



Support the Resident Education Deferred Interest (REDI) Act

BACKGROUND

The financial burden of educational debt that medical students face upon graduation can pose a barrier to pursuing a career in medicine, discourage practice in high-need specialties, or disincentivize graduates from practicing in high-need settings. The median debt for U.S. medical school graduates is more than \$200,000.¹ When graduates begin residency, their debt begins accruing interest, even though their income may prevent them from starting to repay their loans. A resident's income over the course of residency - 3 to 8 years, depending on specialty - is limited as they are still "in training."² During this time, the debt medical students must repay increases due to accrual of interest.

PROBLEM

Medical residents should not be penalized with interest rates, on their medical school loans, when they are still in medical training, also known as residency. The accrual of interest on debt, in addition to the need to pay off the principal, may influence decisions about where to practice following the completion of residency. Osteopathic physicians, in particular, have historically filled a critical need in our healthcare system, often practicing in rural and underserved communities. DOs represent 11% of all physicians in the United States but comprise nearly 40% of physicians practicing medicine in rural and underserved communities. As access to care issues affects more and more patients, policy should support physicians in continuing to fill these needs and practice in settings where patients lack access to timely care.

SOLUTION

The Resident Education Deferred Interest (REDI) Act (H.R.1202/ S.704) would allow medical residents to defer their student loan payments until after the completion of their residency programs, without having to worry about accruing interest on those loans while they are completing their medical training.

Please cosponsor and support H.R. 1202/ S.704, which would address medical student debt and strengthen our physician workforce in communities where they are needed most.

¹"Physician Education Debt and the Cost to Attend Medical School." AAMC. 2020

²"AAMC Survey of Resident/Fellow Stipends and Benefits." AAMC. 2022.