

## Student Loan Interest Deduction Act of 2013

### H.R. 1527

The American Dental Association (ADA) urges you to cosponsor the “Student Loan Interest Deduction Act of 2013” (H.R. 1527), introduced on April 12, 2013, by Representative Charles Rangel (NY-13th).

**This bill will assist in easing the burden of student loan debt by significantly increasing the deduction allowed for student loan interest and making the deduction available to all regardless of income.** H.R. 1527 increases the current \$2,500 deduction ceiling to \$5,000 for individuals and \$10,000 in the case of a joint return.

Currently there is an income phase out for individuals with an adjusted gross income (AGI) over \$60,000 and married couples filing jointly with an AGI over \$120,000. Individuals with an AGI between \$60,000 and \$75,000 and couples with an AGI between \$120,000 and \$150,000 receive a pro-rated deduction. That provision is repealed by H.R. 1527.

The American Dental Education Association’s “Survey of Dental School Seniors, 2013 Graduating Class” states that the graduating dental student’s average debt was \$215,145 in 2013. This amounts to an almost doubling of debt load from 2000 when the graduating dental student’s average debt was just under \$106,000.

And the problem of excessive dental student debt is likely to continue to grow. As reported in a September 5, 2011, *ADA News* special report, the average costs for students at private and public dental schools has risen dramatically over the last 10 years, increasing 68 percent for private schools and 104 percent for public schools. Public schools in particular are under pressure because of a decrease in state support.

This legislation is important to help new dentists to select their chosen career path, including positions in dental education and research and serving in underserved areas. The fact that many dentists are graduating with high levels of educational debt will have an effect on whether they pursue postdoctoral education, whether they purchase a practice or seek an associate position, and whether they can afford to provide charitable care.

H.R. 1527 is a significant step forward in easing the burden placed on dental students with education debt.

**The American Dental Association urges you to cosponsor the “Student Loan Interest Deduction Act of 2013” (H.R. 1527).**

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## Federal Student Loan Refinancing Act

### S. 1066

The American Dental Association (ADA) urges you to cosponsor the “Federal Student Loan Refinancing Act,” S. 1066, sponsored by Senator Kirsten Gillibrand (NY).

**S. 1066 will help ease the burden of dental student loan debt by enabling dental school graduates to consolidate or refinance their Direct Unsubsidized Stafford Loans (and/or Federal Direct Consolidation Loans) at a fixed rate of 4.0 percent.** It would retroactively apply to all such loans taken out between July 1, 2006, and the date of the bill’s passage.

Educational debt plays a role in postgraduate career planning. It can influence whether a recent graduate will choose to enter private practice, focus on underserved communities or pursue a career in public service, teaching, research and/or public health. Unfortunately, the burden of educational debt for graduating dental students has risen to alarming levels with no signs of abating.

The American Dental Education Association’s “Survey of Dental School Seniors, 2013 Graduating Class” states that the average educational debt per graduating dental school senior was \$215,145. Factoring out the 10.8 percent of dental school seniors who graduated with no debt, the average debt per graduating dental school senior was \$241,097 (\$209,150 for graduates from public dental schools and \$283,978 for graduates from private and private state-related dental schools).

And the problem of excessive dental student debt is likely to continue. As reported in a September 5, 2011, *ADA News* special report, the average costs for students at private and public dental schools has risen dramatically over the last 10 years, increasing 68 percent for private schools and 104 percent for public schools. Public schools in particular are under pressure because of a decrease in state support.

The American Dental Education Association reports over 73 percent of graduating dental students used Direct Unsubsidized Stafford Loans to finance their dental education in 2013. The interest rate on Direct Loans taken out between July 1, 2006 and June 30, 2013, is fixed by law at 6.8 percent. The interest rate on Direct Loans taken out after July 1, 2013, could reach as high as 9.5 percent, depending on the prevailing interest on 10-year Treasury notes plus 3.6 percent.

**The American Dental Association urges you to cosponsor the “Federal Student Loan Refinancing Act” (S. 1066).**

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