

April 14, 2025

The Honorable Linda McMahon
Secretary
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

The Honorable Kelly Loeffler
Administrator
Small Business Administration
409 Third Street, SW
Washington, DC 20024

Dear Secretary McMahon and Administrator Loeffler:

On behalf of the physician and medical student members of the American Medical Association (AMA), I am writing concerning the uncertainty surrounding the income-driven repayment (IDR) plans. Unfortunately, the uncertainty surrounding IDR plans and the continued delay in processing IDR applications has caused individuals to experience continued increases in their student loan balance due to constantly accruing interest, a lack of knowledge surrounding payment amounts, and the inability to continue to accumulate time towards loan forgiveness. Additionally, we are apprehensive about the potential changes proposed to the Public Service Loan Forgiveness (PSLF) program. Lastly, we are worried about the potential unintended consequences for moving these programs to the U.S. Small Business Administration (SBA). The proposed transfer to the SBA is taking place at a critical time when young people are making decisions about medical school and residencies. The AMA urges the Trump Administration to devote significant resources to ensure that existing problems are not exacerbated, and the transfer is seamless.

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 U.S. About 71 percent of medical students graduate with debt and the [average education debt held by those individuals is \\$205,000](#).

Direct Unsubsidized Loans and Direct PLUS Loans are the [most common loan](#) types taken out by medical students. In fact, one study from 2020 noted that IDR plans were the most popular repayment tool among physicians with over [77 percent](#) participating in IDR plans. As a result, many physicians rely on IDR plans to repay the significant student loans that they must take out to complete their education and training. With the applications currently in flux and not being processed in a timely manner, it has caused significant stress for our medical students, residents, and young physicians that are reliant upon, and directly impacted by, changes to the federal student loan program.

Moreover, the lack of assurance that applications for IDR plans have been accepted and processed has directly impacted our physicians' ability to apply for and receive credit towards PSLF. The U.S. faces a looming physician shortage, of [86,000 physicians by 2036](#), 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 and according to the

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Association of American Medical Colleges, in 2024 [over 88 percent](#) of medical student graduates with student debt noted in their graduation questionnaire that they intended to participate in the PSLF program.

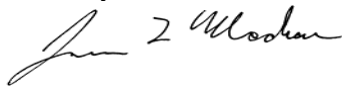
The financial draw of PSLF is a strong incentive for physicians as they begin their medical careers and can lead to physicians working for qualifying employers in high need areas for at least the first 10 years of their careers. However, this draw is tenuous right now due to the Executive Order in this space as well as the inability for individuals to receive credit towards loan forgiveness. We are concerned that if this uncertainty continues within the PSLF program it will impact physicians' desire to participate and thus will decrease access to much needed medical care for patients in underserved communities.

Finally, as the [proposed negotiated rulemaking](#) concerning student loans and loan forgiveness proceeds, we urge the Administration to ensure that any changes that are made are beneficial to all students, and in particular medical students. Without the ability to have access to student loans, and loan forgiveness programs, medical school would be unachievable for most individuals. Now more than ever we need to support our physician workforce and ensure that we can continue to educate our next generation of physicians.

The AMA supports efforts to ensure that individuals are offered fair loan terms and are provided with the ability to make meaningful progress towards paying off their student loans. We would be grateful to receive any updates that you may have on the IDR plans and/or PSLF program and urge the Administration to process these applications as quickly as possible to help minimize disruption for borrowers.

Thank you for your time and consideration. If you have any questions or have information that you can provide to us concerning this matter, please contact Margaret Garikes, Vice President of Federal Affairs, at margaret.garikes@ama-assn.org.

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