

RESIDENT EDUCATION DEFERRED INTEREST ACT

At the time of graduation, many orthopaedic residents have accrued considerable debt. According to studies published in the journal *Orthopedics*, student loan debt for graduating medical students continues to rise due to yearly tuition increases. One study found that medical education debt exceeded \$100,000 for 48 percent of the orthopaedic residents surveyed (Program Year 1– 5). **According to the National Center for Education Statistics, the average medical student debt for graduates in 2015 was \$176,348.** The authors concluded that this debt not only affects orthopaedic residents financially, but that it may cause stress and hinder their medical training.

The Resident Education Deferred Interest Act (REDI) would allow interest-free deferment on student loans for borrowers serving in a medical or dental internship or residency program. The 75 percent of residents who carry education debt upon graduating medical school watch their loan burden multiply during residency due to the continued accrual of interest. The REDI Act would help ease that burden so that young doctors can focus on building their skills and caring for patients.

Why the REDI Act Matters:

Excessive student loan debt risks turning bright, qualified students away from orthopaedics—negatively impacting access to care for patients. ***Medical Education Online* reported that students with higher aggregate amounts of medical student loan debt said they may not have chosen to become a physician if given the opportunity to revisit the choice.** Increases in both aggregate and relative debt were also associated with a delay in having children or buying a house. In addition, many residents worry about how to manage their debt and note that it will influence their choice of specialty.

The Resident Education Deferred Interest Act Will:

- Save physicians and dentists in low-paying residency positions thousands of dollars in interest—allowing them to focus on caring for patients.
- Make opening practices in underserved areas or entering faculty or research more attractive and affordable.
- Help more young physicians from underprivileged backgrounds afford medical training.

What Congress Should Do:

Congress should support the passage of H.R. 5734, the Resident Deferred Interest Act (REDI).