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October 30, 2007

The Honorable Margaret Spellings  
Secretary  
Department of Education  
400 Maryland Avenue, S.W.  
Washington, D.C. 20202

Dear Madam Secretary:

The American Academy of Emergency Medicine (AAEM), representing more than 5,000 board certified emergency medicine physicians, writes to voice our concern regarding the promulgation of the recently enacted **College Cost Reduction and Access Act of 2007** (P.L. 110-84). AAEM is particularly troubled by the proposed changes to the legislation's definition of the economic hardship deferment (HRD).

When P.L. 110-84 became effective at the beginning of this month, the modifications to the HRD definition eliminated the debt-to-income ratio, which allowed approximately 67% of medical residents to qualify for the deferment. Concurrently, the law also authorized a new income-based loan repayment program that is not effective until July 1, 2009. The new law creates a "gap" in coverage for medical residents (including the class of 2008) between October 2007 and July 2009. During this period those physicians not eligible for either the economic hardship deferment or the new income-based repayment program likely will be forced to begin large loan repayments or enter into forbearance.

As a remedy to this situation, AAEM urges the Department to reinstate the HRD rules. Reinstatement of the rules would prevent confusion, making a more fluent institutional transition to the July 2009 income-based repayment program, as borrowers and loan-servicers then will have an adequate time to prepare for the change.

If reinstatement cannot be accomplished through the rulemaking process, AAEM advocates addressing the gap in coverage between October 2007 and July 2009 by temporarily extending the debt-to-income ratio pathway of the economic hardship deferment, and grandfathering current participants in the HRD to complete their remaining years of eligibility.

AAEM looks forward to working with the Department of Education in the negotiated rulemaking process to address these concerns. Please feel free to contact Kathleen Ream, AAEM's Director of Government Affairs, at 703-241-3974 if we can be of further assistance.

Sincerely yours

Tom Scaletta, M.D.

**The Organization of Specialists in Emergency Medicine**

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