

February 18, 2022

The Honorable Jacky Rosen  
United States Senate  
713 Hart Senate Office Building  
Washington, DC 20510

The Honorable John Boozman  
United States Senate  
141 Hart Senate Office Building  
Washington, DC 20510

Dear Senators Rosen and Boozman:

On behalf of our physician and medical student members, the American Medical Association (AMA) is writing in support for S. 3658, the “Resident Education Deferred Interest (REDI) Act,” which would allow borrowers to qualify for interest-free deferment on their student loans while serving in a medical or dental internship or residency program. The AMA has long-standing concerns about the high and increasing costs of medical education, which remains the most expensive post-secondary educational program in the United States.

In 2019, 73 percent of medical students graduated with a median debt of \$200,000.<sup>1</sup> Moreover, the rising cost of medical school is showing no signs of abating. In fact, the average cost of attending public medical schools for first-year students in 2020-2021 increased by 10.3 percent from the prior year.<sup>2</sup> As such, it is likely that medical students will have to carry even larger student loans in the future upon graduation.

The enormous debt load medical students face is further compounded during their low-paying residency and fellowship training (which can last up to eight years post-graduation), especially for residents who are unable to begin repaying student debt immediately. In addition, even if they qualify to have their payments suspended during residency through deferment or forbearance processes, their loans continue to accrue interest that is added to their already staggeringly high student loan balance. This cycle can lead to tens of thousands of dollars of additional debt due to interest accrual. The REDI Act would help young physicians and dentists in residency save thousands of dollars in interest and begin to help make medical school a more financially viable career option.

Reducing medical student indebtedness would also promote diversity within medicine and may contribute to a reduction in the shortage of physicians. According to surveys by the Association of American Medical Colleges, underrepresented minorities cited cost of attendance as the top deterrent to applying to medical school.<sup>3</sup> With recent health reforms seeking to eliminate health care disparities among the U.S. population, increasing the number of historically underrepresented physicians and dentists is important to ensure a health care workforce that is more reflective of the general population.

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<sup>1</sup> <https://store.aamc.org/physician-education-debt-and-the-cost-to-attend-medical-school-2020-update.html>.

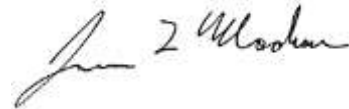
<sup>2</sup> <https://www.aamc.org/data-reports/reporting-tools/report/tuition-and-student-fees-reports>.

<sup>3</sup> 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.

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The AMA is dedicated to identifying long-term strategies to mitigate the debt burden of medical students and believes that the REDI Act is a positive step towards ensuring the financial solvency and well-being of our young physicians and dentists. The AMA commends your ongoing commitment to this important issue, and we look forward to working with you to further advance this legislation in the 117th Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "James L. Madara". The signature is written in a cursive style with a large initial "J" and "M".

James L. Madara, MD