

August 28, 2025

The Honorable Linda McMahon
Secretary
U.S. Department of Education
400 Maryland Avenue, SW
5th Floor
Washington, D.C. 20202-3100

Submitted electronically via regulations.gov

RE: Docket ID ED-2025-OPE-0151; Public Hearing; Negotiated Rulemaking Committees

Dear Secretary McMahon:

On behalf of the American Academy of Family Physicians (AAFP), representing 128,300 family physicians and medical students across the country, I write in response to the [notice](#) that the Department of Education (the Department) intends to establish two new negotiated rulemaking committees (NRCs) to prepare proposed regulations for federal student aid programs. The AAFP appreciates the Department's interest in providing debt relief to borrowers and in having robust public conversations regarding the federal programs authorized under Title IV of the Higher Education Act of 1965 (HEA). We share your goal of creating a healthier nation and commit to working with you to prevent chronic diseases and find treatment solutions for those with chronic health conditions.

Physicians are the most likely professionals to carry student loan debt, with 81 percent of those with Doctor of Medicine degrees having graduate school debt and 80 percent owing due to undergraduate education.ⁱ The high burden of medical education debt contributes to worsening physician shortages and puts medical education out of reach for many potential physicians, further undermining progress toward a robust health care workforce. Given that these challenges slow progress

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August 28, 2025
Page 2 of 11

toward better patient and population health outcomes, **addressing the burden of student loan debt for physicians and medical students is one essential step to improving our nation's health care system.**

Nearly 95 percent of adults 60 years and older have at least one chronic condition, and nearly 80 percent have two or more.ⁱⁱ This is only projected to get worse in the coming years, as the number of adults 50 years and older with at least one chronic disease is estimated to increase by almost 100 percent from 71.522 million in 2020 to 142.66 million by 2050.ⁱⁱⁱ **The AAFP shares the administration's belief that it is critically important for the U.S. to work to prevent chronic illnesses and stop this projection from becoming a reality.** Effectively meeting the current needs of our patients with chronic conditions and preventing chronic diseases in the future both require our nation to better leverage primary care as the foundation of our health care system. Addressing physicians' student loan debt is key to appropriately valuing the role of primary care physicians in that system.

The AAFP strongly urges the Department to include a family physician in the negotiated rulemaking process, and we appreciate the current opportunity to participate in the nomination process for these NRCs. We believe a family physician being involved in the process will help support the Department's goals and advance policies that would provide meaningful debt relief for physicians across the nation.

Recommendations

While the AAFP appreciates that the Department now has a congressional mandate to implement several provisions stemming from H.R.1, we also urge you to balance the numerous priorities of this administration in order to avoid unintended consequences. As previously stated, addressing chronic conditions and making America healthy is a clear priority of the Trump administration. Ensuring an adequate supply of family physicians is available to Americans across the country is critical to achieving this goal. Given that capping student loan amounts (especially GRAD PLUS loans) will have little effect on medical school tuition; the projected shortage of primary physicians; the lower to middle-income background of those that seek

August 28, 2025
Page 3 of 11

primary care specialties; and significantly increased interest rates for individuals forced to take out private loans, it is imperative that the Department implements the student loan provisions of H.R.1 with a specific sensitivity for individuals who seek careers in primary care. We recommend that the Department and/or the Small Business Administration:

- Develop and widely distribute information, resources, and guidance to individual borrowers and relevant stakeholders regarding any proposed or finalized regulatory changes to all federal loan programs.
- Provide clear guidance to lenders to ensure that they do not conduct predatory activities to deceive, abuse, or impose unfair standards for borrowers seeking tuition assistance.
- Develop relationships or contract with private lenders who agree to adhere to certain lending rules and provide that “safe lender” list publicly.
- Ensure that current loan repayment program participants will continue to receive updated, timely guidance on their monthly payments and loan requirements so that they are not arbitrarily deemed in violation repayment terms.
- Provide safe harbors and reasonable accommodations for borrowers to adjust to new loan terms, repayment plans, and logistical adherence to administrative loan requirements.
- Provide extensive resources to individuals to understand new loan terms and conditions; create an office or team dedicated to individual counseling and assistance for loan borrowers and individuals who need one-on-one guidance.
- Create resources at a variety of literacy levels and in multiple languages to support individuals in understanding the loan market to help ensure they are not victimized by predatory lending practices.
- Encourage lenders to look beyond traditional measurements such as credit score or financial background when providing loan terms to individuals.

GRAD PLUS Loan Phase Out and Loan Caps for Medical Students

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August 28, 2025
Page 4 of 11

The AAFP agrees that the cost of higher education should be thoroughly examined and that comprehensive policy discussions at both the federal and state levels are necessary to reduce the cost of tuition. While we appreciate that the intention for federal student loan caps included in H.R.1 is to lower higher education tuition overall, studies have shown that simply capping federal student loan amounts will not have that desired effect for professional schools, including medical schools.^{iv}

This 2019 study challenged the Bennett Hypothesis (unfettered access to federal student loans allows institutions to raise tuition prices), and "did not find consistent evidence" that access to GRAD PLUS loans for professional degrees such as those in law and medicine did not "systematically increase tuition."^v Given the lack of evidence to suggest that cutting off or lowering access to federal student loans will lead to a decrease in tuition for medical students in particular, then the supposed goal of H.R.1 to lower tuition costs for these students is unlikely. Considering the cost of medical school, low salaries received during residency, the average financial background of individuals seeking a family medicine degree, and lower-than-average lifetime salaries of those that choose to practice primary care, **it is imperative that the implementation of H.R.1 pose as little of a burden on medical students as possible, especially for those seeking primary care specialties.**

The average student loan debt for four years of medical school, undergraduate studies, and higher education is between \$200,000 and \$250,000.^{vi} Given evidence that access to federal student loan programs does little to affect medical school tuition, this number will only continue to increase as the cost of medical school continues to rise. In fact, for first-year students in 2020-21, the average cost of attendance increased from the prior year for public medical schools by 10.3 percent, making it likely that medical students will have to carry even larger student loans to graduate.^{vii} This could create a health care workforce that is not necessarily based on merit and motivation but instead on financial abilities and familial legacies.

The rising level of educational debt disproportionately affects low-income students and limits their economic mobility, as well as their ability to meaningfully participate in the health care workforce. In particular, primary care specialties such as family medicine most often attract individuals from lower-income backgrounds in

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August 28, 2025
Page 5 of 11

comparison with other medical specialties.^{viii} Student loans cover not only tuition for lower-income students but also provide necessary financial support for other expenses that allow them to make their dream of practicing medicine a reality.

Decreasing student debt — especially through the utilization of federal loan repayment programs — can help reduce physician shortages, particularly in rural and medically underserved communities.

Without access to GRAD PLUS loans or other federal student loans, low and middle-income students and residents would need to subsidize their tuition and education costs with loans from private lenders. As of August 2025, the average interest rate for a 5-year term personal loan, for an individual with good credit (720 or higher), is 19.81 percent.^{ix} For individuals that come from low-middle income backgrounds, as well as for young adults, it is unlikely that they have established credit and even less likely that they have established credit scores over 700. The average current credit score for 18–24-year-olds is 680 and that is only slightly higher (690) for 25–40-year-olds.^x Given that credit score greatly affects the interest rates that an individual receives, it is likely that many medical students could be facing interest rates well above 19.81 percent. In comparison, the current GRAD PLUS loan interest rate is 8.94 percent for academic year 2025–2026.^{xi} **These facts mean that medical students who need to supplement their tuition costs with private loans will pay nearly double the interest on those loans as they would with current GRAD PLUS loan levels.**

This would increase average student loan amounts upon completion of physician clinical training by significant amounts and could exacerbate the already difficult recruitment and retention of individuals into primary care. Unfortunately, we are already seeing how this story unfolds: increases in chronic conditions, a sicker overall population, and patients relying on more expensive care settings, all of which directly contradicts this administration’s stated goals — which the AAFP shares — of improving America’s health and ending the chronic disease crisis. **We urge the Department to work with Congress to stop the GRAD PLUS loan option from being eliminated and to continue offering this crucial support to medical students nationwide.**

August 28, 2025
Page 6 of 11

Reducing Physicians' Student Debt Load Supports an Increased Primary Care Workforce

The AAFP has long been concerned about the shortage of primary care physicians in the U.S., particularly the supply of family physicians, who provide comprehensive primary care services for patients across the lifespan — preventing chronic illness, managing complex conditions, and increasingly supporting mental health. It is projected that we will face a shortage of up to 40,000 primary care physicians by 2036.^{xii} **Primary care is the only health care component where an increased supply is associated with better population health and improved patient outcomes.**^{xiii}

Physicians will incur the same cost for their medical education whether they enter primary care or specialist fields, but once they complete their training, they will have more difficulty managing their debt in primary care fields due to lower income. For example, when measuring debt as a ratio to income, primary care physicians have approximately double the debt burden as those entering surgical fields.^{xiv} Research has also shown that loan forgiveness or repayment programs directly influence physicians' choices about whether to choose primary care specialties.^{xv} Therefore, the AAFP supports policies to decrease the cost of medical education for the learner, medical student debt accumulation, and the discrepancy in pay between primary care and other medical specialties. The AAFP also encourages innovation and study of the effectiveness of existing and future systems of debt management and alternatives to determine which strategies are truly effective.

The AAFP recognizes that a long-term solution is needed to comprehensively address the student debt issue and has called on Congress to take action. To combat rising student debt, the AAFP supports the deferment of interest and principal payments on medical student loans until after completion of postgraduate training and recommends that the interest on medical student loans be deductible on federal tax returns. The Academy has also called for expanded funding for federal loan forgiveness and scholarship programs that target family medicine and primary care. While we will continue to work with Congress on comprehensive solutions, we urge the Department to take action.

August 28, 2025
Page 7 of 11

Physicians are Economic Drivers in Their Communities

The nationwide shortage and maldistribution of family physicians and other primary care physicians is particularly dire in rural communities. While 20 percent of the U.S. population lives in rural communities, only 12 percent of primary care physicians and eight percent of subspecialists practice in these areas.^{xvi} Even with these challenges, health care is typically one of the largest employers in rural areas, with hospitals often being the second-largest employer and only trailing local public schools.

While we know primary care physicians' salaries have been stagnant over the past several years and are about 20 percent lower than other physicians' salaries,^{xvii} studies have shown that a practicing primary care physician can generate significant economic benefits in a rural community – an estimated \$1.4 million in annual economic activity and supporting over 26 local jobs.^{xviii} Clinic employment, inpatient and outpatient services, and purchasing of local goods and services all contribute to these impacts. Given the number of health care workers who have left the field post-pandemic, it is crucial for the U.S. to explore how we can motivate physicians and support staff to stay in health care, particularly in rural and underserved communities. **Addressing the burden of student loan debt for family physicians could give those who want to practice in rural areas the financial freedom to start practices or clinics, employ others, and provide invaluable health care and economic activity in their community.**

Family physicians have also significantly changed the way they practice in recent years, and mitigating student debt would free up capital for those who wish to pursue the independent practice model. In 2011, 37 percent of AAFP members surveyed reported that they were sole or partial owners of their practice. In 2024, that number fell to 21 percent, with many factors contributing to this shift.^{xix} Underinvestment in primary care, overwhelming administrative burden, rising practice costs, and inadequate payment are just some of the key variables fueling the loss of small and solo practices. Increasingly, family physicians report that independent practice is unsustainable. Some agencies within the Trump administration have already begun to enact policies to "[protect the future of hometown doctors](#)"; we urge the Department to join CMS and others in this important cause.

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August 28, 2025
Page 8 of 11

In addition to expanding funding for federal loan repayment programs, any loan repayment funds received from these repayment programs should not be subject to federal income tax. This could provide an additional incentive for physicians to participate in them. The AAFP supports legislative efforts to exempt federal loan repayment programs from taxable income, including the Strengthening Pathways to Health Professions Act, a bipartisan bill that would exempt some Health Resource and Services Administration (HRSA) loan repayments from taxable income.

Potential Topics that would Streamline Current Federal Student Financial Assistance Program Regulations while Maintaining or Improving Program Integrity and Institutional Quality

The AAFP has received several reports that our members are struggling or unable to access their federal student loan accounts online, and we urge the Department to address and solve this issue. In a recently conducted member survey, more than 10 percent of respondents said they either could not currently access their federal student loan accounts online or that the information listed in their account was incorrect. Some members have reported ongoing issues since late January 2025, while others have only noticed issues more recently. It is incredibly stressful for family physicians to not know how much money they owe on their student loans or if the federal government is keeping appropriate track of payments made. **Working to correct these issues and restore every borrower's access to their online federal student loan accounts would help improve both program integrity and institutional quality, and we would appreciate the Department working to resolve this problem for borrowers.**

Loan Repayment Program Reforms

In a recently conducted AAFP member survey regarding participation in loan repayment programs, most respondents reported having been or currently being enrolled in an income-driven repayment (IDR) program and the Public Service Loan Forgiveness (PSLF) program. Given the requirement to be enrolled in an IDR plan in order to qualify for PSLF loan repayment, the AAFP has strong concerns with any reforms being made to IDR programs.

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August 28, 2025
Page **9** of **11**

Although it has been reported that provisions within H.R.1 are intended to "streamline" loan repayment terms and programs, without additional details, we are concerned that medical students will face major difficulties adhering to new requirements or to an entirely new loan repayment program. In addition, given strict borrower requirements surrounding on-time IDR payments to maintain status and eligibility for PSLF, any disruptions or modifications to current or future IDR or IDR-like repayment plans could jeopardize PSLF primary care participants' good standing. With AAFP members participating in PSLF in large numbers, any detriment to eligibility or adherence to requirements could greatly affect the recruitment and retention of family physicians. This would not only further exacerbate the shortage of primary care physicians but would also undermine patient care, especially in areas of greatest need.

Conclusion

The AAFP urges the Department to use its authority to advance policies that provide meaningful debt relief to physician borrowers. As previously noted, addressing medical education debt can help alleviate physician shortages and improve access to high-quality care for patients. Student loan debt can prevent students from going to medical school, as well as prevent physicians from choosing primary care over other specialties and joining or opening practices in rural and other underserved communities. **Providing debt relief to physicians and medical students would therefore advance several goals that are in line with the President's national strategies and executive orders to invest in rural communities, support physician and patient choice, and address our nation's chronic disease crisis. Including a family physician negotiator on the committee being formed by the Department is an essential first step.** This will help ensure the unique circumstances experienced by physicians across the nation are considered during the upcoming rulemaking process.

Thank you for the opportunity to provide written comments on this important topic, alongside the opportunity to nominate a family physician to participate in the NRC process. The AAFP stands ready to work with the Department of Education to advance student debt relief policies that will help bolster our health care workforce

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August 28, 2025
Page 10 of 11

and advance access to high-quality primary care for all. For more information or questions, please contact Mandi Neff, Senior Strategist, Regulatory and Policy, at mneff2@aafp.org.

Sincerely,



Steven P. Furr, MD, FAAFP
Board Chair
American Academy of Family Physicians

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August 28, 2025
Page **11** of **11**

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