and surgical trainees were quizzed on the eligibility criteria of the PSLF program in a survey, only 53 or 8.9 percent of them were able to answer all the questions correctly.³³ Of those actively in, or planning on participating in the PSLF program, only 13.9 percent were able to correctly identify the qualifications/criteria to complete the

³¹ <https://students-residents.aamc.org/media/7301/download>.

³² https://aamcaction.org/pslfstories-p0/?_ga=2.195454639.2044846404.1630440106-1286793027.1628001382.

³³ <https://www.sciencedirect.com/science/article/pii/S1931720421001690>.

program.³⁴ Medical students may understand the basic concept of the PSLF program, but then are unable to adequately understand the criteria to complete the program despite 19.7 percent of participants making career decisions such as choosing a less lucrative specialty, going into academia, or opting for a longer training based on anticipated loan forgiveness.

We believe that there should be additional educational opportunities surrounding the PSLF program that are offered throughout the entirety of the 120-payment program. This request is reinforced by the fact that nearly 50 percent of the medical students and young physicians surveyed wanted to receive formal training and lectures concerning the PSLF program.³⁵ Additionally, since the PSLF program is becoming a program that so many students plan on accessing, all terms of the PSLF program should be in the contractual obligations of the Master Promissory Note to ensure that students have access to the requirements from the beginning of their loan obligation.

Additionally, all resident physicians should have access to the PSLF during their training years. All residents, regardless of whether they are working in a public, private, or nonprofit setting are working for low wages to better public health. As such, resident physicians should be given the opportunity to have their work as residents count towards the PSLF program regardless of their employer's profit status, especially considering that the location of residents' work may be in rural or underserved communities even if their paycheck is not obtained from the institution which they are physically working in.

Moreover, more confidence in the longevity and reliability of the program is needed. Students should not have to worry about the program being discontinued or the funding running out. As medical students enter school they should be able to rely on their ability to access PSLF forgiveness once they begin working.³⁶ The debt burden that we place on medical students, so that they eventually can care for the sickest and most vulnerable in our population, is immense, and to then remove or potentially cap the amount of forgiveness that they can receive places additional stress on our low income resident physician population.³⁷ This program should be buttressed within our education system and should be a reliable and consistent option for physicians who are willing to make 120 qualifying payments within the program. In this same vein, more applications should be accepted as successful. With the current 2.1 percent acceptance rate, combined with the uncertainty of the program, physicians are becoming wary of the program as they progress through it.³⁸ This has resulted in some physicians to abandon the program after they have begun, refinance their loans, and take higher paying positions in more affluent areas leaving underserved communities without much needed physician care and physicians feeling disillusioned by the governmental help that was promised but not delivered.

What features of PSLF are most difficult for borrowers to navigate?

It can be especially difficult for borrowers to navigate the loan consolidation process. The potential direct consolidated loan process has caused significant confusion. It elicits questions like: Will I lose the payments I have already made towards the PSLF program? Is averaging my student loan interest rates really the best option? How can I ensure that consolidation will provide me with a lower monthly

³⁴ <https://www.sciencedirect.com/science/article/pii/S1931720421001690>.

³⁵ <https://www.sciencedirect.com/science/article/pii/S1931720421001690>.

³⁶ <https://www.aamc.org/advocacy-policy/washington-highlights/house-education-and-labor-committee-advances-higher-education-act-reauthorization>.

³⁷ https://www.researchgate.net/publication/324523861_Doctors_of_debt_Cutting_or_capping_the_Public_Service_Loan_Forgiveness_Program_PSLF_hurts_physicians_in_training.

³⁸ <https://studentaid.gov/data-center/student/loan-forgiveness/pslf-data>.

payment? This process can be extremely stressful for borrowers and there is not enough information about the process easily available for borrowers to ensure that they are making the right choice and feel confident that this process will result in qualifying PSLF loan payments. As such, we urge the Department to simplify the process and ensure that borrowers understand the full implications of direct loan consolidation.

What barriers prevent public service workers with student debt from pursuing PSLF or receiving loan forgiveness under PSLF?

As the medical education costs continue to rise, more students require more financial support than Direct loans can cover.³⁹ The increasing reliance on Graduate Plus loans as well as private loans has become a barrier to receiving forgiveness under PSLF since these types of loans are ineligible. As such, additional loans should be considered as qualifying loans so that medical students can adequately fund the entirety of their medical education and not have to worry about having an additional loan burden beyond what can be forgiven by the PSLF program.

Additionally, the PSLF can result in geographic inequities for resident physicians due to a lack of even distribution of hospitals that are qualifying employers in each state. For example, less than 60 percent of hospitals are qualifying employers in Texas, Florida, and Louisiana, while over 90 percent of hospitals are qualifying employers in states such as Illinois, Wisconsin, and New York.⁴⁰ As part of the residency selection process, medical school graduates are matched to institutions across the nation based on factors that an applicant cannot control. As such, a medical school graduate, without a choice, can be matched to a residency program in a state that makes it less likely they would be able to qualify for PSLF or that is simply not a qualifying employer. Due to the lack of agency that resident physicians have in the final decision of where they are matched for their residency, they may inadvertently have to work for an entity that is not a qualifying employer.

Opportunities To Strengthen PSLF for Borrowers Who Currently Work in Public Service

What operational steps can the Department take to strengthen PSLF and better serve public service workers who currently owe student debt, including borrowers who have already applied for and been denied PSLF?

We urge the Department to allow physicians who are not directly employed by qualifying employers but meet all the other requirements of the PSLF program to obtain acceptance into the program. The PSLF program, as currently implemented, precludes California and Texas physicians from participating in the program due to state laws that prohibit nonprofit and public hospitals from directly employing physicians. In California and Texas, physicians working at private, nonprofit hospitals, cannot be employed by the hospital under a law known as the “bar on the corporate practice of medicine.”⁴¹ Instead, the majority of California and Texas physicians practice in hospitals by authority of staff privileges conferred as part of their membership on the hospital’s medical staff. The Department has previously stated that individuals

³⁹ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6179784/>.

⁴⁰ <https://www.kff.org/other/state-indicator/hospitals-by-ownership/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.

⁴¹ See California Business and Professional Code Section 2052 and 2400; *Conrad v. Medical Board*, 48 Cal. App. 4th 1038 (1996); 11 Ops. Cal. Atty. Gen 236 (1948) (private nonprofit hospital may not employ physicians and charge patients for services).

are not eligible if they “are contracted to work for the organization or individuals who are hired by a for-profit company that has a contract with the public service organization.”⁴² As such, physicians in these states are not considered public employees for purposes of PSLF.⁴³

Due to the corporate practice of medicine ban, a physician at a private, nonprofit hospital in California or Texas would not be eligible for the PSLF program, while other non-physician practitioners, including nurses, lab technicians, and physician assistants at the same hospital, would be allowed to participate in the PSLF program due to their employment relationship with the hospital. This unfair loophole further exacerbates the fact that California and Texas are projected to experience the largest physician shortages over the next decade.⁴⁴

Additionally, the PSLF program should be more forthcoming with publishing applicant metrics of those who apply for loan forgiveness. There are significant data gaps that prevent the ongoing evaluation of the success and failures of the PSLF program. Data points such as location of school, state of residence, number of times an applicant applies and/or reapplies, and occupation would be useful tools to evaluate the effectiveness of the program and to ensure that applicants from every state are effectively able to access the program. The collection of this data would also help government entities, employers, and third parties successfully evaluate the PSLF program.

The PSLF program should allow for more associations and a larger range of nonprofits to be considered a “qualified employer” if their mission aligns with those laid out in 34 CFR § 685.219.⁴⁵ Currently, federal regulations at 34 CFR § 685.219 instruct that nonprofit organizations that are not organized under Section 501(c)(3) of the Internal Revenue Code are qualifying employers if they provide certain public service activities. In addition, the U.S. District Court for the District of Columbia found in *American Bar Association v. United States Department of Education* that it was improper to interpret the PSLF qualifying criteria to require that an employer provide a qualifying public service as its “primary purpose.” We agree that inclusion of additional nonprofits is important as many serve important public interests, and their employees would otherwise qualify for loan forgiveness but for their organizations’ nonprofit tax status.

However, despite the regulations at 34 CFR § 685.219 and the District Court’s opinion, nonprofit organizations that provide public services but are not organized under Section 501(c)(3) have been disqualified from the program by the Department. In particular, employment at the AMA has been deemed ineligible for the PSLF program. The AMA is a 501(c)(6) organization whose mission is to promote the art and science of medicine and the betterment of public health. We are dedicated to removing obstacles that interfere with patient care and confronting the nation’s greatest public health crises. We serve the public through a multitude of public service programs and, as such, the AMA meets all the necessary qualifications to be considered a public service organization for purposes of the PSLF program. However, the Department has rejected our employee’s employment certification forms and deemed employment at the AMA ineligible for the program because, according to the Department, the AMA “does not provide a qualifying service as defined in the ECF (as its primary function).” We believe such a determination is in error and inconsistent with the laws governing the PSLF program. The broader qualifying standard should be evenly applied to the AMA and other similar organizations that provide

⁴² 73 Fed. Reg. 37694, 37705 (July 1, 2008).

⁴³ <https://www.feinstein.senate.gov/public/index.cfm/press-releases?ID=ACFF88EC-7CAB-4DE2-9EBE-72FD4FBC148D>.

⁴⁴ Human Resources Health, Feb 2020.

⁴⁵ <https://www.govinfo.gov/content/pkg/CFR-2010-title34-vol3/pdf/CFR-2010-title34-vol3-sec685-219.pdf>.

important public services so that a larger range of nonprofits can attract talented employees to help carry out their public service missions.

The Effects of the COVID-19 Pandemic on Student Loan Borrowers Working in Public Service

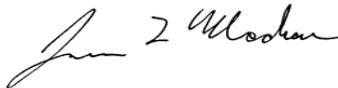
Are there any considerations about PSLF that the Department should bear in mind as it prepares for the end of the COVID-19 administrative forbearance on Direct Loans?

We urge the Department to enhance its communications with borrowers about their qualifying payment plan before the end of the loan forbearance in order to ensure that the months during the forbearance period are counted towards their PSLF qualifying payments.⁴⁶ It is important that the Department emphasizes to its borrowers the importance of recertifying their qualifying payment plan in advance of the end of forbearance and is preemptive if they are experiencing longer processing times to ensure that all borrowers are qualified before their new recertification date.⁴⁷

Additionally, we urge the Department to ensure that it is communicating with the borrowers who lost their servicers during the COVID-19 public health emergency.⁴⁸ Borrowers should be adequately communicated with about how a servicer transfer works and how to ensure that they do not lose any of their qualifying payments or other information during the transfer process.⁴⁹ This information should be proactively communicated via multiple formats (email, mail, phone call) to ensure that borrowers understand the transfer that is happening and know how to best handle the process.

We appreciate the opportunity to provide information and urge the Department to help and ease the pathway to PSLF for physician borrowers. If you have any questions, please contact Margaret Garikes, Vice President for Federal Affairs, at margaret.garikes@ama-assn.org, or by calling 202-789-7409.

Sincerely,



James L. Madara, MD

⁴⁶ <https://studentaid.gov/articles/6-things-to-know-about-pslf-during-coronavirus/>.

⁴⁷ <https://studentaid.gov/articles/5-repayment-flexibilities/>.

⁴⁸ <https://www.forbes.com/sites/adamminsky/2021/08/03/dept-of-education-tells-10-million-student-loan-borrowers-prepare-for-servicer-change-now/>.

⁴⁹ <https://studentaid.gov/manage-loans/repayment/servicers>.