

ILLINOIS STATE MEDICAL SOCIETY

**Resolution 02.2019-18
(A-19)**

Introduced by: Mr. Joshua Smith, ISMS Member

Subject: Interest Rates and Medical Education

Referred to: Council on Education & Health Workforce

1 Whereas, the average medical student will graduate two hundred to three hundred
2 thousand dollars in debt (“Medical Student Education,” 2017; Bavier, 2016); and

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4 Whereas, almost 90% of Illinois medical students pay for medical education
5 using federal grants (Smith, et al, 2018); and

6
7 Whereas, the current interest rates for professional student loans from the federal
8 government are 6.6 - 7.6% (“Interest Rates”, 2018); and

9
10 Whereas, the median and mean 10-year US Treasury Rates are 3.85% and 4.56%,
11 respectively (“10 Year Treasury Rate”, 2018); and

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13 Whereas, interest can result itself in a large financial burden and discourage the
14 entry of economically disadvantaged applicants (Fruen, 1983); and

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16 Whereas, the federal government should invest in the education and training of
17 healthcare providers, not profit from it; therefore, be it

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19 RESOLVED, that ISMS/AMA will research making federal loans for medical
20 education interest-free for the duration of enrollment in an accredited residency or
21 matching the federal loan interest rates to the borrowing rate of the US Federal
22 Government.

References:

“10 Year Treasury Rate.” *http://www.multpl.com*, 2018, www.multpl.com/10-year-treasury-rate.

Bavier, Anne. "Student Loan Debt Has Dire Implications for the Healthcare Industry." *D Healthcare Daily*, 22 Dec. 2016, healthcare.dmagazine.com/2016/12/22/student-loan-debt-has-dire-implications-for-the-healthcare-industry/.

Fruen, Mary A. "Chapter 8: How The Medical Student Finances Educational Expenses." *Medical Education and Societal Needs: a Planning Report for the Health Professions*, by George Sternlieb, National Academies Press, 1983.

"Interest Rates for New Direct Loans." *Federal Student Aid*, 17 July 2018, studentaid.ed.gov/sa/about/announcements/interest-rate.

"Medical Student Education: Debt, Costs, and Loan Repayment Fact Card." AAMC, Oct. 2017.
<https://members.aamc.org/iweb/upload/2017%20Debt%20Fact%20Card.pdf>

Smith, J, Elahi, F, Bravo, A, et al. "2018 Medical Student Debt Survey." *Report for Team Investigating Resolutions*, December 2018.
<https://docs.google.com/document/d/1o8M6HU4w5NIJiywx9DKavWID4vTB2pHUWfipw-jq9SU/edit?usp=sharing>

Fiscal Note:

N/A

Existing ISMS policy related to this issue:

ISMS supports removal of any limitations based on adjusted gross income that impair debtors from student loan interest repayment deductions, and urges legislation to provide Illinois state income tax deductibility of any interest payments in excess of the current federal limits to ensure deductibility of all student loan interest payments at a state level regardless of adjusted gross income. (HOD 2016)