

September 9, 2025

The Honorable Linda McMahon
Secretary, Department of Education
Office of Postsecondary Education
400 Maryland Ave SW, 5th Floor
Washington, DC 20202

Re: Preserving Federal Loan Access for Physicians and Other Health Professionals Under OBBBA Implementation

Secretary McMahon,

On behalf of the physicians and care team members of undersigned organizations, we respectfully urge you to ensure that the Department of Education's implementation of the One Big Beautiful Bill Act (OBBBA, P.L. 119-21) preserves access to affordable federal student loans for medical students and other health professions students. While OBBBA made several structural changes to federal student financial aid programs, it did not alter the Secretary's long-standing authority under the Higher Education Act to allow medical students to borrow additional Unsubsidized Direct Loans above statutory limits. Maintaining this exception is essential to sustaining the pipeline of future physicians and addressing America's increasing medical workforce shortages.

As medical professionals, we understand the financial realities of medical education. In 2023-24, the average annual tuition for medical students was nearly \$50,000 at public institutions and over \$60,000 at private institutions. OBBBA's new \$257,500 lifetime borrowing cap—combined with the elimination of the Graduate PLUS loan program—falls far short of covering the full cost of medical school, particularly when undergraduate debt is included. Without an exception for medical student loans, more than half of physicians in training will be forced to rely on high-interest private loans that lack borrower protections, repayment flexibility, and forgiveness pathways. These barriers disproportionately discourage students from rural, underserved, and lower-income backgrounds from entering medicine, even though these are the very students most likely to return to medically underserved communities to practice.

Notably, the OBBBA failed to include language establishing interest-free student loan deferment during residency. This policy, included in the Resident Education Deferred Interest Act (REDI Act) enjoys broad bipartisan support in Congress. It would offer meaningful relief to early-career doctors managing significant educational debt.

To protect the physician pipeline and ensure that OBBBA implementation does not unintentionally limit patient access to care, we respectfully urge you to:

- **Explicitly preserve the health professions loan exception** for medical students and other health professions students, allowing them to borrow additional Unsubsidized Direct Loans beyond statutory limits.

- **Maintain borrowing levels equivalent to the former Graduate PLUS program** to ensure medical students can cover the full cost of attendance without reliance on private loans.
- **Work with Congress to establish interest-free deferment during medical residency**, consistent with bipartisan proposals such as the REDI Act.

As our nation faces critical physician shortages across specialties, especially in rural and underserved areas, it is imperative that federal loan policy facilitate—not restrict—the education and training of future doctors. We strongly encourage the Department to use its authority under OBBBA to safeguard loan access for health professions students and sustain the nation’s physician workforce, while working with Congress to establish innovative programs to make medical education affordable.

If you have any questions, please contact Lennie McDaniel, JD (lmcdaniel@rheumatology.org) with the American College of Rheumatology.

Sincerely,

American Academy of Child & Adolescent Psychiatry
American Academy of Neurology
American Academy of Ophthalmology
American Academy of Orthopaedic Surgeons
American Academy of Otolaryngology – Head and Neck Surgery
American Association of Neurological Surgeons
American College of Cardiology
American College of Emergency Physicians
American College of Physicians
American College of Rheumatology
American Gastroenterological Association
American Osteopathic Association
American Society of Anesthesiologists
American Society of Cataract & Refractive Surgery
College of American Pathologists
Congress of Neurological Surgeons
Renal Physicians Association
Society for Vascular Surgery