

May 14, 2024

Office of Postsecondary Education  
U.S. Department of Education  
Lyndon Baines Johnson Building  
400 Maryland Avenue, SW  
Washington, DC 20202

Re: Docket No. ED-2023-OPE-0123—Student Debt Relief for the William D. Ford Federal Direct Loan Program (Direct Loans), the Federal Family Education Loan (FFEL) Program, the Federal Perkins Loan (Perkins) Program, and the Health Education Assistance Loan (HEAL) Program

To Whom It May Concern:

On behalf of our 159,000 members, the American Dental Association (ADA) appreciates the opportunity to comment on the Department of Education's proposal to amend regulations related to student loan debt relief under the Higher Education Act of 1965. We offer these comments in response to your Federal Register notice of April 17, 2024 (89 FR 27564).

In 2022, over two-thirds of new dentists (65 percent) began their careers owing \$293,900 in loans for their dental education.<sup>1</sup> Over 85 percent used federal Direct Unsubsidized Stafford Loans, and 76 percent used federal Grad PLUS Loans—either as a stand-alone financing mechanism or to supplement what the Direct Stafford Loan did not cover.<sup>2</sup> The interest on these loans can reach as high as 9.5 or 10.5 percent, depending on the type of loan and market conditions.<sup>3,4</sup>

Staying ahead of student loan interest can be a challenge for the 38 percent of new dentists pursuing—or who are required to complete—several years of a low- or non-paying dental or medical residency program.<sup>5</sup> Those who are unable to begin paying immediately *may* qualify to have their payments temporarily halted or reduced, but the deferment is not automatic. And the interest accrues regardless, adding tens of thousands of dollars to their debt.

**Proposed Changes:**

The Department of Education is proposing to exercise its discretionary authority to waive repayment of certain loans under the Higher Education Act. Among other things, the Department is proposing to:

- Provide automatic relief to borrowers who are otherwise eligible for certain relief programs—including SAVE, Public Service Loan Forgiveness program, Income-Driven Repayment (IDR) plans, and others—but have not successfully applied.
- Permit automatic relief of up to \$20,000 of the amount by which a borrower's loans currently exceed what they owed upon starting repayment. This relief could be provided

automatically to all types of student loans held by the Department, including parent loans, consolidation loans, and loans in default.

- Forgive the full amount by which a borrower saw their balance grow after entering repayment if the borrower is enrolled in any IDR plan and has annual income equal to or below \$120,000 if they are single or \$240,000 if they are a married couple that files taxes jointly.
- Provide one-time automatic student debt forgiveness of graduate school debt for those who entered repayment 25 or more years ago (on or before July 1, 2000).

#### **Specific Areas of ADA Support:**

1. **Debt Relief for Various Loan Types:** We endorse the tailored approach to providing relief across different loan types—Direct, FFEL, Perkins, and HEAL—as this inclusivity ensures that all dental professionals, regardless of the nature of their student loans, can potentially benefit from these adjustments.
2. **Inclusion of Long-term Borrowers:** The ADA supports the proposal to offer debt relief to borrowers who have been in repayment for extended periods. This measure is crucial for many in the dental profession who face prolonged financial strain due to the extended duration of their educational and residency periods.
3. **Income-Driven Repayment Adjustments:** We applaud the initiatives to waive additional debt accrued due to Income-Driven Repayment (IDR) plans for those whose incomes do not cover accumulating interest. This provision will significantly aid dental professionals whose early career earnings do not align with their debt levels.
4. **For Additional Consideration:** To the extent the Department’s discretionary authority permits, we urge you to also extend debt relief to the 76 percent of dental school borrowers with outstanding Grad PLUS loans.<sup>1</sup> These loans allow graduate and professional students to borrow money to pay any costs not already covered by other financial aid or grants, up to the full cost of attendance. The interest on Grad PLUS loans can reach as high as 10.5 percent, depending on market conditions.

Separately, we applaud the Department for creating the Saving on a Valuable Education (or SAVE) Plan. This new IDR plan uses a smaller portion of a borrower’s adjusted gross income to calculate their monthly student loan payment. Moreover, it prevents the borrower’s balance from growing due to unpaid interest—by eliminating any remaining monthly interest after the borrower makes each full scheduled payment.

The ADA is particularly supportive of the broadened debt relief options that aim to address the growing financial burdens on new dentists, many of whom begin their careers with significant debt. The proposed rule recognizes the unique circumstances under which student loans accrue excessive debt, especially for those enrolled in IDR plans and reflects a critical understanding of the economic realities facing our members.

We commend the Department of Education for its efforts to mitigate the student debt crisis, particularly through thoughtful consideration of the circumstances that disproportionately affect professionals with extended educational commitments, such as dentists. The ADA is pleased to offer our enthusiastic support in aforementioned areas and looks forward to continued collaboration to refine and implement these essential changes.

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Should you require further discussion or clarification, please do not hesitate to contact Mr. Robert J. Burns at 202-789-5176 or burns@ada.org.

Sincerely,

Linda J. Edgar, D.D.S., M.Ed.  
President

Raymond A. Cohlma, D.D.S.  
Executive Director

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<sup>1</sup> Istrate EC, Cooper BC, West KP. Dentists of Tomorrow 2022: An Analysis of the Results from the ADEA 2022 Survey of U.S. Dental School Seniors. American Dental Education Association (ADEA) Education Research Series. Issue 4, September 2022.

<sup>2</sup> Ibid.

<sup>3</sup> 20 U.S.C. § 1087e

<sup>4</sup> The interest rate on Direct Loans taken out between July 1, 2006 and June 30, 2013, is fixed by law at 6.8 percent.

<sup>5</sup> Istrate EC, Cooper BC, West KP. Dentists of Tomorrow 2022: An Analysis of the Results from the ADEA 2022 Survey of U.S. Dental School Seniors. American Dental Education Association (ADEA) Education Research Series. Issue 4, September 2022.