

COGA Report

November 1, 2019

Dale Anne Featheringham

COGA met in Washington D.C. on October 22nd and 23rd. In addition, to discussing our main legislative priorities of: passing the RAISE act, repealing the medical device act permanently, addressing the needs of small businesses who want to provide health insurance reimbursement to employees (via health reimbursement accounts), and reinstating the deductibility of professional dues, we focused a significant amount of time on sharing our concerns about student loan debt for orthodontic residents.

Our presence was timely, as The House Education and Labor Committee Chairman Bobby Scott (D-VA) introduced the Democratic version of the Higher Education Act (HEA) reauthorization bill, the [College Affordability Act](#) (CAA) (H.R. 4674), right after we were there, so we were able to voice our concerns just ahead of the bill's introduction, markups, and amendments.

The \$400 billion bill, which aims to lower the cost of college, improve the quality of higher education, and expand opportunities for students from all backgrounds, would rewrite much of the higher education law.

Specifically, the College Affordability Act contains the following provisions that could benefit orthodontic residents/new grads with their student loan debt in the following ways:

- **Repeal origination fees on student loans.** Many orthodontic students use Grad PLUS loans to pay for graduate school. Those loans currently have an origination fee of 4.2%, which is taken at the time of disbursement. The fees are often confusing to students and they are an outdated mechanism from before direct loans were implemented. The AAO has supported several pieces of legislation that would eliminate origination fees.
- **Simplify repayment options into two plans.** The measure would allow for borrowers to choose between two repayment programs - fixed or income-based plans -- which simplifies the current process where borrowers choose between the nine different repayment plans. The bill also would expand and strengthen the Public Service Loan Forgiveness (PSLF) program and reauthorizes the expired Perkins Loan program (another low-interest loan option available to graduate students).
- **Preserve undergraduate subsidized loans.** With the cost of college continuing to rise, the College Affordability Act allows the preservation of undergraduate subsidized loans, which do not accrue interest while the borrower attends school.
- **Preserve Grad PLUS loans.** A priority of the AAO has been to preserve the Grad PLUS loan program as it allows graduate students to borrow up to the cost of attendance, and many orthodontic residents rely on these loans. Grad PLUS loans would have been eliminated under the PROSPER Act in the 115th Congress. The College Affordability Act would preserve these loans for graduate and professional student borrowers.

- **Create the ability to refinance private loans.** This legislation would allow for borrowers with federal and private loans to refinance through the Federal Direct Loan program, whenever rates are low. Refinanced loans would provide the same terms and conditions as a Federal Direct Unsubsidized Stafford Loan. This change allows borrowers with massive amounts of private loan debt to refinance into the federal system and have the ability to repay through the two simplified repayment plans. Refinanced federal loans would still be eligible for loan forgiveness programs, but private refinanced loans would not.
- **Improve and strengthen the Pell Grant program.** Given the AAO's concern with the cost of studying to be an orthodontist as a deterrent for students with exceptional need, the AAO should be pleased with not only the preservation of undergraduate student loans, but also with improvements made to the Pell Grant Program. As such, the CAA strengthens the Pell Grant program by: (1) allowing eligibility for graduate students; (2) increasing the maximum award and permanently indexing to inflation; and (3) increasing the number of eligible semesters to 14. The AAO has endorsed the Expanding Access to Graduate Education Act (H.R. 3334), which was included in this package.
- **Simplify the FAFSA process.** The bill includes many elements to simplify the Free Application for Federal Student Aid (FAFSA) process by reducing the number of questions based on the complexity of a student's finance. It also would let Pell eligible students file the FAFSA just once by allowing their need analysis to stand for the rest of their education. Finally, it would allow for improved data sharing between the Department of Education and the IRS.

We are hopeful that progress is being made to address the crushing load of debt that graduating orthodontic residents now face. Fingers crossed that this legislation will move forward. More information to follow in the next newsletter.

Also, please block out your schedule to attend the AAO's Professional Advocacy Conference on February 25-26 in Washington DC. No experience necessary! We will give you all of the information that you need to successfully advocate on behalf our profession. Please plan to attend.

Respectfully submitted,

Dale Anne Featheringham