

July 19, 2022

The Honorable Robert C. Scott
Chairman, House Committee on
Education and Labor
2176 Rayburn House Office Building
Washington, DC 20515

The Honorable Virginia Foxx
Ranking Member, House Committee on
Education and Labor
2176 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Scott and Ranking Member Foxx:

The undersigned organizations respectfully ask the House Committee on Education and Labor to advance the following student loan reform bills out of committee for consideration by the full House of Representatives.

- **H.R. 4631, the Protecting Our Students by Terminating Graduate Rates that Add to Debt Act (POST GRAD Act)**, would reinstate eligibility for graduate and professional students with financial need to receive Direct Subsidized Stafford Loans, which are now only available to undergraduate students.
- **H.R. 4122/S. 3658, the Resident Education Deferred Interest Act (REDI Act)**, would allow medical and dental residents to defer payments on their federal student loans—and delay the point at which interest begins to accrue—until after completing their residency.
- **H.R. 2160, the Student Loan Refinancing Act**, would enable borrowers to refinance their federal student loans on multiple occasions to take advantage of lower interest rates.
- **H.R. 1918, the Student Loan Refinancing and Recalculation Act**, would provide a chance for borrowers to refinance their federal student loans when interest rates are lower. It would also eliminate loan origination fees and allow medical and dental residents to defer payments until after completing their residency programs. Additionally, it would delay the accrual of interest for many low- and middle-income borrowers while they are in school.

We also urge members of your committee to cosponsor the following bills, which have been referred to the House Committee on Ways and Means and/or the House Committee on Energy and Commerce.

- **H.R. 4726, the Student Loan Interest Deduction Act of 2021**, would double the student loan interest deduction (from \$2,500 to \$5,000) and eliminate the income limits that prevent those with higher incomes from reaping the benefit.
- **H.R. 7539/S. 2874, the Indian Health Service Health Professions Tax Fairness Act of 2022**, would allow dentists participating in the Indian Health Service Loan Repayment Program to exclude interest *and* principal payments from their federal income taxes, as well as certain benefits received by those in the Indian Health Professions Scholarships Program.

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- **H.R. 1285/S. 449, the Dental Loan Repayment Assistance Act**, would allow full-time faculty members participating in the Dental Faculty Loan Repayment Program (DFLRP) to exclude the amount of the loan forgiveness from their federal income taxes.
- **H.R. 2295, the HIV Epidemic Loan-Repayment Program Act (HELP Act)**, would offer up to \$250,000 in educational loan repayment to dentists, physicians, and other health care professionals in exchange for up to five years of service at Ryan White-funded clinical sites and in health profession shortage areas.

Graduate student debt has been rising at abnormally high rates for decades, even after adjusting for inflation. It has risen to the point that dental school graduates are now starting their careers nearly \$305,000 in debt (\$270,125 for graduates from public dental schools and \$349,730 for graduates from private dental schools).¹

Adding insult to injury are federal student loan interest rates that can reach as high as 9.5 or 10.5 percent, depending on the type of loan and market conditions.² And the interest begins accruing immediately.

Educational debt is a particular challenge for the 37 percent³ of dental school graduates with debt who pursue (or are *required* to complete) several years of a low- or non-paying dental or medical residency program. Those who are unable to begin paying their student loans immediately *may* qualify to have their payments temporarily halted or reduced through a deferment or forbearance process, but the suspended/reduced payments are not automatic. And the interest accrues regardless, adding tens of thousands of dollars to their debt.

We applaud your committee for considering this meaningful legislation. These reforms will not eliminate the financial hardship for early career dentists, but they will help offset the unprecedented financial challenges these essential health care providers face at graduation.

Thank you for your leadership on this issue. If you have any questions, please contact Ms. Megan Mortimer at the American Dental Association. Megan can be reached at 202-898-2402 or mortimerm@ada.org.

Sincerely,

American Dental Association
Academy of General Dentistry
American Association of Endodontists
American Association of Orthodontists
American Academy of Oral and Maxillofacial Pathology
American Academy of Oral and Maxillofacial Radiology
American Academy of Pediatric Dentistry
American Academy of Periodontology
American Association for Dental, Oral, and Craniofacial Research
American Association of Oral and Maxillofacial Surgeons
American College of Prosthodontists
American Student Dental Association
Hispanic Dental Association

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¹ Istrate EC, Slapar FJ, et al., Dentists of tomorrow 2020: An analysis of the results of the 2020 ADEA Survey of U.S. Dental School Seniors, *J Dent Educ*, February 2021; 85: 427-440.

² 20 USC 1087e.

³ American Dental Education Association. (March 2020). ADEA Survey of Dental School Seniors, 2019 Graduating Class Tables Report Washington, DC. (Table 29. Respondents' Immediate Plans After Graduation by Level of Educational Debt).