STUDENT LOAN REFORM

Please support legislation in the House and Senate that lessens the financial burden of pursuing advanced degrees.

Key details: • HR 1614 is sponsored by Rep. Mark Pocan (D-Wis.).
  • HR 795 is sponsored by Rep. Rodney Davis (R-Ill.)
  • HR 4001 is sponsored by Rep. John Garamendi (D-Calif.)

About Overwhelming Student Loan Debt:

Oral and maxillofacial surgery residents must complete a minimum four-year hospital-based residency in addition to their undergraduate and dental degrees. Many also earn a medical degree or complete a fellowship training program.

- The average student debt for OMSs is approximately $314,000, with ranges between $100,000 and $620,000.
- The average interest rates are between 6-8 percent, which continue to compound even if loans are in deferment or forbearance.
- 86 percent of surveyed residents indicated that their debt is a determining factor for where and how they practice, potentially deterring decisions to practice in rural or underserved areas or join the academic or research community instead of private practice.
- The debilitating cost of repayment undoubtedly influences financial decisions and choices of young OMSs, resulting in a trickle-down effect on their economic impact to their communities.

What Can be Done to Reform Student Loans?

- Allow graduates to refinance their loans to a lower interest rate, when available, like the private market permits, as stated in HR 1614.
- Require institutions of higher education to teach financial literacy skills and provide students with useful and necessary information to aid them in making decisions about the costly implications of student borrowing.
- Enact legislation that would halt interest accrual while loans are in forbearance or deferment as qualified under the internship/residency category of either of these payment delay options, as provided for in HR 4001.
- Expand the current tax deduction on student loan interest payments and remove income limits to receive the deduction.
- Allow employers to deduct a certain amount of student loan payments made on an employee’s behalf, as provided in HR 795.
- Include the above proposals in legislation to reauthorize the Higher Education Act.

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