

October 15, 2019

The Honorable Bobby Scott
Chair
House Committee on Education and Labor
2176 Rayburn House Office Building
Washington, DC 20515

The Honorable Virginia Foxx
Ranking Member
House Committee on Education and Labor
2176 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Scott and Ranking Member Foxx:

On behalf of our collective organizations, we respectfully ask your committee to support H.R. 3418, the Protecting Our Students by Terminating Graduate Rates that Add to Debt Act (POST GRAD Act). This bill would reinstate eligibility for graduate and professional students with financial need to receive Direct Subsidized Stafford Loans, which are now only available to undergraduate students.

Dental student debt has been rising for decades, even after adjusting for inflation. It has risen to the point that today 85 percent of new dentists are starting their careers owing more than \$287,000 in student loan debt.^{1,2}

Over two thirds (64.4 percent) of dental school seniors who graduated in 2017 reported that postgraduate debt moderately, very much or completely influenced their activity choice after graduation.³ This means that the promise of a lower debt burden can help shape early career decisions about practicing in underserved areas, pursuing a career in academia or public service and filling other areas of national need.

One way to help mitigate the extraordinary levels of educational debt is to reinstate eligibility for graduate and professional students in need to use federal Direct *Subsidized* Stafford Loans. These loans were originally available to graduate and professional students with a financial need. Today, however, they are only available to qualifying undergraduate students.

Direct Subsidized Loans have slightly better borrowing terms than the educational loans available to graduate and professional students. For example, the interest rates are generally lower and the Department of Education pays the interest while the borrower is in school, during a grace period, and during a period of deferment.

Enabling graduate and professional students to access Direct Subsidized Loans will not solve the student debt crisis. But it will help offset the alarming levels of student debt that new dentists face at graduation—and may lead more highly indebted young dentists to practice in underserved areas.

We applaud Rep. Judy Chu for sponsoring this meaningful legislation and are pleased to offer our enthusiastic support. If you have any questions, please contact Ms. Megan Mortimer at 202-898-2402 or mortimerm@ada.org.

Sincerely,

American Dental Association
Academy of General Dentistry

American Association of Women Dentists
American Dental Education Association
American Student Dental Association
American Association of Oral and Maxillofacial Surgeons
American Association of Endodontists

¹ Annual American Dental Education Association Survey of Dental School Seniors, 2017 Graduating Class: Table 10. Level of 2017 graduating seniors' educational debt by type of school.

² Annual American Dental Education Association Survey of Dental School Seniors, 2017 Graduating Class: Table 8. Average amount of educational debt of graduating seniors by all schools combined and by type of school, 1990 and 1996-2017.

³ Annual American Dental Education Association Survey of Dental School Seniors, 2017 Graduating Class: Table 26. Influence of educational debt on 2017 seniors' primary activity choice upon graduation.