

## **REDI Act (S.3658/H.R.4122)**

- ❖ Please cosponsor the Resident Education Deferred Interest (REDI) Act – S.3658/H.R.4122.
- ❖ The REDI Act would allow medical and dental students to defer interest accrual on their federal student loans while serving in an internship or residency program.
- ❖ The legislation is sponsored in the House by Reps. Brian Babin, DDS (R-TX) and Chrissy Houlahan (D-PA) and in the Senate by Senators Jacky Rosen (D-NV) and John Boozman (R-AR).

### **Background**

Today, new dentists with student loans begin their careers owing nearly \$305,000 in educational debt.

The elimination of subsidized graduate loans and higher student loan interest rates have resulted in a significant increase in student loan debt over time.

In 2020, over three-quarters (77%) of graduating dental school seniors reported using federal Direct Loans to pay for dental school. These loans carry interest rates as high as 9.5 percent and begin accruing interest while borrowers are still in residency, even if they qualify for deferment or forbearance due to their inability to make payments.

A survey conducted by the American Dental Education Association found that debt influences the primary professional activity of 18.7% of dental graduates. High levels of debt push dentists toward higher income earning opportunities and away from rural and other underserved areas with the greatest need, such as health professional shortage areas (HPSAs).

Interest accrual adds tens of thousands of dollars to dentists' debt and discourages medical providers from pursuing further training and specialization due to the high cost of education.

### **S.3658/H.R.4122 REDI Act**

The REDI Act would amend the Higher Education Act to allow for interest-free deferral of student loans for all borrowers serving in a medical or dental residency program. In effect, the REDI Act would:

- Provide economic relief to a generation of medical students facing disproportionately high costs for graduate-level education;
- Allow dentists to pursue specialization without the threat of mounting financial debt; and
- Make career opportunities in teaching, government service, HPSAs, and advanced education more affordable and attractive

### **Who is the Academy of General Dentistry (AGD)?**

Founded in 1952, the AGD has over 40,000 members from across the United States and is the only professional association that exclusively represents the needs and interests of general dentists. As the country's second-largest dental association, AGD works to promote oral health to the public and foster general dentists' continued proficiency through quality continuing education.