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April 1, 2013

Ms. Monica Jackson  
Office of the Executive Secretary  
Consumer Financial Protection Bureau  
1700 G Street, NW  
Washington, DC 20552

Re: Request for Information (RFI) Regarding an Initiative to Promote Student Loan Affordability  
Docket No. CFPB-2013-0004

Dear Ms. Jackson:

On behalf of the physician and medical student members of the American Medical Association (AMA), I appreciate the opportunity to provide comments on the need to increase the availability of affordable payment plans for borrowers with existing private student loans. We are concerned about the adverse impact of the high student debt burden that medical students face and are committed to identifying and advocating for long-term solutions to mitigate these debt burdens.

Medical education remains the most expensive post-secondary education in the United States, with over one-third of all graduates carrying debt balances of more than \$200,000. This significant financial burden can have a considerable effect on a medical student's choice of practice area. Although many students enter medical school planning to pursue family medicine, geriatrics, or other careers in primary care, the reality of this debt burden can cause graduates to abandon these goals in order to pursue higher paying specialties.

This high debt burden also dissuades students from attending medical school altogether, especially students from diverse ethnic and socioeconomic backgrounds. According to surveys of the Association of American Medical Colleges (AAMC), underrepresented minorities cited cost of attendance as the top deterrent to applying to medical school. With recent health reforms seeking to eliminate health care disparities amongst the U.S. population, increasing the number of minority physicians is important to ensure a health care workforce more reflective of the general population.

Moreover, the AAMC Center for Workforce Studies estimates that in 2015, the U.S. will face a physician shortage of 62,900 that will increase to 130,000 across all specialties by 2025. An acute physician shortage will have a profound impact on health care access, quality, and costs, especially for Americans who are already underserved. With an average medical student debt for indebted graduates of \$166,750, debt plays a major role in career decisions and impacts the supply of our nation's physician workforce.

The AMA recommends the following for addressing medical student debt burdens:

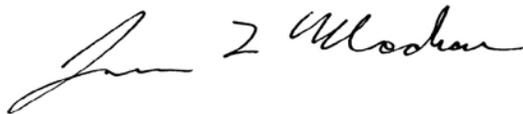
- Making medical student loan interest rates variable and capped at no more than five percent;
- Creating income tax exemptions for medical student scholarships;
- Making medical student loan interest fully tax deductible for borrowers;
- Creating more opportunities for debt relief through tuition assistance and loan forgiveness programs; and
- Maintaining sufficient funding for the National Health Service Corps (NHSC) as well as other federally supported medical student loan repayment programs for providing care in underserved communities.

In addition, we urge you to consider making improvements to private student loans in order to alleviate burdens for medical student borrowers. Federal student loans frequently provide for income-based repayment options for borrowers with partial financial hardship, as well as rehabilitation options for borrowers in default. Yet, in general, private student loans do not offer similar modified repayment options. We recommend that a number of options be made available for borrowers with private student loans so that medical students and other borrowers have access to affordable payment plans.

Reducing medical student indebtedness promotes diversity within medicine and may contribute to a reduction in the shortage of physicians in primary care as well as other undersupplied specialties. Fair, low interest rates, tax relief, tuition assistance, loan forgiveness and repayment programs, and the availability of affordable payment plans lower barriers to medical education for disadvantaged students. In addition, borrowers with less debt burden are more likely to start careers in medical education and research, practice medicine in medically underserved areas, or enter careers in public health service.

Thank you for the opportunity to comment on this RFI to promote student loan affordability. Should you have questions or require additional clarification about these comments, they may be directed to Sharon McIlrath, Assistant Director of Federal Affairs, at [sharon.mcilrath@ama-assn.org](mailto:sharon.mcilrath@ama-assn.org) or 202-789-7417.

Sincerely,

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

James L. Madara, MD