March 9, 2023

The Honorable Jacky Rosen  
U.S. Senate  
713 Hart Senate Office Building  
Washington, D.C. 20510

The Honorable John Boozman  
U.S. Senate  
555 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Senators Rosen and Boozman:

On behalf of our organizations, we thank you for reintroducing the “Resident Education Deferred Interest (REDI) Act” (S 704) that, if passed, will allow borrowers to qualify for interest-free deferment on their student loans while serving in a medical or dental internship or residency program.

As you are aware, the cost of graduate-level medical and dental education is substantial for the vast majority of students. Further, those who must undertake several years of residency with very low pay are often unable to begin repaying student debt immediately. As a result, they qualify to have their payments halted during residency through deferment or forbearance processes, but they continue to accrue interest that is added to their balance.

The REDI Act prevents physicians and dentists from being penalized during residency by precluding the government from charging them interest on their loans during a time when they are unable to afford payments on the principal. The REDI Act does not provide any loan forgiveness or reduce a borrower’s original loan balance.

Providing student loan relief also is a workforce issue. According to HRSA’s latest report from 2022 nationally, across all physician specialties in the United States, there is a projected shortage of 81,180 full-time equivalent (FTE) physicians in 2035. In fact, 26 out of the 36 physician specialties reported in this brief are projected to have shortages in 2035.¹ HRSA has also projected that the demand for general dentists is predicted to exceed supply by 2030.² In the case of the REDI Act, the ability for medical and dental residents to save thousands of dollars in interest on their loans makes the concepts of opening practices in underserved areas or entering faculty or research more attractive and affordable to residents.

Passage of the “REDI Act” is an important part of student loan repayment reform. Thank you again for your support on this important issue.

Sincerely,

Academy of General Dentistry  
American Academy of Dermatology Association  
American Academy of Family Physicians  
American Academy of Neurology

