Support the Resident Education Deferred Interest (REDI) Act

AMERICAN OSTEOPATHIC ASSOCIATION

BACKGROUND

The level of student debt that medical school students face upon graduation can pose a barrier for 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 $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 that students must repay grows due to accrual of interest.

PROBLEM

Residents should not be penalized for their inability to make payments on their loans during residency. The accrual of interest on debt, in addition to the need to pay off principal, may influence decisions around where to practice following completion of residency. Osteopathic physicians in particular have historically filled a critical need in our healthcare system, often practicing in rural and underserved communities. Policy should support physicians in continuing to fill these needs and practice in settings where providers are most needed.

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 training.

Please cosponsor H.R.1202/ S.704 to address medical student debt and strengthen our physician workforce in communities that need it.

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1. “Physician Education Debt and the Cost to Attend Medical School.” AAMC. 2020.
2. “AAMC Survey of Resident/Fellow Stipends and Benefits.” AAMC. 2022.