



ROCKY VISTA UNIVERSITY

Office of the President

Rocky Vista University provides quality healthcare education while inspiring students to serve with compassion, integrity and excellence.

October 20, 2014

Alex Hunt
Office of Information and Regulatory Affairs
Office of Management and Budget
Washington, D.C.

Dear Mr. Hunt:

I am writing to provide input to the Office of Information and Regulatory Affairs on the forthcoming Gainful Employment regulation. Based on the U.S. Department of Education's Notice of Proposed Rulemaking (NPRM), I am specifically concerned that if not modified, this regulation will jeopardize the ability of Rocky Vista University (RVU) to participate in Title IV student loan programs. We urge the Administration to exempt RVU from this regulation, for the reasons outlined below.

RVU is the only for-profit osteopathic medical school in the country and we are located in Parker, Colorado. The institution educates and trains a significant number of military medical professionals as well as individuals who will be primary care physicians in rural and other underserved areas. We are extremely selective in our admissions, accepting only 160 students out of 5,000 applications annually. We are selective in our admissions to foster quality and excellence in our graduates.

RVU also fulfills a critical mission for the state of Colorado, and the Mountain West region. RVU is one of only two medical schools in our state. Colorado currently has a severe shortage of primary care physicians and other medical providers, with families in rural areas having to travel long distances to receive medical care. In fact, 26 counties in Colorado have only one or no doctors. RVU works to fulfill an important need in our state and across the nation.

When RVU was founded, the school was concerned about the cost of a medical school education for its students. In our initial years we ensured there were private student loan options for our students while we worked to secure Title IV eligibility. Fortunately, we began participating in the Title IV student aid programs just over two years ago. We made the conscious decision to participate in Title IV to ensure that RVU students get access to the most cost-effective loans with the best terms and repayment options. The regulation, in the form of the NPRM, will drive our students back into private loans with worse terms and conditions than they presently enjoy under Title IV.

RVU is only six years old, but has already demonstrated a strong track record of success. The accomplishments of the institution and most importantly our students include:

- RVU students rank **number one in the nation** on their national board passage scores.
- Our third class graduated this May, with all three classes having **100 percent residency placement rates – i.e. they are employed!**
- RVU also has a strong connection with the military with the **largest number of military medical school students** at any civilian medical school in the country.
- Despite only participating in the Title IV aid programs for just over two years, RVU's recent federal compliance audit required under Title IV raised no issues – an occurrence that the auditors told us was very rare for a new Title IV school.

Clearly, these accomplishments have enabled our graduates to be “gainfully employed” as primary care practitioners in our home state of Colorado and throughout the nation.

Unfortunately, the NPRM would jeopardize RVU's ability to ensure our students have continued access to Title IV loans. Despite the inclusion of a 20-year amortization rate in the NPRM, we estimate that we would be at risk of being categorized as in the “zone” for failing to meet the debt-to-earnings ratios. We would certainly not pass the annual debt-to-earnings ratios and would be at a yearly risk on the discretionary debt-to-earnings rate. Under the NPRM, four straight years of violating both of these measures would put us into the “zone” and lead to termination of an institution's eligibility to participate in Title IV. This would be detrimental for our students and their future ability to fund their education with cost-effective loans.

Because RVU is uniquely impacted by the NPRM, I would urge the Department to exempt the institution from this regulation, or, at a minimum, provide an alternative means that permits RVU to have a fair chance to comply.

RVU is a comparably low-cost medical school with tuition and fees significantly less than many other medical schools. In fact, RVU was recently named the tenth most affordable private medical school in the United States by U.S. News and World Report. Even with this ranking, however, four years of borrowing (even if only tuition, fees, books, and supplies are counted rather than total borrowing) leaves RVU graduates with approximately \$200,000 in student loan debt upon graduation. This debt will grow due to interest accruals while a medical school graduate is in their residency. This debt level could lead to debt-to-earnings ratios in excess of the acceptable levels defined in the NPRM. These figures would hold true for any medical school graduate whether they attended a public, non-profit, or for-profit school.

If the goal of this NPRM is to ensure that colleges produce students who are able to find secure employment with quality positions as physicians upon graduation, then RVU should pass with flying colors rather than be penalized by a regulation that was never intended to apply to medical students in the first place. Further, there is no evidence to suggest medical student graduates do not repay their student loans. Therefore, Rocky Vista University should be exempt from this regulation.

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If an outright exemption is not possible, we would respectfully request that the Department specifically identify another means by which to comply with this regulation. RVU will be at risk of not being able to mathematically reach compliance with the debt-to-earnings ratios and their required thresholds under the NPRM. We urge the Department to consider providing an alternative means of compliance with the debt-to-earnings ratios for RVU that would not jeopardize the school's Title IV status. These alternative means could include:

- Board passage scores for the COMLEX 1 exam at a passage rate on average with other osteopathic medical schools;
- Graduation rates;
- Residency placement rates on average with other medical schools, or
- Simply holding RVU responsible for only the program cohort default rate.

We are happy to comply with a gainful employment regulation that fairly allows us to meet its requirement and allows RVU to continue to produce the outcomes and results that make it one of the most successful medical schools in the country. Thank you for your attention to this matter and the concerns of our school.

Sincerely,



Cheryl D. Lovell, Ph.D.
President

