



March 8, 2007

Mr. Dan Madzellan  
Federal Negotiator  
Negotiating Committee for Student Loan Issues  
U.S. Department of Education  
1990 K Street, N.W.  
Washington, DC 20006

**Association of  
American Medical Colleges**  
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**Darrell G. Kirch, M.D.**  
President

Dear Mr. Madzellan:

On behalf of the Association of American Medical Colleges (AAMC), thank you for your stewardship of the Department of Education's Negotiating Committee for Student Loan Issues. I write in response to the proposed regulatory changes regarding institutional preferred lender lists (§§682.212) and urge the committee to minimize any resulting reporting requirements by incorporating them into the Fiscal Operations Report and Application to Participate (FISAP). The AAMC is a nonprofit association representing all 125 accredited U.S. medical schools; nearly 400 major teaching hospitals and health systems; and 96 academic and scientific societies. Through these institutions and organizations, the AAMC represents 109,000 faculty members, 67,000 medical students, and 104,000 resident physicians. The AAMC also sponsors Medloans, an educational loan program specifically designed for medical students.

The AAMC appreciates and respects the goals of this committee to ensure that students' interests continue to be the center of institution-lender relationships. As you are aware, medical students have a financial profile that is desired by lenders due to their high educational costs and low default rates. Preferred lender recommendations allow our institutions to inform students of lenders that provide the best benefits and, ultimately, the most affordable loans. Lenders also provide access to materials and information that assist Financial Aid Officers (FAOs) in their counseling of students and are an important resource for FAOs to facilitate solutions for their students' unique financial needs. These relationships exist for the benefit of the students and help to guarantee that these students receive the best possible service.

While the AAMC supports full transparency in our institution-lender relationships, we are concerned with the potential reporting requirements associated with the proposed regulations. Financial aid officers already submit a number of government and licensing reports, including the FISAP for Department of Education Title IV loans, the Annual Operating Report to the Department of Health and Human Services, and various state and institutional reports. We recommend that additional reporting requirements be incorporated into the FISAP and kept to a minimum.

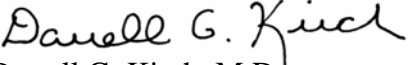
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Financial aid administrators are professional educators who possess the experience, understanding, and tools to ensure medical students are well-informed about the short and long term consequences of complex educational loan decisions. Regulations that alter institution-lender relationships need to be carefully crafted so they do not inadvertently encourage lenders to circumvent well-established safeguards and market directly to students without the guidance of trained professionals. Thank you for this opportunity to provide public comment. Should you have any questions please do not hesitate to contact Matthew Shick <mshick@aamc.org> at 202-828-0525.

Sincerely,

  
Darrell G. Kirch, M.D.