

**HOD ACTION: Council on Medical Education Report 5 adopted, and the remainder of the report filed.**

REPORT OF THE COUNCIL ON MEDICAL EDUCATION

CME Report 5-I-18

Subject: Reconciliation of AMA Policy on Medical Student Debt

Presented by: Carol Berkowitz, MD, Chair

Referred to: Reference Committee C  
(Peter C. Amadio, MD, Chair)

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1 INTRODUCTION AND METHODS

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3 The goal of this report is to review, reconcile, and consolidate existing American Medical  
4 Association (AMA) policy on medical student debt, eliminate duplication, and ensure that current  
5 policies are coherent and relevant. For each policy recommendation, a succinct but cogent  
6 justification is provided to support the proposed action. If a contradiction in policies was  
7 discovered, the most recent policy was deemed to supersede past AMA policies, and the language  
8 of each proposed policy was then edited so that it would be coherent and easily understood, without  
9 altering its meaning or intent.

10

11 POLICIES INCLUDED IN THIS REPORT

12

13 The following AMA policies are addressed in this report:

14

- 15 1. D-305.956, "AMA Participation in Reducing Medical Student Debt"
- 16 2. D-305.957, "Update on Financial Aid Programs"
- 17 3. D-305.962, "Tax Deductibility of Student Loan Payments"
- 18 4. D-305.966, "Reinstatement of Economic Hardship Loan Deferment"
- 19 5. D-305.970, "Proposed Revisions to AMA Policy on Medical Student Debt"
- 20 6. D-305.975, "Long-Term Solutions to Medical Student Debt"
- 21 7. D-305.977, "Deductibility of Medical Student Loan Interest"
- 22 8. D-305.978, "Mechanisms to Reduce Medical Student Debt"
- 23 9. D-305.979, "State and Local Advocacy on Medical Student Debt"
- 24 10. D-305.980, "Immediate Legislative Solutions to Medical Student Debt"
- 25 11. D-305.981, "Financing Federal Consolidation Loans"
- 26 12. D-305.993, "Medical School Financing, Tuition, and Student Debt"
- 27 13. D-405.986, "Student Loans and Medicare / Medicaid Participation"
- 28 14. H-305.926, "Supporting Legislation to Create Student Loan Savings Accounts"
- 29 15. H-305.928, "Proposed Revisions to AMA Policy on Medical Student Debt"
- 30 16. H-305.932, "State and Local Advocacy on Medical Student Debt"
- 31 17. H-305.948, "Direct Loan Consolidation Program"
- 32 18. H-305.954, "Repayment of Medical School Loans"
- 33 19. H-305.965, "Student Loans"
- 34 20. H-305.980, "Student Loan Repayment Grace Period"
- 35 21. H-305.991, "Repayment of Educational Loans"

1 SUMMARY AND RECOMMENDATIONS

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3 This report encompasses a review of current AMA policies on medical student debt to ensure such  
4 policy is consistent, accurate and up-to-date. The new policy being proposed in recommendation 1,  
5 below (shown in Appendix A), incorporates relevant portions of the 21 existing policies that are  
6 recommended for rescission in recommendation 2. Appendix B shows a clean text version of the  
7 policy that is being proposed for adoption. Appendix C lists all 21 policies that are proposed for  
8 rescission. The (relatively few) segments of policy that are not being retained in the proposed new  
9 policy are listed in Appendix D.

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11 The Council on Medical Education therefore recommends that the following recommendations be  
12 adopted and that the remainder of the report be filed:

- 13  
14 1. That our American Medical Association (AMA) adopt as policy “Principles of and Actions  
15 to Address Medical Education Costs and Student Debt” the language shown in column 1 of  
16 Appendix A of this report. (New HOD Policy)  
17
- 18 2. That our AMA rescind the following policies, as shown in Appendix C:  
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- 20 1. D-305.956, “AMA Participation in Reducing Medical Student Debt”
  - 21 2. D-305.957, “Update on Financial Aid Programs”
  - 22 3. D-305.962, “Tax Deductibility of Student Loan Payments”
  - 23 4. D-305.966, “Reinstatement of Economic Hardship Loan Deferment”
  - 24 5. D-305.970, “Proposed Revisions to AMA Policy on Medical Student Debt”
  - 25 6. D-305.975, “Long-Term Solutions to Medical Student Debt”
  - 26 7. D-305.977, “Deductibility of Medical Student Loan Interest”
  - 27 8. D-305.978, “Mechanisms to Reduce Medical Student Debt”
  - 28 9. D-305.979, “State and Local Advocacy on Medical Student Debt”
  - 29 10. D-305.980, “Immediate Legislative Solutions to Medical Student Debt”
  - 30 11. D-305.981, “Financing Federal Consolidation Loans”
  - 31 12. D-305.993, “Medical School Financing, Tuition, and Student Debt”
  - 32 13. D-405.986, “Student Loans and Medicare / Medicaid Participation”
  - 33 14. H-305.926, “Supporting Legislation to Create Student Loan Savings Accounts”
  - 34 15. H-305.928, “Proposed Revisions to AMA Policy on Medical Student Debt”
  - 35 16. H-305.932, “State and Local Advocacy on Medical Student Debt”
  - 36 17. H-305.948, “Direct Loan Consolidation Program”
  - 37 18. H-305.954, “Repayment of Medical School Loans”
  - 38 19. H-305.965, “Student Loans”
  - 39 20. H-305.980, “Student Loan Repayment Grace Period”
  - 40 21. H-305.991, “Repayment of Educational Loans” (Rescind HOD Policy)

Fiscal note: \$1,000.

APPENDIX A: PROPOSED AMA POLICY: “PRINCIPLES OF AND ACTIONS TO ADDRESS MEDICAL EDUCATION COSTS AND STUDENT DEBT” (WORKSHEET VERSION)

*Note:* The left column shows the proposed language for adoption ; the right column shows the original language that is being modified and its policy number, if any.

<b>Proposed language for adoption</b>	<b>Original language</b>
<p>The costs of medical education should never be a barrier to pursuit of a career in medicine nor to the decision to practice in a given specialty.</p>	<p>3. Financial aid opportunities, including scholarship and loan repayment programs, should be available so that individuals are not denied an opportunity to pursue medical education because of financial constraints. <a href="#">H-305.928</a></p> <p>4. A sufficient breadth of financial aid opportunities should be available so that student specialty choice is not constrained based on the need for financial assistance. <a href="#">H-305.928</a></p>
<p>To help address this issue, our American Medical Association (AMA) will:</p> <ol style="list-style-type: none"> <li>1. Collaborate with members of the Federation and the medical education community, and with other interested organizations, to address the cost of medical education and medical student debt through public- and private-sector advocacy.</li> </ol>	<p>Our AMA will:</p> <ol style="list-style-type: none"> <li>1. Collaborate, based on AMA policy, with members of the Federation and the medical education community, and with other interested organizations, to achieve the following immediate public- and private-sector advocacy goals: <a href="#">D-305.970</a></li> <li>1. Our AMA will make reducing medical student debt a high priority for legislative and other action and will collaborate with other organizations to study how costs to students of medical education can be reduced. <a href="#">H-305.928</a></li> </ol>
<ol style="list-style-type: none"> <li>2. Vigorously advocate for and support expansion of and adequate funding for federal scholarship and loan repayment programs—such as those from the National Health Service Corps, Indian Health Service, Armed Forces, and Department of Veterans Affairs, and for comparable programs from states and the private sector—to promote practice in underserved areas, the military, and academic medicine or clinical research.</li> </ol>	<p>(a) Support expansion of and adequate funding for federal scholarship and loan repayment programs, such as those from the National Health Service Corps, the Indian Health Service, the Armed Forces, and the Department of Veterans Affairs, and for comparable programs at the state level. <a href="#">D-305.970</a></p> <p>2. Our AMA will vigorously advocate for ongoing, adequate funding for federal and state programs that provide scholarship or loan repayment funds in return for service, including funding in return for practice in underserved areas, participation in the military, and participation in academic medicine or clinical research. Obtaining adequate support for the National Health Service Corps and similar programs, tied to the demand for participation in the programs, should be a focus for AMA advocacy efforts. <a href="#">D-305.993</a></p> <p>5. Our AMA supports the creation of new and the expansion of existing medical education</p>

<b>Proposed language for adoption</b>	<b>Original language</b>
	financial assistance programs from the federal government, the states, and the private sector. <a href="#">H-305.928</a>
3. Encourage the expansion of National Institutes of Health programs that provide loan repayment in exchange for a commitment to conduct targeted research.	(b) Encourage the expansion of National Institutes of Health programs that provide loan repayment in exchange for a commitment to conduct targeted research. <a href="#">D-305.970</a>
4. Advocate for increased funding for the National Health Service Corps Loan Repayment Program to assure adequate funding of primary care within the National Health Service Corps, as well as to permit: (a) inclusion of all medical specialties in need, and (b) service in clinical settings that care for the underserved but are not necessarily located in health professions shortage areas.	(2) advocate for increased funding for the National Health Service Corps Loan Repayment Program to assure adequate funding of primary care within the National Health Service Corps, as well as to permit: (a) inclusion of all medical specialties in need, and (b) service in clinical settings that care for the underserved but are not necessarily located in health professions shortage areas; <a href="#">D-305.975</a>
5. Encourage the National Health Service Corps to have repayment policies that are consistent with other federal loan forgiveness programs, thereby decreasing the amount of loans in default and increasing the number of physicians practicing in underserved areas.	(5) encourage the National Health Services Corps to have repayment policies that are consistent with other federal loan forgiveness programs, thereby decreasing the amount of loans in default and increasing the number of physicians practicing in underserved areas. <a href="#">D-305.975</a>
6. Work to reinstate the economic hardship deferment qualification criterion known as the “20/220 pathway,” and support alternate mechanisms that better address the financial needs of trainees with educational debt.	Our AMA will actively work to reinstate the economic hardship deferment qualification criterion known as the “20/220 pathway,” and support alternate mechanisms that better address the financial needs of post-graduate trainees with educational debt. <a href="#">D-305.966</a>
7. Advocate for federal legislation to support the creation of student loan savings accounts that allow for pre-tax dollars to be used to pay for student loans.	Our AMA will advocate for federal legislation to support the creation of student loan savings accounts that allow for pre-tax dollars to be used to pay for student loans. <a href="#">H-305.926</a>
8. Work with other concerned organizations to advocate for legislation and regulation that would result in favorable terms and conditions for borrowing and for loan repayment, and would permit 100% tax deductibility of interest on student loans and elimination of taxes on aid from service-based programs.	8. Our AMA will work with other concerned organizations to promote legislation and regulations with the aims of ...eliminating taxes on aid from service-based programs, and restoring tax deductibility of interest on educational loans. <a href="#">D-305.993</a>
	(d) Ensure that the Higher Education Act and other legislation allow interest from medical

Proposed language for adoption	Original language
	<p>student loans to be fully tax deductible.  <a href="#">D-305.970</a></p> <p>Our AMA will draft legislation allowing 100% tax deductibility of student loan interest.  <a href="#">D-305.962</a></p> <p>Our AMA will work toward 100% tax deductibility of medical student loan interest on federal and state income tax returns. <a href="#">D-305.977</a></p> <p>7. Our AMA supports legislation and regulation that would result in favorable terms and conditions for borrowing and for loan repayment, and would permit the full deductibility of interest on student loans.  <a href="#">H-305.928</a></p>
<p>9. Encourage the creation of private-sector financial aid programs with favorable interest rates or service obligations (such as community- or institution-based loan repayment programs or state medical society loan programs).</p>	<p>(f) Encourage the creation of private-sector financial aid programs with favorable interest rates or service obligations (such as community- or institution-based loan repayment programs or state medical society loan programs).  <a href="#">D-305.970</a></p>
<p>10. Support stable funding for medical education programs to limit excessive tuition increases, and collect and disseminate information on medical school programs that cap medical education debt, including the types of debt management education that are provided.</p>	<p>(g) Support stable funding for medical education programs to limit excessive tuition increases. <a href="#">D-305.970</a></p> <p>(4) collect and disseminate information on medical school programs that cap medical education debt, including the types of debt management education that are provided; and <a href="#">D-305.975</a></p>
<p>11. Work with state medical societies to advocate for the creation of either tuition caps or, if caps are not feasible, pre-defined tuition increases, so that medical students will be aware of their tuition and fee costs for the total period of their enrollment.</p>	<p>(3) work with state medical societies to advocate for the creation of either tuition caps or, if caps are not feasible, pre-defined tuition increases, so that medical students will be aware of their tuition and fee costs for the total period of their enrollment;  <a href="#">D-305.975</a></p>
<p>12. Encourage medical schools to                      (a) Study the costs and benefits associated with non-traditional instructional formats (such as online and distance learning, and combined baccalaureate/MD or DO programs) to determine if cost savings to medical schools and to medical students could be realized without jeopardizing the quality of medical education;</p>	<p>2. Encourage medical schools to study the costs and benefits associated with non-traditional instructional formats (such as online and distance learning, combined baccalaureate/MD programs) to determine if cost savings to medical schools and to medical students could be realized without jeopardizing the quality of medical education.  <a href="#">D-305.970</a></p>
<p>(b) Engage in fundraising activities to increase the availability of</p>	<p>(e) Encourage medical schools, with the support of the Federation, to engage in fundraising</p>

Proposed language for adoption	Original language
<p>scholarship support, with the support of the Federation, medical schools, and state and specialty medical societies, and develop or enhance financial aid opportunities for medical students, such as self-managed, low-interest loan programs;</p>	<p>activities devoted to increasing the availability of scholarship support.  <a href="#">D-305.970</a></p> <p>(3) encourage members of the Federation to develop or enhance financial aid opportunities for medical students;  <a href="#">D-305.978</a></p> <p>(5) continue to collect and disseminate information to assist members of the Federation (state medical societies and specialty societies) and medical schools to establish or expand financial aid programs; and <a href="#">D-305.978</a></p> <p>Our AMA will: (1) encourage medical schools and state medical societies to consider the creation of self-managed, low-interest loan programs for medical students, and collect and disseminate information on such programs;  <a href="#">D-305.975</a></p> <p>(2) urge state medical societies to actively solicit funds (either directly or through their Foundations) for the establishment and expansion of medical student scholarships, and that our AMA develop a set of guidelines and suggestions to assist states in carrying out such initiatives.  <a href="#">D-305.979</a></p>
<p>(c) Cooperate with postsecondary institutions to establish collaborative debt counseling for entering first-year medical students;</p>	<p>(3) encourages medical schools to cooperate with undergraduate institutions to establish collaborative debt counseling for entering first-year medical students.  <a href="#">H-305.932</a></p>
<p>(d) Allow for flexible scheduling for medical students who encounter financial difficulties that can be remedied only by employment, and consider creating opportunities for paid employment for medical students;</p>	<p>8. Medical students should not be forced to jeopardize their education by the need to seek employment. Any decision on the part of the medical student to seek employment should take into account his/her academic situation. Medical schools should have policies and procedures in place that allow for flexible scheduling in the case that medical students encounter financial difficulties that can be remedied only by employment. Medical schools should consider creating opportunities for paid employment for medical students. <a href="#">H-305.928</a></p>
<p>(e) Counsel individual medical student borrowers on the status of their indebtedness and payment schedules prior to their graduation;</p>	<p>(3) encourages medical school financial aid officers to counsel individual medical student borrowers on the status of their indebtedness and payment schedules prior to their graduation. <a href="#">H-305.991</a></p>

<b>Proposed language for adoption</b>	<b>Original language</b>
(f) Inform students of all government loan opportunities and disclose the reasons that preferred lenders were chosen;	5. Our AMA supports a requirement that medical schools inform students of all government loan opportunities and requires disclosure of reasons that preferred lenders were chosen. <a href="#">D-305.993</a>
(g) Ensure that all medical student fees are earmarked for specific and well-defined purposes, and avoid charging any overly broad and ill-defined fees, such as but not limited to professional fees;	Our AMA: (1) opposes the charging of broad and ill-defined student fees by medical schools, such as but not limited to professional fees, encouraging in their place fees that are earmarked for specific and well-defined purposes; <a href="#">H-305.932</a>
(h) Use their collective purchasing power to obtain discounts for their students on necessary medical equipment, textbooks, and other educational supplies;	(2) encourages medical schools to use their collective purchasing power to obtain discounts for their students on necessary medical equipment, textbooks, and other educational supplies; and <a href="#">H-305.932</a>
(i) Work to ensure stable funding, to eliminate the need for increases in tuition and fees to compensate for unanticipated decreases in other sources of revenue; mid-year and retroactive tuition increases should be opposed.	2. Our AMA supports stable funding for medical schools to eliminate the need for increases in tuition and fees to compensate for unanticipated decreases in other sources of revenue and should oppose mid-year and retroactive tuition increases. <a href="#">H-305.928</a>
13. Support and encourage state medical societies to support further expansion of state loan repayment programs, particularly those that encompass physicians in non-primary care specialties.	Our AMA will: (1) support and encourage our state medical societies to support further expansion of state loan repayment programs, and in particular expansion of those programs to cover physicians in non-primary care specialties; and <a href="#">D-305.979</a>
14. Take an active advocacy role during reauthorization of the Higher Education Act and similar legislation, to achieve the following goals:	Our AMA will: (1) take an active advocacy role during the upcoming reauthorization of the Higher Education Act and other pending legislation, to achieve the following goals: <a href="#">D-305.978</a>
	Our AMA will: (1) endorse and actively lobby for the Reauthorization of the Higher Education Act, including: <a href="#">D-305.980</a>
(a) Eliminating the single holder rule;	(1) (a) eliminating the single holder rule, <a href="#">D-305.978</a>  (1) (a) Elimination of the “single-holder” rule; <a href="#">D-305.980</a>
(b) Making the availability of loan deferment more flexible, including broadening the definition of economic hardship and expanding the period for loan deferment to include the entire length of residency and fellowship training;	(c) With each reauthorization of the Higher Education Act and at every other legislative opportunity, proactively pursue loan consolidation terms that favor students and ensure that loan deferment is available for the entire duration of residency and fellowship training. <a href="#">D-305.970</a>

Proposed language for adoption	Original language
	<p>(1) (b) making the availability of loan deferment more flexible, including broadening the definition of economic hardship and expanding the period for loan deferment to include the entire length of residency and fellowship training, <a href="#">D-305.978</a></p> <p>(1) (d) Broadening of the definition of economic hardship as used to determine eligibility for student loan deferment; <a href="#">D-305.980</a></p> <p>(1) (c) Expansion of the deferment period for loan repayment to cover the entire duration of residency and fellowship; <a href="#">D-305.980</a></p> <p>Our AMA: (1) reaffirms its support of legislation that would defer the repayment of loans for education until the completion of residency training; and <a href="#">H-305.965</a></p> <p>(2) will lobby for deferment of medical student loans for the full initial residency period. <a href="#">H-305.965</a></p> <p>8. Our AMA will work with other concerned organizations to promote legislation and regulations with the aims of increasing loan deferment through the period of residency.... <a href="#">D-305.993</a></p>
(c) Retaining the option of loan forbearance for residents ineligible for loan deferment;	<p>(1) (c) retaining the option of loan forbearance for residents ineligible for loan deferment, <a href="#">D-305.978</a></p> <p>(1) (e) Retention of the option of loan forbearance for residents who are ineligible for student loan deferment; <a href="#">D-305.980</a></p>
(d) Including, explicitly, dependent care expenses in the definition of the “cost of attendance”;	<p>(1) (d) including, explicitly, dependent care expenses in the definition of the “cost of attendance,” <a href="#">D-305.978</a></p> <p>(1) (f) Inclusion of dependent care expenses in the definition of “cost of attendance”; and <a href="#">D-305.980</a></p>
(e) Including room and board expenses in the definition of tax-exempt scholarship income;	<p>(1) (e) including room and board expenses in the definition of tax-exempt scholarship income, <a href="#">D-305.978</a></p> <p>(2) (c) Include room and board expenses in the definition of tax-exempt scholarship income; <a href="#">D-305.980</a></p>
(f) Continuing the federal Direct Loan Consolidation program, including the ability to “lock in” a fixed	(1) (f) continuing the loan consolidation program, including the ability to “lock in” a fixed interest rate, and <a href="#">D-305.978</a>



<b>Proposed language for adoption</b>	<b>Original language</b>
<p>interest rate, and giving consideration to grace periods in renewals of federal loan programs;</p>	<p>The AMA supports the Individual Education Account/Direct Loan Consolidation Program. <a href="#">H-305.948</a></p> <p>(1) (b) Continuation of the consolidation loan program and a consolidator’s ability to lock in a fixed interest rate; <a href="#">D-305.980</a></p> <p>The AMA supports giving consideration to grace periods in renewals of federal loan programs and attempting to secure the most favorable repayment terms. <a href="#">H-305.980</a></p>
<p>(g) Adding the ability to refinance Federal Consolidation Loans;</p>	<p>(1) (g) adding the ability to refinance Federal Consolidation Loans; <a href="#">D-305.978</a></p> <p>Our AMA will: (1) support the refinancing of Federal Consolidation Loans; and <a href="#">D-305.981</a></p> <p>Our AMA will: (2) actively advocate for modification of pending and future legislation which that provides the opportunity to refinance Federal Consolidation Loans. <a href="#">D-305.981</a></p>
<p>(h) Eliminating the cap on the student loan interest deduction;</p>	<p>(2) (a) Eliminate the cap on the student loan interest deduction; <a href="#">D-305.980</a></p>
<p>(i) Increasing the income limits for taking the interest deduction;</p>	<p>(2) (b) Increase the income limits for taking the interest deduction; <a href="#">D-305.980</a></p>
<p>(j) Making permanent the education tax incentives that our AMA successfully lobbied for as part of Economic Growth and Tax Relief Reconciliation Act of 2001;</p>	<p>(2) (d) Make permanent the education tax incentives that our AMA successfully lobbied for as part of Economic Growth and Tax Relief Reconciliation Act of 2001. <a href="#">D-305.980</a></p>
<p>(k) Ensuring that loan repayment programs do not place greater burdens upon married couples than for similarly situated couples who are cohabitating;</p>	<p>11. Our AMA opposes any stipulations in loan repayment programs that place greater burdens upon married couples than for similarly-situated couples who are cohabitating. <a href="#">H-305.928</a></p>
<p>(l) Increasing efforts to collect overdue debts from the present medical student loan programs in a manner that would not interfere with the provision of future loan funds to medical students.</p>	<p>(2) urges increased efforts to collect overdue debts from the present medical student loan programs in a manner that would not interfere with the provision of future loan funds to medical students; and <a href="#">H-305.991</a></p>
<p>15. Continue to work with state and county medical societies to advocate for adequate levels of medical school funding and to oppose legislative or regulatory provisions that would result in significant or unplanned tuition increases.</p>	<p>(2) continue to work with state and county medical societies to advocate for adequate levels of medical school funding and to oppose legislative or regulatory provisions that would result in significant or unplanned tuition increases; <a href="#">D-305.978</a></p>
<p>16. Continue to study medical education financing, so as to identify long-term</p>	<p>(6) continue to study medical education financing, so as to identify long-term strategies</p>

Proposed language for adoption	Original language
strategies to mitigate the debt burden of medical students, and monitor the short-and long-term impact of the economic environment on the availability of institutional and external sources of financial aid for medical students, as well as on choice of specialty and practice location.	to mitigate the debt burden of medical students. <a href="#">D-305.978</a> (b) continue to monitor the short-and long-term impact of the economic environment on the availability of institutional and external sources of financial aid for medical students, as well as on choice of specialty and practice location. <a href="#">D-305.957</a>
17. Collect and disseminate information on successful strategies used by medical schools to cap or reduce tuition.	3. Our AMA will collect and disseminate information on successful strategies used by medical schools to cap or reduce tuition. <a href="#">D-305.993</a>
18. Continue to monitor the availability of and encourage medical schools and residency/fellowship programs to (a) provide financial aid opportunities and financial planning/debt management counseling to medical students and resident/fellow physicians; (b) work with key stakeholders to develop and disseminate standardized information on these topics for use by medical students, resident/fellow physicians, and young physicians; and (c) share innovative approaches with the medical education community.	4. Our AMA will encourage medical schools to provide yearly financial planning/debt management counseling to medical students. <a href="#">D-305.993</a> 6. Our AMA will urge the Accreditation Council for Graduate Medical Education (ACGME) to revise its Institutional Requirements to include a requirement that financial planning/debt management counseling be provided for resident physicians. <a href="#">D-305.993</a> 7. Our AMA will work with other organizations, including the Association of American Medical Colleges, residency program directors groups, and members of the Federation, to develop and disseminate standardized information, for example, computer-based modules, on financial planning/debt management for use by medical students, resident physicians, and young physicians. <a href="#">D-305.993</a> 6. Medical schools should have programs in place to assist students to limit their debt. This includes making scholarship support available, counseling students about financial aid availability, and providing comprehensive debt management/financial planning counseling. <a href="#">H-305.928</a> (4) continue to monitor the availability of financial aid opportunities and financial planning/debt management counseling at medical schools, and share innovative approaches with the medical education community; <a href="#">D-305.978</a>
19. Seek federal legislation or rule changes that would stop Medicare and Medicaid decertification of physicians due to unpaid student loan debt. The AMA	Our AMA will seek federal legislation or rule changes that would stop Medicare and Medicaid decertification of physicians due to unpaid student loan debt. <a href="#">D-405.986</a>

<b>Proposed language for adoption</b>	<b>Original language</b>
<p>believes that it is improper for physicians not to repay their educational loans, but assistance should be available to those physicians who are experiencing hardship in meeting their obligations.</p>	<p>The AMA (1) believes that it is improper for any physician not to repay his or her educational loans; <a href="#">H-305.991</a></p> <p>9. Financial obligations, such as repayment of loans, and service obligations made in exchange for financial assistance, should be fulfilled. There should be mechanisms to assist physicians who are experiencing hardship in meeting these obligations. <a href="#">H-305.928</a></p>
<p>20. Related to the Public Service Loan Forgiveness (PSLF) Program, our AMA supports increased medical student and physician benefits the program, and will:</p>	<p>10. Our AMA supports the expansion and increase of medical student and physician benefits under Public Service Loan Forgiveness. <a href="#">H-305.928</a></p>
<p>(a) Advocate that all resident/fellow physicians have access to PSLF during their training years;</p>	<p>Our AMA will: (a) through the advocacy process, explore the possibility of assuring that all resident physicians and fellows have access to the Public Service Loan Forgiveness Program for the time they are in residency and fellowship training; and <a href="#">D-305.957</a></p>
<p>(b) Advocate against a monetary cap on PSLF and other federal loan forgiveness programs;</p>	<p>9. Our AMA will advocate against putting a monetary cap on federal loan forgiveness programs. <a href="#">D-305.993</a></p>
<p>(c) Work with the United States Department of Education to ensure that any cap on loan forgiveness under PSLF be at least equal to the principal amount borrowed;</p>	<p>10. Our AMA will: (a) advocate for maintaining a variety of student loan repayment options to fit the diverse needs of graduates; (b) work with the United States Department of Education to ensure that any cap on loan forgiveness under the Public Service Loan Forgiveness program be at least equal to the principal amount borrowed; and (c) ask the United States Department of Education to include all terms of Public Service Loan Forgiveness in the contractual obligations of the Master Promissory Note. <a href="#">D-305.993</a></p>
<p>(d) Ask the United States Department of Education to include all terms of PSLF in the contractual obligations of the Master Promissory Note;</p>	
<p>(e) Encourage the Accreditation Council for Graduate Medical Education (ACGME) to require residency/fellowship programs to include within the terms, conditions, and benefits of program appointment information on the PSLF program qualifying status of the employer;</p>	<p>11. Our AMA encourages the Accreditation Council for Graduate Medical Education (ACGME) to require programs to include within the terms, conditions, and benefits of appointment to the program (which must be provided to applicants invited to interview, as per ACGME Institutional Requirements) information regarding the Public Service Loan Forgiveness (PSLF) program qualifying status of the employer. <a href="#">D-305.993</a></p>

<b>Proposed language for adoption</b>	<b>Original language</b>
(f) Advocate that the profit status of a physician’s training institution not be a factor for PSLF eligibility;	12. Our AMA will advocate that the profit status of a physician’s training institution not be a factor for PSLF eligibility. <a href="#">D-305.993</a>
(g) Encourage medical school financial advisors to counsel wise borrowing by medical students, in the event that the PSLF program is eliminated or severely curtailed;	13. Our AMA encourages medical school financial advisors to counsel wise borrowing by medical students, in the event that the PSLF program is eliminated or severely curtailed. <a href="#">D-305.993</a>
(h) Encourage medical school financial advisors to increase medical student engagement in service-based loan repayment options, and other federal and military programs, as an attractive alternative to the PSLF in terms of financial prospects as well as providing the opportunity to provide care in medically underserved areas;	14. Our AMA encourages medical school financial advisors to promote to medical students service-based loan repayment options, and other federal and military programs, as an attractive alternative to the PSLF in terms of financial prospects as well as providing the opportunity to provide care in medically underserved areas. <a href="#">D-305.993</a>
(i) Strongly advocate that the terms of the PSLF that existed at the time of the agreement remain unchanged for any program participant in the event of any future restrictive changes.	15. Our AMA will strongly advocate that the terms of the PSLF that existed at the time of the agreement remain unchanged for any program participant in the event of any future restrictive changes. <a href="#">D-305.993</a>

APPENDIX B: PROPOSED AMA POLICY: “PRINCIPLES OF AND ACTIONS TO ADDRESS MEDICAL EDUCATION COSTS AND STUDENT DEBT” (TEXT VERSION)

The costs of medical education should never be a barrier to the pursuit of a career in medicine nor to the decision to practice in a given specialty.

To help address this issue, our American Medical Association (AMA) will:

1. Collaborate with members of the Federation and the medical education community, and with other interested organizations, to address the cost of medical education and medical student debt through public- and private-sector advocacy.
2. Vigorously advocate for and support expansion of and adequate funding for federal scholarship and loan repayment programs—such as those from the National Health Service Corps, Indian Health Service, Armed Forces, and Department of Veterans Affairs, and for comparable programs from states and the private sector—to promote practice in underserved areas, the military, and academic medicine or clinical research.
3. Encourage the expansion of National Institutes of Health programs that provide loan repayment in exchange for a commitment to conduct targeted research.
4. Advocate for increased funding for the National Health Service Corps Loan Repayment Program to assure adequate funding of primary care within the National Health Service Corps, as well as to permit: (a) inclusion of all medical specialties in need, and (b) service in clinical settings that care for the underserved but are not necessarily located in health professions shortage areas.
5. Encourage the National Health Service Corps to have repayment policies that are consistent with other federal loan forgiveness programs, thereby decreasing the amount of loans in default and increasing the number of physicians practicing in underserved areas.
6. Work to reinstate the economic hardship deferment qualification criterion known as the “20/220 pathway,” and support alternate mechanisms that better address the financial needs of trainees with educational debt.
7. Advocate for federal legislation to support the creation of student loan savings accounts that allow for pre-tax dollars to be used to pay for student loans.
8. Work with other concerned organizations to advocate for legislation and regulation that would result in favorable terms and conditions for borrowing and for loan repayment, and would permit 100% tax deductibility of interest on student loans and elimination of taxes on aid from service-based programs.
9. Encourage the creation of private-sector financial aid programs with favorable interest rates or service obligations (such as community- or institution-based loan repayment programs or state medical society loan programs).
10. Support stable funding for medical education programs to limit excessive tuition increases, and collect and disseminate information on medical school programs that cap medical education debt, including the types of debt management education that are provided.

11. Work with state medical societies to advocate for the creation of either tuition caps or, if caps are not feasible, pre-defined tuition increases, so that medical students will be aware of their tuition and fee costs for the total period of their enrollment.
12. Encourage medical schools to
  - (a) Study the costs and benefits associated with non-traditional instructional formats (such as online and distance learning, and combined baccalaureate/MD or DO programs) to determine if cost savings to medical schools and to medical students could be realized without jeopardizing the quality of medical education;
  - (b) Engage in fundraising activities to increase the availability of scholarship support, with the support of the Federation, medical schools, and state and specialty medical societies, and develop or enhance financial aid opportunities for medical students, such as self-managed, low-interest loan programs;
  - (c) Cooperate with postsecondary institutions to establish collaborative debt counseling for entering first-year medical students;
  - (d) Allow for flexible scheduling for medical students who encounter financial difficulties that can be remedied only by employment, and consider creating opportunities for paid employment for medical students;
  - (e) Counsel individual medical student borrowers on the status of their indebtedness and payment schedules prior to their graduation;
  - (f) Inform students of all government loan opportunities and disclose the reasons that preferred lenders were chosen;
  - (g) Ensure that all medical student fees are earmarked for specific and well-defined purposes, and avoid charging any overly broad and ill-defined fees, such as but not limited to professional fees;
  - (h) Use their collective purchasing power to obtain discounts for their students on necessary medical equipment, textbooks, and other educational supplies;
  - (i) Work to ensure stable funding, to eliminate the need for increases in tuition and fees to compensate for unanticipated decreases in other sources of revenue; mid-year and retroactive tuition increases should be opposed.
13. Support and encourage state medical societies to support further expansion of state loan repayment programs, particularly those that encompass physicians in non-primary care specialties.
14. Take an active advocacy role during reauthorization of the Higher Education Act and similar legislation, to achieve the following goals:
  - (a) Eliminating the single holder rule;

- (b) Making the availability of loan deferment more flexible, including broadening the definition of economic hardship and expanding the period for loan deferment to include the entire length of residency and fellowship training;
  - (c) Retaining the option of loan forbearance for residents ineligible for loan deferment;
  - (d) Including, explicitly, dependent care expenses in the definition of the “cost of attendance”;
  - (e) Including room and board expenses in the definition of tax-exempt scholarship income;
  - (f) Continuing the federal Direct Loan Consolidation program, including the ability to “lock in” a fixed interest rate, and giving consideration to grace periods in renewals of federal loan programs;
  - (g) Adding the ability to refinance Federal Consolidation Loans;
  - (h) Eliminating the cap on the student loan interest deduction;
  - (i) Increasing the income limits for taking the interest deduction;
  - (j) Making permanent the education tax incentives that our AMA successfully lobbied for as part of Economic Growth and Tax Relief Reconciliation Act of 2001;
  - (k) Ensuring that loan repayment programs do not place greater burdens upon married couples than for similarly situated couples who are cohabitating;
  - (l) Increasing efforts to collect overdue debts from the present medical student loan programs in a manner that would not interfere with the provision of future loan funds to medical students.
15. Continue to work with state and county medical societies to advocate for adequate levels of medical school funding and to oppose legislative or regulatory provisions that would result in significant or unplanned tuition increases.
16. Continue to study medical education financing, so as to identify long-term strategies to mitigate the debt burden of medical students, and monitor the short-and long-term impact of the economic environment on the availability of institutional and external sources of financial aid for medical students, as well as on choice of specialty and practice location.
17. Collect and disseminate information on successful strategies used by medical schools to cap or reduce tuition.
18. Continue to monitor the availability of and encourage medical schools and residency/fellowship programs to (a) provide financial aid opportunities and financial planning/debt management counseling to medical students and resident/fellow physicians; (b) work with key stakeholders to develop and disseminate standardized information on these topics for use by medical students, resident/fellow physicians, and young physicians; and (c) share innovative approaches with the medical education community.

19. Seek federal legislation or rule changes that would stop Medicare and Medicaid decertification of physicians due to unpaid student loan debt. The AMA believes that it is improper for physicians not to repay their educational loans, but assistance should be available to those physicians who are experiencing hardship in meeting their obligations.
20. Related to the Public Service Loan Forgiveness (PSLF) Program, our AMA supports increased medical student and physician benefits the program, and will:
  - (a) Advocate that all resident/fellow physicians have access to PSLF during their training years;
  - (b) Advocate against a monetary cap on PSLF and other federal loan forgiveness programs;
  - (c) Work with the United States Department of Education to ensure that any cap on loan forgiveness under PSLF be at least equal to the principal amount borrowed;
  - (d) Ask the United States Department of Education to include all terms of PSLF in the contractual obligations of the Master Promissory Note;
  - (e) Encourage the Accreditation Council for Graduate Medical Education (ACGME) to require residency/fellowship programs to include within the terms, conditions, and benefits of program appointment information on the PSLF program qualifying status of the employer;
  - (f) Advocate that the profit status of a physician's training institution not be a factor for PSLF eligibility;
  - (g) Encourage medical school financial advisors to counsel wise borrowing by medical students, in the event that the PSLF program is eliminated or severely curtailed;
  - (h) Encourage medical school financial advisors to increase medical student engagement in service-based loan repayment options, and other federal and military programs, as an attractive alternative to the PSLF in terms of financial prospects as well as providing the opportunity to provide care in medically underserved areas;
  - (i) Strongly advocate that the terms of the PSLF that existed at the time of the agreement remain unchanged for any program participant in the event of any future restrictive changes.



## APPENDIX C: AMA POLICIES AND DIRECTIVES PROPOSED FOR RESCISSION

### 1. *D-305.956, "AMA Participation in Reducing Medical Student Debt"*

Our AMA will explore the feasibility of the development of an affinity program in which student, resident and fellow members of our AMA could obtain new educational loans and consolidate existing loans from one or more national banks or other financial intermediaries. Membership in our AMA would be required during the life of the loan (typically 10 years or more following medical school). Such activities or program would neither result in our AMA becoming subject to regulation as a financial institution nor impair our AMA's ability to continue to be treated as a not-for-profit entity.

Res. 609, A-14; Modified: Speakers Rep., I-15

### 2. *D-305.957, "Update on Financial Aid Programs"*

Our AMA will: (a) through the advocacy process, explore the possibility of assuring that all resident physicians and fellows have access to the Public Service Loan Forgiveness Program for the time they are in residency and fellowship training; and (b) continue to monitor the short-and long-term impact of the economic environment on the availability of institutional and external sources of financial aid for medical students, as well as on choice of specialty and practice location. CME Rep. 1, I-10

### 3. *D-305.962, "Tax Deductibility of Student Loan Payments"*

Our AMA will draft legislation allowing 100% tax deductibility of student loan interest.

Res. 232, A-09; Reaffirmed in lieu of Res. 225, I-12

### 4. *D-305.966, "Reinstatement of Economic Hardship Loan Deferment"*

Our AMA will actively work to reinstate the economic hardship deferment qualification criterion known as the "20/220 pathway," and support alternate mechanisms that better address the financial needs of post-graduate trainees with educational debt.

Res. 930, I-07; Reaffirmed: BOT Rep. 22, A-17

### 5. *D-305.970, "Proposed Revisions to AMA Policy on Medical Student Debt"*

Our AMA will:

1. Collaborate, based on AMA policy, with members of the Federation and the medical education community, and with other interested organizations, to achieve the following immediate public- and private-sector advocacy goals:

- (a) Support expansion of and adequate funding for federal scholarship and loan repayment programs, such as those from the National Health Service Corps, the Indian Health Service, the Armed Forces, and the Department of Veterans Affairs, and for comparable programs at the state level.
- (b) Encourage the expansion of National Institutes of Health programs that provide loan repayment in exchange for a commitment to conduct targeted research.
- (c) With each reauthorization of the Higher Education Act and at every other legislative opportunity, proactively pursue loan consolidation terms that favor students and ensure that loan deferment is available for the entire duration of residency and fellowship training.

- (d) Ensure that the Higher Education Act and other legislation allow interest from medical student loans to be fully tax deductible.
- (e) Encourage medical schools, with the support of the Federation, to engage in fundraising activities devoted to increasing the availability of scholarship support.
- (f) Encourage the creation of private-sector financial aid programs with favorable interest rates or service obligations (such as community- or institution-based loan repayment programs or state medical society loan programs).
- (g) Support stable funding for medical education programs to limit excessive tuition increases.

2. Encourage medical schools to study the costs and benefits associated with non-traditional instructional formats (such as online and distance learning, combined baccalaureate/MD programs) to determine if cost savings to medical schools and to medical students could be realized without jeopardizing the quality of medical education.

CME Rep. 13, A-06; Reaffirmation I-08

6. *D-305.975, "Long-Term Solutions to Medical Student Debt"*

Our AMA will:

- (1) encourage medical schools and state medical societies to consider the creation of self-managed, low-interest loan programs for medical students, and collect and disseminate information on such programs;
- (2) advocate for increased funding for the National Health Service Corps Loan Repayment Program to assure adequate funding of primary care within the National Health Service Corps, as well as to permit: (a) inclusion of all medical specialties in need, and (b) service in clinical settings that care for the underserved but are not necessarily located in health professions shortage areas;
- (3) work with state medical societies to advocate for the creation of either tuition caps or, if caps are not feasible, pre-defined tuition increases, so that medical students will be aware of their tuition and fee costs for the total period of their enrollment;
- (4) collect and disseminate information on medical school programs that cap medical education debt, including the types of debt management education that are provided; and
- (5) encourage the National Health Services Corps to have repayment policies that are consistent with other federal loan forgiveness programs, thereby decreasing the amount of loans in default and increasing the number of physicians practicing in underserved areas.

CME Rep. 3, I-04; Reaffirmation I-06; Appended: Res. 321, A-12; Reaffirmation A-13; Modified: CCB/CLRPD Rep. 2, A-14; Reaffirmation I-14

7. *D-305.977, "Deductibility of Medical Student Loan Interest"*

Our AMA will work toward 100% tax deductibility of medical student loan interest on federal and state income tax returns.

Res. 705, I-04; Reaffirmed: CME Rep. 2, A-14

8. *D-305.978, "Mechanisms to Reduce Medical Student Debt"*

Our AMA will:

- (1) take an active advocacy role during the upcoming reauthorization of the Higher Education Act and other pending legislation, to achieve the following goals:
  - (a) eliminating the single holder rule,
  - (b) making the availability of loan deferment more flexible, including broadening the definition of economic hardship and expanding the period for loan deferment to include the entire length of residency and fellowship training,

- (c) retaining the option of loan forbearance for residents ineligible for loan deferment,
  - (d) including, explicitly, dependent care expenses in the definition of the “cost of attendance,”
  - (e) including room and board expenses in the definition of tax-exempt scholarship income,
  - (f) continuing the loan consolidation program, including the ability to “lock in” a fixed interest rate, and
  - (g) adding the ability to refinance Federal Consolidation Loans;
- (2) continue to work with state and county medical societies to advocate for adequate levels of medical school funding and to oppose legislative or regulatory provisions that would result in significant or unplanned tuition increases;
  - (3) encourage members of the Federation to develop or enhance financial aid opportunities for medical students;
  - (4) continue to monitor the availability of financial aid opportunities and financial planning/debt management counseling at medical schools, and share innovative approaches with the medical education community;
  - (5) continue to collect and disseminate information to assist members of the Federation (state medical societies and specialty societies) and medical schools to establish or expand financial aid programs; and
  - (6) continue to study medical education financing, so as to identify long-term strategies to mitigate the debt burden of medical students.
- CME Rep. 10, A-04; Reaffirmation I-08

9. *D-305.979, “State and Local Advocacy on Medical Student Debt”*

Our AMA will: (1) support and encourage our state medical societies to support further expansion of state loan repayment programs, and in particular expansion of those programs to cover physicians in non-primary care specialties; and

(2) urge state medical societies to actively solicit funds (either directly or through their Foundations) for the establishment and expansion of medical student scholarships, and that our AMA develop a set of guidelines and suggestions to assist states in carrying out such initiatives.

Res. 847, I-03; Reaffirmation A-13; Modified: CME Rep. 2, A-13

10. *D-305.980, “Immediate Legislative Solutions to Medical Student Debt”*

Our AMA will:

- (1) endorse and actively lobby for the Reauthorization of the Higher Education Act, including:
  - (a) Elimination of the “single-holder” rule;
  - (b) Continuation of the consolidation loan program and a consolidator’s ability to lock in a fixed interest rate;
  - (c) Expansion of the deferment period for loan repayment to cover the entire duration of residency and fellowship;
  - (d) Broadening of the definition of economic hardship as used to determine eligibility for student loan deferment;
  - (e) Retention of the option of loan forbearance for residents who are ineligible for student loan deferment; and
  - (f) Inclusion of dependent care expenses in the definition of “cost of attendance”; and
- (2) lobby for passage of legislation that would:
  - (a) Eliminate the cap on the student loan interest deduction;
  - (b) Increase the income limits for taking the interest deduction;
  - (c) Include room and board expenses in the definition of tax-exempt scholarship income; and

(d) Make permanent the education tax incentives that our AMA successfully lobbied for as part of Economic Growth and Tax Relief Reconciliation Act of 2001.

Res. 850, I-03; Reaffirmation I-08

*11. D-305.981, "Financing Federal Consolidation Loans"*

Our AMA will: (1) support the refinancing of Federal Consolidation Loans; and (2) actively advocate for modification of pending and future legislation which that provides the opportunity to refinance Federal Consolidation Loans.

Res. 849, I-03; Reaffirmed: BOT Rep. 28, A-13

*12. D-305.993, "Medical School Financing, Tuition, and Student Debt"*

1. The Board of Trustees of our AMA will pursue the introduction of member benefits to help medical students, resident physicians, and young physicians manage and reduce their debt burden. This should include consideration of the feasibility of developing web-based information on financial planning/debt management; introducing a loan consolidation program, automatic bill collection, loan repayment programs, and a rotating loan program; and creating an AMA scholarship program funded through philanthropy. The AMA also should collect and disseminate information on available opportunities for medical students and resident physicians to obtain financial aid for emergency and other purposes.

2. Our AMA will vigorously advocate for ongoing, adequate funding for federal and state programs that provide scholarship or loan repayment funds in return for service, including funding in return for practice in underserved areas, participation in the military, and participation in academic medicine or clinical research. Obtaining adequate support for the National Health Service Corps and similar programs, tied to the demand for participation in the programs, should be a focus for AMA advocacy efforts.

3. Our AMA will collect and disseminate information on successful strategies used by medical schools to cap or reduce tuition.

4. Our AMA will encourage medical schools to provide yearly financial planning/debt management counseling to medical students.

5. Our AMA supports a requirement that medical schools inform students of all government loan opportunities and requires disclosure of reasons that preferred lenders were chosen.

6. Our AMA will urge the Accreditation Council for Graduate Medical Education (ACGME) to revise its Institutional Requirements to include a requirement that financial planning/debt management counseling be provided for resident physicians.

7. Our AMA will work with other organizations, including the Association of American Medical Colleges, residency program directors groups, and members of the Federation, to develop and disseminate standardized information, for example, computer-based modules, on financial planning/debt management for use by medical students, resident physicians, and young physicians.

8. Our AMA will work with other concerned organizations to promote legislation and regulations with the aims of increasing loan deferment through the period of residency, promoting the expansion of subsidized loan programs, eliminating taxes on aid from service-based programs, and restoring tax deductibility of interest on educational loans.

9. Our AMA will advocate against putting a monetary cap on federal loan forgiveness programs.

10. Our AMA will: (a) advocate for maintaining a variety of student loan repayment options to fit the diverse needs of graduates; (b) work with the United States Department of Education to ensure that any cap on loan forgiveness under the Public Service Loan Forgiveness program be at least equal to the principal amount borrowed; and (c) ask the United States Department of Education to include all terms of Public Service Loan Forgiveness in the contractual obligations of the Master Promissory Note.

11. Our AMA encourages the Accreditation Council for Graduate Medical Education (ACGME) to require programs to include within the terms, conditions, and benefits of appointment to the program (which must be provided to applicants invited to interview, as per ACGME Institutional Requirements) information regarding the Public Service Loan Forgiveness (PSLF) program qualifying status of the employer.

12. Our AMA will advocate that the profit status of a physician's training institution not be a factor for PSLF eligibility.

13. Our AMA encourages medical school financial advisors to counsel wise borrowing by medical students, in the event that the PSLF program is eliminated or severely curtailed.

14. Our AMA encourages medical school financial advisors to promote to medical students service-based loan repayment options, and other federal and military programs, as an attractive alternative to the PSLF in terms of financial prospects as well as providing the opportunity to provide care in medically underserved areas.

15. Our AMA will strongly advocate that the terms of the PSLF that existed at the time of the agreement remain unchanged for any program participant in the event of any future restrictive changes.

CME Rep. 2, I-00; Reaffirmation I-03; Reaffirmation I-06; Reaffirmation A-13; Appended: Res. 323, A-14; Appended: Res. 324, A-15; Appended: Res. 318, A-16; Appended: CME Rep. 07, A-17; Modified: CME Rep. 01, A-18.

*13. D-405.986, "Student Loans and Medicare / Medicaid Participation"*

Our AMA will seek federal legislation or rule changes that would stop Medicare and Medicaid decertification of physicians due to unpaid student loan debt.

Res. 203, I-12

*14. H-305.926, "Supporting Legislation to Create Student Loan Savings Accounts"*

Our AMA will advocate for federal legislation to support the creation of student loan savings accounts that allow for pre-tax dollars to be used to pay for student loans.

Res. 202, A-16

*15. H-305.928, "Proposed Revisions to AMA Policy on Medical Student Debt"*

1. Our AMA will make reducing medical student debt a high priority for legislative and other action and will collaborate with other organizations to study how costs to students of medical education can be reduced.

2. Our AMA supports stable funding for medical schools to eliminate the need for increases in tuition and fees to compensate for unanticipated decreases in other sources of revenue and should oppose mid-year and retroactive tuition increases.

3. Financial aid opportunities, including scholarship and loan repayment programs, should be available so that individuals are not denied an opportunity to pursue medical education because of financial constraints.

4. A sufficient breadth of financial aid opportunities should be available so that student specialty choice is not constrained based on the need for financial assistance.

5. Our AMA supports the creation of new and the expansion of existing medical education financial assistance programs from the federal government, the states, and the private sector.

6. Medical schools should have programs in place to assist students to limit their debt. This includes making scholarship support available, counseling students about financial aid availability, and providing comprehensive debt management/financial planning counseling.

7. Our AMA supports legislation and regulation that would result in favorable terms and conditions for borrowing and for loan repayment, and would permit the full deductibility of interest on student loans.

8. Medical students should not be forced to jeopardize their education by the need to seek employment. Any decision on the part of the medical student to seek employment should take into account his/her academic situation. Medical schools should have policies and procedures in place that allow for flexible scheduling in the case that medical students encounter financial difficulties that can be remedied only by employment. Medical schools should consider creating opportunities for paid employment for medical students.

9. Financial obligations, such as repayment of loans, and service obligations made in exchange for financial assistance, should be fulfilled. There should be mechanisms to assist physicians who are experiencing hardship in meeting these obligations.

10. Our AMA supports the expansion and increase of medical student and physician benefits under Public Service Loan Forgiveness.

11. Our AMA opposes any stipulations in loan repayment programs that place greater burdens upon married couples than for similarly-situated couples who are cohabitating.

CME Rep. 13, A-06; Reaffirmation I-06; Reaffirmation I-07; Reaffirmation I-08; Reaffirmed: CME Rep. 8, A-12; Reaffirmation A-13; Appended: Res. 304, A-13; Appended: Res. 323, A-15; Reaffirmation I-15

*16. H-305.932, "State and Local Advocacy on Medical Student Debt"*

Our AMA:

(1) opposes the charging of broad and ill-defined student fees by medical schools, such as but not limited to professional fees, encouraging in their place fees that are earmarked for specific and well-defined purposes;

(2) encourages medical schools to use their collective purchasing power to obtain discounts for their students on necessary medical equipment, textbooks, and other educational supplies; and

(3) encourages medical schools to cooperate with undergraduate institutions to establish collaborative debt counseling for entering first-year medical students.

Res. 847, I-03; Reaffirmed: CME Rep. 2, A-13

*17. H-305.948, "Direct Loan Consolidation Program"*

The AMA supports the Individual Education Account/Direct Loan Consolidation Program.

Res. 312, I-95; Reaffirmed: CME Rep. 2, A-05; Reaffirmed: CME Rep. 1, A-15

*18. H-305.954, "Repayment of Medical School Loans"*

Our AMA will further develop and more aggressively publicize a low interest rate and extended payment loan program for young physician members of the AMA to assist them in retiring their educational debts.

CME Rep. O, A-93; Appended: Res. 610, I-98; Modified: CME Rep. 13, A-06; Modified: CME Rep. 01, A-16

*19. H-305.965, "Student Loans"*

Our AMA: (1) reaffirms its support of legislation that would defer the repayment of loans for education until the completion of residency training; and  
(2) will lobby for deferment of medical student loans for the full initial residency period.  
Sub. Res. 203, A-90; Appended Res. 306, I-99; Reaffirmation A-01; Reaffirmation I-06; Modified:  
CME Rep 01, A-16

*20. H-305.980, "Student Loan Repayment Grace Period"*

The AMA supports giving consideration to grace periods in renewals of federal loan programs and attempting to secure the most favorable repayment terms.  
CME Rep. I, A-86; Reaffirmed: Sunset Report, I-96; Reaffirmed: CME Rep. 2, I-00; Reaffirmed:  
CME Rep. 2, A-10

*21. H-305.991, "Repayment of Educational Loans"*

The AMA (1) believes that it is improper for any physician not to repay his or her educational loans;  
(2) urges increased efforts to collect overdue debts from the present medical student loan programs in a manner that would not interfere with the provision of future loan funds to medical students;  
and  
(3) encourages medical school financial aid officers to counsel individual medical student borrowers on the status of their indebtedness and payment schedules prior to their graduation.  
Sub. Res. 47, A-83; Reaffirmed: CLRPD Rep. 1, I-93; Reaffirmed: CME Rep. 2, A-05;  
Reaffirmed: CME Rep. 1, A-15

APPENDIX D: PORTIONS OF AMA POLICIES AND DIRECTIVES THAT ARE NOT BEING RETAINED THROUGH THIS REPORT

<b>Language</b>	<b>Rationale for removal</b>
<p>H-305.954: Our AMA will further develop and more aggressively publicize a low interest rate and extended payment loan program for young physician members of the AMA to assist them in retiring their educational debts.</p>	<p>Accomplished through AMA affinity partnership programs (Credible and Laurel Roads).</p>
<p>H-305.980: The AMA supports giving consideration to grace periods in renewals of federal loan programs and attempting to secure the most favorable repayment terms.</p>	<p>The first phrase, “giving consideration to grace periods in renewals of federal loan programs,” has been integrated into the new policy. The second phrase, “attempting to secure the most favorable repayment terms,” has been accomplished through the AMA affinity partnership programs (Credible and Laurel Roads).</p>
<p>D-305.993: 1. The Board of Trustees of our AMA will pursue the introduction of member benefits to help medical students, resident physicians, and young physicians manage and reduce their debt burden. This should include consideration of the feasibility of developing web-based information on financial planning/debt management; introducing a loan consolidation program, automatic bill collection, loan repayment programs, and a rotating loan program; and creating an AMA scholarship program funded through philanthropy. The AMA also should collect and disseminate information on available opportunities for medical students and resident physicians to obtain financial aid for emergency and other purposes.</p>	<ul style="list-style-type: none"> <li>• Through an AMA affinity program, AMA members can obtain discounts on refinancing student loans. <a href="https://www.ama-assn.org/content/ama-preferred-provider-offers-and-services-loans-and-financial-services">https://www.ama-assn.org/content/ama-preferred-provider-offers-and-services-loans-and-financial-services</a></li> <li>• The AMA Career Planning Resource offers budget planning tools: <a href="https://www.ama-assn.org/life-career/career-planning-resource">https://www.ama-assn.org/life-career/career-planning-resource</a>. Evaluation of the feasibility of further tools has been accomplished.</li> <li>• The AMA Foundation provides student scholarships, as well as the AMA Employee-funded scholarship</li> </ul>
<p>D-305.956: Our AMA will explore the feasibility of the development of an affinity program in which student, resident and fellow members of our AMA could obtain new educational loans and consolidate existing loans from one or more national banks or other financial intermediaries. Membership in our AMA would be required during the life of the loan (typically 10 years or more following medical school). Such activities or program would neither result in our AMA becoming subject to regulation as a financial institution nor impair our AMA's ability to continue to be treated as a not-for-profit entity.</p>	<p>Accomplished through AMA affinity partnership programs (Credible and Laurel Roads).</p>