

August 12, 2022

The Honorable Miguel A. Cardona, EdD  
Secretary of Education  
U.S. Department of Education  
400 Maryland Ave, SW  
Washington, DC 20202

*Re: Student Assistance General Provisions, Federal Perkins Loan Program, Federal Family Education Loan Program, and William D. Ford Federal Direct Loan Program, Docket ID ED-2021-OPE-0077*

Dear Secretary Cardona:

On behalf of the American Association of Colleges of Osteopathic Medicine (AACOM), thank you for the opportunity to provide comments on the Notice of Proposed Rulemaking (NPRM) to amend certain regulations governing student loans administered by the U.S. Department of Education (Department). AACOM appreciates your consideration of input from the osteopathic medical education community as you develop graduate student assistance policy.

Osteopathic medicine represents a whole-person, patient-centered approach to the practice of medicine and plays a critical role in our nation's healthcare delivery system. It is the fastest growing medical field in the country according to the U.S. Bureau of Health Professions. Founded in 1898 to support and assist the nation's osteopathic medical schools, AACOM represents all 38 accredited colleges of osteopathic medicine (COMs)—**educating nearly 34,000 future physicians, 25 percent of all U.S. medical students**—at 61 teaching locations in 35 U.S. states, as well as osteopathic GME professionals and trainees at U.S. medical centers, hospitals, clinics and health systems.

The nation faces a physician workforce shortage, and federal policies must support the osteopathic educational pathway of the future healthcare workforce. AACOM asks the Department to consider factors unique to medical education and the training of future physicians as it evaluates existing regulations and devises the final regulations.

### **Proposed Changes to the Public Service Loan Forgiveness (PSLF) Program**

The PSLF Program has been vital in recruiting physicians and other healthcare professionals to work in full-time public service positions, especially in medically underserved areas. Non-profit hospitals and underserved areas have been employing the PSLF program as a competitive recruiting and retention tool to encourage physicians to practice in these communities. As such, the PSLF program is a particularly critical policy that improves access to healthcare in rural and medically underserved areas where shortages are dire and expected to worsen without effective

solutions. Though 18 percent of the U.S. population live in rural areas, only 11 percent of physicians practice in rural areas. DOs are more likely to practice in rural communities and the PSLF program can help support them in making that choice.

**As the Department develops the PSLF final rule, AACOM encourages the Department to improve the integrity of PSLF and the program's operational implementation to be consistent with Congress' intent to establish PSLF as a broad-based program to encourage public service through loan forgiveness. It is critical to preserve this program for future osteopathic physicians (DOs). Consider the following statistics, which illustrate the value of osteopathic medicine for our nation's most underserved communities:**

- In the 2020-2021 academic year, 75 percent of graduating osteopathic medical students who reported an intention to use a loan forgiveness program planned to enter the PSLF Program.
- The osteopathic community has a proven history of serving rural and underserved communities. Recent AACOM data showed that 41 percent of graduating 2020-2021 osteopathic medical students planned to practice in a medically underserved or health shortage area; of those, 49 percent planned to practice in a rural community.
- Fifty-eight percent of COMs are located in Health Professional Shortage Areas (HPSAs), and nearly 40 percent of physicians who practice in medically underserved areas are DOs.
- More than 86 percent of osteopathic medical students who attend medical school and do residency training in a state will practice in that state.
- Moreover, many osteopathic medical students actively pursue careers in primary care, strengthening the backbone of our nation's healthcare system. In 2022, 55.1 percent of matched osteopathic seniors entered primary care specialties.
- Osteopathic medical school graduates with high debt are more likely to choose primary care over other specialties while using loan forgiveness programs such as PSLF.

**AACOM urges the Department to extend the deadline for the PSLF Temporary Waiver (Waiver) through at least 2023 to ensure maximum benefit for borrowers. We recommend the Department set the income driven repayment (IDR) in lockstep with the Waiver and calibrate the IDR adjustment timeline. The Department should ensure a seamless transition and prevent any lapse in policy.**

- With the Waiver set to expire in October 2022 and the IDR not taking effect until early 2023, borrowers relying on the Waiver to access PSLF will be unable to benefit from IDR adjustment benefits later. Coordinating the Waiver and IDR timelines will help more borrowers.

**AACOM applauds the Department for collecting feedback on PSLF eligibility criteria for physicians practicing in states that prohibit some non-profit hospitals from directly employing physicians, such as California and Texas.**

While state laws in California and Texas allow public non-profit hospitals and clinics to directly employ physicians, private non-profit institutions – including community hospitals, children's hospitals, rural hospitals and district hospitals – are prohibited from doing so. Therefore, since the inception of the PSLF program, California and Texas physicians who are otherwise qualified to receive loan forgiveness have been inadvertently excluded from the program. This technicality

discourages DOs from serving at private, nonprofit hospitals in underserved areas in California and Texas, counter to the PSLF program's intent. As such, AACOM urges the Department to adopt a solution that grants eligibility to these borrowers.

- More than 19,000 DOs [practice](#) in California and Texas and all qualified physicians in these states should have access to PSLF like their colleagues in the other 48 states.
- PSLF loan forgiveness is a vital recruitment and retention tool and would help many DOs who train in California and Texas serve rural and underserved populations in the two states.

**AACOM thanks the Department for incorporating several provisions of the current Waiver, as well as several other provisions, to help remove barriers that prevent DOs and many other public servants from obtaining student loan forgiveness under the PSLF Program. Specifically, AACOM encourages the Department to maintain the following provisions in the final rule:**

- The Waiver provisions in § 685.219(c)(1)(iii) and § 685.219(c)(2) count more payments toward the required 120 payments for PSLF even if payment is received outside of the currently permitted 15-day window or was made in multiple installments.
- The direct consolidation language in § 685.219(c)(3) allows borrowers to consolidate their loans without losing credit for payments made prior to consolidation while they were working in public service jobs.
- The deferment or forbearance allowances in § 685.219(c)(2)(v) counts months in which a borrower is in an identified deferment or forbearance period toward the 120 payments requirement if the borrower certifies qualifying employment for the period of time covered by the deferment or forbearance.
- The automation procedures in § 685.219(f) streamline the application process for borrowers for whom the Department has sufficient information to determine eligibility.
- The revisions to § 685.219(c) eliminate the requirement that an eligible borrower be employed in public service at the time of forgiveness.

**In addition, AACOM urges the Department to adopt the following additional proposals to increase eligibility and transparency and allow the PSLF Program to serve as a more effective health care workforce recruitment tool:**

- Publish a registry of “qualifying employers” and continually update it once the Department determines a public service organization satisfies the PSLF requirements.
- Provide greater transparency to borrowers whose applications are denied, including the requirement to provide specific reasons why employment certifications were denied.
- Ensure that student loan payments for individuals employed full time in public service before the coronavirus emergency, that are deferred as a result of the public health emergency, still count towards PSLF, even if the employees lose their job during the public health emergency.

### **Proposed Changes to the Borrower Defense to Repayment**

**AACOM supports the intent of the NPRM to establish a single, federal standard and process for borrower defense claims to protect students from fraudulent institutional**

**practices or misrepresentation. We believe accountability standards are essential across the education continuum.**

**As borrower defense regulations are finalized, it is critical that the Department implement proper protections and procedures for all parties involved – institutions, borrowers and taxpayers. AACOM encourages the Department to consider the following:**

- Single Federal Standard § 685.401(b) - AACOM supports the creation of a single federal standard and process for relief that would apply to all future claims and claims pending as of July 1, 2023, in contrast to prior regulations, which varied based upon the disbursement date of the borrower’s loan. AACOM had previously supported “affirmative” and “defensive” claims but recognizes that they are not addressed separately in the NPRM.
- Substantial Misrepresentation Standard §§ 668.72, .74 - AACOM opposes the proposal to modify the 2019 rule that required a borrower to show that an institution's misrepresentation was made with knowledge that it was false, misleading or deceptive or with reckless disregard for the truth. Relaxing this requirement may lead to an increase in frivolous borrower defense claims.
- Preponderance of the Evidence § 685.401(b) - AACOM supports continuing the practice of using a preponderance of the evidence standard in resolving individual and group borrower defense claims.
- Right to Review and Submit Documentation § 685.405 - AACOM is concerned that an institution is given only 90 days to respond to a request for information and urges the Department to extend the response period, particularly for highly detailed and fact-intensive inquiries.
- Misrepresentation § 668.73(d) and §§ 668.72, .74 - AACOM urges the Department to adopt strong regulatory language to help prevent frivolous claims in response to changes to award letters and marketing materials.
- Statute of Limitations §§ 685.206, .222 and Part 688, § 685.409 and Post-Adjudication Reconsideration Process and Amounts to be Discharged § 685.407 - AACOM urges the Department to be mindful of provisions that increase unnecessary administrative and financial burdens and interfere with the educational missions of postsecondary institutions that train the nation’s future physician workforce.

AACOM appreciates your consideration of our recommendations. We look forward to working closely with the Department to ensure that medical schools and students are well-served by these regulations. If you have any questions or require further information, please contact David Bergman, JD at (301) 968-4174 or [dbergman@aacom.org](mailto:dbergman@aacom.org).

Respectfully,

A handwritten signature in black ink that reads "Robert A. Cain, DO". The signature is written in a cursive, slightly slanted style.

Robert A. Cain, DO, FACOI, FAODME  
President and CEO