

September 4, 2007

The Honorable Margaret Spellings  
U.S. Secretary of Education  
400 Maryland Avenue, SW  
Washington, D.C. 20202

Dear Madam Secretary:

The undersigned health education organizations urge you to increase the aggregate combined Stafford loan limit for health professions students from \$189,125 to \$223,793 and to define this limit in regulation.

Under authority provided by the Higher Education Act (HEA)<sup>1</sup>, the Department of Education in 1996 increased the annual unsubsidized Stafford loan limits for certain health professions previously eligible for the discontinued Health Education Assistance Loan (HEAL)<sup>2</sup>. The HEA mandates that the Secretary prescribe in regulation the aggregate combined Stafford loan limits based on the aggregate subsidized Stafford loan limits, adjusted to reflect the annual unsubsidized Stafford loan limits.<sup>3</sup> However, the aggregate combined Stafford loan limit for health professions students has remained stagnant for over a decade, does not account for recent increases in annual unsubsidized Stafford loan limits or reflect programs of different duration, and is not defined in regulation.

The “Deficit Reduction Act of 2005” (DRA)<sup>4</sup> increased the annual unsubsidized Stafford loan limit for graduate/professional students from \$10,000 to \$12,000 (effective July 1, 2007). This increases the annual combined Stafford loan limit from \$18,500 to \$20,500. Certain health professions students in 9 month and 12 month programs are eligible for an additional \$20,000 and \$26,667 in unsubsidized Stafford loans per year, respectively. The current aggregate combined Stafford loan limit for health professions is \$189,125<sup>5</sup>. The justification for this figure is defined in the Federal Student Aid handbook as:

*This increased aggregate loan limit would permit a student to receive the current maximum Stafford annual loan limits for four years of undergraduate study (\$6,625 + \$7,500 + \$10,500 + \$10,500) and four years of graduate/professional study (\$18,500 x 4), plus the maximum increased unsubsidized loan limit for an academic year covering nine months for four years of graduate/professional study (\$20,000 x 4).*

However, this current aggregate limit does not reflect the increased annual unsubsidized loan limits mandated by the DRA nor does it recognize the annual increases allowed for health professions students in 12 month programs. With debt burdens reaching greater than the current aggregate limit, the nation’s future health care providers are forced to seek less favorable options such as the Grad PLUS or private loans.

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<sup>1</sup> 20 USC 1078-8(d)(2)

<sup>2</sup> Dear Colleague Letter GEN-96-14

<sup>3</sup> 20 USC 1078-8(d)(3)

<sup>4</sup> Public Law 109-171

<sup>5</sup> Dear Colleague Letter GEN-97-14

As mandated by the HEA and in accordance with the Department of Education's current definition, the aggregate combined Stafford loan limit for health professions should be adjusted to reflect the annual unsubsidized loan limits as follows:

$(\$6,625 + \$7,500 + \$10,500 + \$10,500)$  undergraduate annual combined  
+  $(\$20,500 \times 4)$  graduate/professional annual combined  
+  $(\$26,667 \times 4)$  health professions annual unsubsidized increase for 12 month programs  
\$223,793 aggregate combined Stafford loan limit for health professions

This increase will allow future health care providers with the greatest debt to access more affordable federal loan options. Additionally, by defining this loan limit in regulation, the Department of Education can help to assure that the aggregate Stafford loan limits for health professions students will be reviewed in the negotiated rulemaking process concurrently with future increases to annual Stafford loan limits.

The undersigned health education organizations support the development of a workforce capable of caring optimally for our increasingly diverse and aging population. In the face of looming provider shortages across disciplines, the aforementioned changes are vital to ensuring a sufficient supply of well-educated and trained health professionals to provide quality care for all Americans.

Sincerely,

Academy of General Dentistry  
Alliance for Academic Internal Medicine  
American Academy of Allergy, Asthma & Immunology  
American Academy of Child and Adolescent Psychiatry  
American Academy of Dermatology  
American Academy of Family Physicians  
American Academy of HIV Medicine  
American Academy of Otolaryngology—Head and Neck Surgery  
American Academy of Pediatric Dentistry  
American Association of Colleges of Osteopathic Medicine  
American Association of Colleges of Podiatric Medicine  
American Association of Naturopathic Physicians  
American Association of Neurological Surgeons  
American Association of Orthopaedic Surgeons  
American College of Allergy, Asthma and Immunology  
American College of Cardiology  
American College of Emergency Physicians  
American College of Medical Genetics  
American College of Obstetricians and Gynecologists  
American College of Osteopathic Internists  
American College of Osteopathic Surgeons

The Honorable Margaret Spellings

September 4, 2007

Page 3

American College of Physicians  
American College of Preventive Medicine  
American College of Surgeons  
American Dental Association  
American Dental Education Association  
American Gastroenterological Association  
American Geriatrics Society  
American Medical Association  
American Medical Student Association  
American Optometric Association  
American Osteopathic Academy of Orthopedics  
American Osteopathic Association  
American Podiatric Medical Association  
American Psychiatric Association  
American Society for Reproductive Medicine  
American Society of Addiction Medicine  
American Society of Clinical Oncology  
American Society of Hematology  
American Thoracic Society  
Association of Academic Health Centers  
Association of Accredited Naturopathic Medical Colleges  
Association of American Medical Colleges  
Association of American Veterinary Medical Colleges  
Association of Departments of Family Medicine  
Association of Family Medicine Residency Directors  
Association of Professors of Medicine  
Association of Program Directors in Internal Medicine  
Association of Specialty Professors  
Clerkship Directors in Internal Medicine  
Congress of Neurological Surgeons  
Joint Council of Allergy, Asthma & Immunology  
Massachusetts Medical Society  
National Hispanic Medical Association  
National Rural Health Association  
North American Primary Care Research Group  
Society of Hospital Medicine  
Society of Teachers of Family Medicine

cc: Sarah Martinez Tucker, Under Secretary of Education

Lawrence A. Warder, Acting Chief Operating Officer, Federal Student Aid