



Grassroots Talking Points On New Student Loan Deferment Provisions

Background:

College Cost Reduction and Access Act, H.R. 2669

- As a part of the budget reconciliation process Congress passed H.R. 2669, The College Cost Reduction Act. The President signed the bill into law on Sept. 27, 2007. Changes made in this law to reduce spending will ultimately affect medical residents through the repayment of their student loans.

The Elimination of the 20/220 Rule

- According to the Association of American Medical Colleges, 67% of entering medical residents are eligible for [economic hardship deferment](#) through the 20/220 rule, which allows students to defer payment without accruing interest on subsidized loans for up to 3 years if debt burden is greater than 20% of income AND income minus debt burden is not greater than 220% of the Federal Poverty Level (FPL). The poverty line is \$10,210/single and \$13,690/couple.
- **HR 2669 eliminates this rule beginning Oct. 1, 2007**, leaving forbearance as the only option for residents in need to avoid payments for their first three years of training (under which all loans accrue interest).
- In place of the rule, borrowers have the option of participating in a debt repayment program that caps payments at 15% of the borrower's income that is above 150% FPL (\$15,315/single and \$20,535/couple). The federal government will continue to pay the interest on the subsidized portion of the borrower's loan for three years; this program will not go into effect until July 1, 2009.

Reasons to oppose elimination of the 20/220 Rule:

- Residency is a time when residents who are on average only making \$43,266 per year and carrying an average debt of \$130,571 will be least able to make monthly payments on their student loans.
- Medicine is already facing challenges. There is a growing consensus that the United States faces a shortage of physicians. In its last report in 2005, the Council on Graduate Medical Education (COGME) predicted a shortage of 85,000 physicians by the year 2020.
- Eliminating the 20/220 rule and complicating the student debt burden for residents acts as another major disincentive for the best and brightest students to enter the medical profession.

- Eliminating the 20/220 rule effective Oct. 1, 2007, also places an extreme hardship on residents in the middle of the year. There is no time to transition to the new loan deferment criteria or make a new loan repayment plan. This hardship is worsened by the fact that the new loan repayment program is not scheduled to go into effect until July 1, 2009.

Next Steps to Fight this Change:

- Contact the House Education and Labor Committee (Chairman Miller (D-7th/CA), Ranking Member McKeon (R-25th/CA): Democrats (202) 225-3725, Republicans (202) 225-4527.
 - Ask that the 20/220 pathway be restored.
 - In the interim ask that the elimination of the 20/220 rule be delayed until July 1, 2009, to coincide with the start of the new loan repayment program under H.R. 2669.
 1. Contact members of the House Education and Labor Committee and urge them to contact the Chairman and Ranking Member about restoring the 20/220 rule in the HEA reauthorization bill. See attachment for members.
 2. The House has not drafted a final HEA Reauthorization bill—it is vitally important that the House include provisions restoring student loan repayment assistance to medical residents in need in its bill in order for it to be considered in conference.
- Contact the Senate Health, Education, Labor and Pensions Committee (Chairman Kennedy (D-MA) and Ranking Member Enzi (R-WY) ask them to restore the 20/220 rule in a HEA reauthorization conference with the House. Democrats (202) 224-0767, Republicans (202) 224-6770.
 - Contact the members of the Senate HELP committee and urge them to weigh in with Chairman Kennedy and Ranking Member Enzi about the importance of restoring the 20/220 rule.
- Contact physician members of Congress; let their staff know that Congress passed legislation (H.R. 2669) and the President just signed it into law, that will make it harder for medical students to pursue a career in medicine. Ask them to contact the Chairmen and Ranking Members of the committees of jurisdiction.
- Listed below are the physician members of Congress. Senator Coburn is a member of the Senate HELP Committee, the Senate committee of jurisdiction. Representatives Boustany and Price are members of the House Education and Labor Committee that has jurisdiction in the House.

Senate

Tom Coburn, MD (R-OK), 172 Russell Senate Office Bldg, Tel: (202) 224-5754

John Barrasso, MD (R-WY), 307 Dirksen Senate Office Bldg, Tel: (202) 224-6441

House

Charles W. Boustany Jr., MD (R-7th/LA)
1117 Longworth House Office Bldg
Tel: (202) 225-2031

Paul C. Broun, MD (R-10th/GA)
2104 Rayburn House Office Bldg
Tel: (202) 225-4101

Michael C. Burgess (R-26th/TX)
1224 Longworth House Office Bldg
Tel: (202) 225-7772

Phil Gingrey, MD (R-11th/GA)
119 Cannon House Office Bldg
Tel: (202) 225-2931

Steven Kagen, MD (D-8th/WI),
1232 Longworth House Office Bldg
Tel: (202) 225-5665

Jim McDermott, MD (D-7th/WA)
1035 Longworth House Office Bldg
Tel: (202) 225-3106

Ron Paul, MD (R-14th/TX)
203 Cannon House Office Bldg
Tel: (202) 225-2831

Tom Price, MD (R-6th/GA)
424 Cannon House Office Bldg
Tel: (202) 225-4501

Vic Snyder, MD (D-2nd/AR)
1330 Longworth House Office Bldg
Tel: (202) 225-2506

David Weldon, MD (R-15th/FL)
2347 Rayburn House Office Bldg
Tel: (202) 225-3671

Senate Committee on Health, Education, Labor, and Pensions

Committee Members

Democrats by Rank

Edward Kennedy (MA), Tel: (202) 224-0767
Christopher Dodd (CT), Tel: (202) 224-2823
Tom Harkin (IA), Tel: (202) 224-3254
Barbara A. Mikulski (MD), Tel: (202) 224-4654
Jeff Bingaman (NM), Tel: (202) 224-5521
Patty Murray (WA), Tel: (202) 224-2621
Jack Reed (RI), Tel: (202) 224-4642
Hillary Rodham Clinton (NY), Tel: (202) 224-4451
Barack Obama (IL), Tel: (202) 224-2854
Bernard Sanders (I) (VT), Tel: (202) 224-5141
Sherrod Brown (OH), Tel: (202) 224-2315

Republicans by Rank

Michael B. Enzi (WY), Tel: (202) 224-3424
Judd Gregg (NH), Tel: (202) 224-3324
Lamar Alexander (TN), Tel: (202) 224-4944
Richard Burr (NC), Tel: (202) 224-3154
Johnny Isakson (GA), Tel: (202) 224-3643
Lisa Murkowski (AK), Tel: (202) 224-6665
Orrin G. Hatch (UT), Tel: (202) 224-5251
Pat Roberts (KS), Tel: (202) 224-4774
Wayne Allard (CO), Tel: (202) 224-5941
Tom Coburn, M.D. (OK), Tel: (202) 224-5754

House Committee on Education and Labor

Committee Members

Democrats

George Miller, Chairman (CA-07) , Tel: (202) 225-3725

Dale E. Kildee (MI-05), Tel: (202) 225-3611

Donald M. Payne (NJ-10) , Tel: (202) 225-3436

Robert E. Andrews (NJ-01), Tel: (202) 225-6501

Robert C. Scott (VA-03) , Tel: (202) 225-8351

Lynn C. Woolsey (CA-06) , Tel: (202) 225-5161

Rubén Hinojosa (TX-15) , Tel: (202) 225-2531

Carolyn McCarthy (NY-04) , Tel: (202) 225-5516

John F. Tierney (MA-06) , Tel: (202) 225-8020

Dennis J. Kucinich (OH-10) , Tel: (202) 225-5871

David Wu (OR-01) , Tel: (202) 225-0855

Rush D. Holt (NJ-12) , Tel: (202) 225-5801

Susan A. Davis (CA-53) , Tel: (202) 225-2040

Danny K. Davis (IL-07) , Tel: (202) 225-5006

Raúl M. Grijalva (AZ-07) , Tel: (202) 225-2435

Timothy H. Bishop (NY-01) , Tel: (202) 225-3826

Linda T. Sánchez (CA-39) , Tel: (202) 225-6676

John Sarbanes (MD-03), Tel: (202) 225-4016

Joe Sestak (PA-07) , Tel: (202) 225-2011

Dave Loebsack (IA-02) , Tel: (202) 225-6576

Mazie Hirono (HI-02) , Tel: (202) 225-4906

Jason Altmire (PA-04) , Tel: (202) 225-2565

John Yarmuth (KY-03) , Tel: (202) 225-5401

Phil Hare (IL-17) , Tel: (202) 225-5905

Yvette Clarke (NY-11) , Tel: (202) 225-6231

Joe Courtney (CT-02) , Tel: (202) 225-2076

Carol Shea-Porter (NH-01) , Tel: (202) 225-5456

Republicans

Howard P. "Buck" McKeon, Ranking Member (CA-25)

Thomas E. Petri (WI-06) , Tel: (202) 225-2476

Peter Hoekstra (MI-02) , Tel: (202) 225-4401

Michael N. Castle (DE-At Large), Tel (202) 225-4165

Mark E. Souder (IN-03), Tel: (202) 225-4436

Vernon J. Ehlers (MI-03) , Tel: (202) 225-3831

Judy Biggert (IL-13) , Tel: (202) 225-3515

Todd Russell Platts (PA-19) , Tel: (202) 225-5836

Ric Keller (FL-8) , Tel: (202) 225-2176
Joe Wilson (SC-02) , Tel: (202) 225-2452
John Kline (MN-02) , Tel: (202) 225-2271
Cathy McMorris Rodgers (WA-05) , Tel: (202) 225-2006
Kenny Marchant (TX-24) , Tel: (202) 225-6605
Tom Price (GA-06) , Tel: (202) 225-4501
Luis G. Fortuño (PR) , Tel: (202) 225-2615
Charles W. Boustany, Jr. (LA-07) , Tel: (202) 225-2031
Virginia Foxx (NC-05) , Tel: (202) 225-2071
John R. "Randy" Kuhl, Jr. (NY-29) , Tel: (202) 225-3161
Rob Bishop (UT-01) , Tel: (202) 225-0453
David Davis (TN-01) , Tel: (202) 225-6356
Timothy Walberg (MI-07) , Tel: (202) 225-6276
Dean Heller (NV-02) , Tel: (202) 225-6155