



The American Medical Student Association (AMSA) believes that all students who work hard and are qualified should have a fair chance of becoming a health care provider. Students who are academically qualified and come from families that are relatively impoverished are more likely to work as physicians in medically underserved areas. Yet they state that their primary deterrent to entering the medical profession is the exorbitant cost of attending medical school. To ensure that more Americans have the opportunity to provide the healthcare in areas of this country that desperately need it, Congress must act rapidly to decrease and manage medical student indebtedness.

Proposed solutions:

Expand fair, low interest rates for new student loans to medical students. Steps must be taken to extend the benefits of The College Cost Reduction and Access Act (CCRAA) of 2007 to medical professional students. The CCRAA language cut the fixed interest rates on newly originated subsidized Stafford loans for undergraduate students to 6.0% (2008-09), 5.6% (2009-10), 4.5% (2010-11) and 3.4% (2011-12), with a return to 6.8% in 2012-13. These cuts are available only to undergraduate students, not graduate students, and only for subsidized Stafford loans, not unsubsidized Stafford loans. Those loans remain at a fixed rate of 6.8%.

Strengthen existing, create new, and fund public programs to increase financial literacy of medical students.

Increase the number of federally subsidized loans to medical students so that they have more options to finance their education to become medical health caretakers and service providers than resorting to the more expensive private loan industry.

Provide grant programs to students from racial and ethnic minority backgrounds, to decrease health care and workforce disparities by increasing the number of physicians of color. Focus grants as well on programs to encourage low-income students to enter the field of medicine, especially in primary care fields.

Place and enforce a cap on the rising state medical school tuition. Tuition and fees have been rising at an alarming rate of 11.1% (AAMC, in the years between 2001 and 2006). This is especially prevalent in public medical schools. In fact, indebtedness for public medical schools is increasing faster than it is for private medical school graduates.

Increase grant-funded medical education to a level above loan-funded medical education to make physician training in medical school more affordable.

Create a comprehensive service-based health corps to repay loans and increase grant monies for medical students. Focus this program on incentivizing primary care. Enhance health corps appeal for medical students by allowing students the flexibility to choose this program as a career and as an educational financing option at any point in their student and resident medical career.

Implement robust programs of loan deferment that are available to residents for the entire length of residency. Focus these programs on primary care fields.

Give income tax breaks to residents and new physicians during loan repayment.