
STATUTORY RULES OF NORTHERN IRELAND

1997 No. 350

**The Education (Student Loans)
Regulations (Northern Ireland) 1997**

Part IV

Loans: Principal, interest and repayments

Amounts of loans

6.—(1) Subject to paragraphs (3) to (5), in the case of a student attending a course at the University of London or at any institution within the area comprising the City of London and the metropolitan police district, the maximum amount of the loan in relation to any academic year shall be—

- (a) where the year is the final year of the course, £945 where he resides at his parents' home, and £1,520 where he does not so reside; and
- (b) where the year is any other year of the course, £1,290 where he resides at his parents' home, and £2,085 where he does not so reside.

(2) Subject to paragraphs (3) to (5), in the case of any student attending a course other than a course mentioned in paragraph (1) the maximum amount of the loan in relation to any academic year shall be—

- (a) where the year is the final year of the course, £945 where he resides at his parents' home, and £1,230 where he does not so reside; and
- (b) where the year is any other year of the course, £1,290 where he resides at his parents' home, and £1,685 where he does not so reside.

(3) Where a student's course includes a period of residence in a country other than the United Kingdom throughout an academic year, the maximum amount of the loan in relation to that academic year shall be £1,230 where the year is the final year of the course and £1,685 if it is not.

(4) Where a student's course is an accelerated course, paragraph (1)(a) shall have effect as if for £945 and £1,520 there were substituted £1,290 and £2,085 respectively and paragraph (2)(a) shall have effect as if for £945 and £1,230 there were substituted £1,290 and £1,685 respectively.

(5) For the purposes of paragraphs (1) to (3), where a postgraduate course of initial training for teachers is of only one academic year's duration that year shall not be treated as a final year, and for the purposes of paragraphs (1) and (2) a student's place of residence is his place of residence on the date a certificate is given in respect of him pursuant to regulation 13.

Interest

7.—(1) Notwithstanding the revocation of the Education (Student Loans) Regulations (Northern Ireland) 1996 loans shall bear interest in respect of the period consisting of the month of August 1997 at the rate specified in regulation 7 of those Regulations.

(2) Loans shall bear interest in respect of any period commencing on or after 1st September 1997 at the rate specified in paragraphs (3) and (4), being the rate appearing to the Department to be requisite for maintaining the value of the loans in real terms.

(3) That rate is the rate of interest per day which, in relation to a loan made on or after 1st September 1997, taking account of the addition of interest to the outstanding amount of the loan in accordance with regulation 8, will result in an annual percentage rate of charge determined in accordance with the Consumer Credit (Total Charge for Credit) Regulations 1980(1) which is equal to the percentage specified in paragraph (4).

(4) That percentage is the percentage increase between the retail prices index published by the Central Statistical Office for March 1996 and the retail prices index so published for March 1997.

Time and manner of repayments

8.—(1) Subject to paragraphs (2) and (3) and regulations 9 to 12 a borrower shall commence repayment of his loan on such day in the month of April next following the date on which he ceased to attend the course as the loans administrator may determine in his case (referred to in this regulation as “the determined date”).

(2) Where a borrower ceases to attend his course without completing it and on the first day thereafter on which it is reasonably practicable for him to do so begins to attend at the same institution another course which satisfies the requirements of regulation 4(1), paragraph (1) shall apply only in relation to the latter course.

(3) Where a borrower has ceased to attend his course so that paragraph (1) applies but another loan is made to him in respect of his attendance at another course he shall not be obliged to make repayments in respect of the first loan after the date on which the second loan is made, and thereafter the time and manner of repayment of the first loan shall be the same as the time and manner of repayment of the second loan.

(4) Subject to regulations 9 to 12 repayments shall be made in 60 monthly instalments calculated in accordance with paragraphs (7) to (9) in the case of a borrower who has received a loan in relation to less than five academic years and in 84 such instalments calculated as aforesaid in all other cases.

(5) Interest accrued on a loan shall be added to the loan at regular monthly intervals and thenceforth form part of the outstanding amount of the loan.

(6) On or before the determined date falls, the amount of the monthly repayments shall be calculated in accordance with paragraph (7).

(7) The amount of the loan outstanding on the first day of the month in which the determined date falls and of interest which will accrue during the period of repayment shall be divided by the number of repayments, and the amount so calculated shall be the amount of the monthly repayment until it is re-calculated in accordance with paragraph (8).

(8) On 1st September next following the determined date, and on each subsequent 1st September until the loan has been repaid or cancelled, the amount of the loan outstanding on that date and of interest which will accrue during the remaining period of repayment shall be divided by the number of repayments still to be made and the amount so calculated shall be the amount of the monthly repayment.

(9) For the purposes of calculating monthly repayments under paragraphs (7) and (8)—

- (a) no account shall be taken of any repayments due prior to the relevant date which have not been made, but account shall be taken of the amounts of interest which have accrued on such unpaid repayments; and
- (b) it shall be assumed that—

- (i) the rate of interest will not change during the period of repayment; and
- (ii) each repayment will be applied to reduce the amount of the loan immediately after the addition of interest in accordance with paragraph (5).

(10) Repayments shall be made by direct debit from the borrower's bank or building society account unless the loans administrator agrees otherwise.

(11) Nothing in this regulation shall be taken to prevent a borrower, after giving notice to the loans administrator, from discharging or with the agreement of the loans administrator reducing his liability in respect of his loan sooner than required by the regulation, and where a borrower wishes so to reduce his liability the amount and time of repayments shall be determined by the loans administrator and the provisions of this regulation (except paragraphs (5) and (10) shall no longer apply to the loan).

Discretion of loans administrator

9. Notwithstanding the provisions of regulation 8, the loans administrator may—
- (a) if it is satisfied that granting a relaxation or indulgence to the borrower which does not vary the agreement for the loan represents a more effective means of recovering the debt due under the agreement than enforcing it according to its terms, grant any such relaxation or indulgence; or
 - (b) if the borrower is in breach of an obligation to repay any loan instalment and whether or not the loans administrator has notified him that he is entitled to defer making repayment in respect of other loan instalments under regulation 11, require the borrower to make an immediate repayment of the outstanding amount of the loan.

Repayment by disabled borrowers

10.—(1) In the case of a borrower receiving any disability-related benefit at the beginning of or at any time during the period of repayment determined in accordance with regulation 8, the loans administrator may do all or any of the following, namely:

- (a) allow the borrower to commence repayment of the loan, at such date later than that provided by regulation 8 as the loans administrator considers appropriate; or
- (b) allow the borrower to defer making repayments of the loan until such later date; or
- (c) allow the borrower to make repayments of the loan in such greater number of instalments of such lesser amounts than those provided by regulation 8 as the loans administrator considers appropriate,

but interest on the loan shall continue to accrue and to be added to the outstanding amount of the loan during any period in which repayments are not being made or during any extended period of repayment.

(2) The loans administrator may exercise any discretion conferred on it by paragraph (1) notwithstanding that the outstanding amount of the loan will not in consequence be fully repaid before the borrower's liability in respect thereof is cancelled by virtue of paragraphs (1)(b) and (2) of regulation 12.

Deferment

11.—(1) Subject to the provisions of this regulation, a borrower who has not been required to make an immediate repayment of the outstanding amount of his loan under regulation 9(b) shall be entitled to defer making repayments of his loan—

- (a) if he satisfies the loans administrator—

- (i) that his gross income for the month preceding the month in which he applies for deferment does not exceed the product of £1,316 and the annual adjustment;
- (ii) if the loans administrator so requires, that his gross average monthly income during the three months immediately following the month referred to in sub-paragraph (a) will not or is unlikely to exceed that amount.

(2) For the purposes of paragraph (1) “the annual adjustment” means the average earnings index for March 1997 divided by the average earnings index for March 1996; and “the average earnings index” means the general index of average earnings (for all employees: whole economy: seasonally adjusted) published by the Department for Education and Employment or, if that index is not published for a month for which it is relevant for the purposes of this regulation, any substituted index or index figures published by that Department.

(3) If a borrower falls within paragraph (1), he shall not be obliged to make repayments during a period of twelve months beginning with such date as may be determined by the loans administrator, being a date not more than three months earlier or two months later than the date on which the loans administrator notifies the borrower that he is entitled to defer making repayments.

(4) Notwithstanding deferment a borrower may, after giving notice to the loans administrator, resume making repayments at any time before the end of the period of deferment.

(5) In determining whether a borrower’s gross monthly income exceeds, will exceed or is likely to exceed the amount specified in paragraph (1) no account shall be taken of any disability-related benefits paid or which will or are likely to be paid to him in the months in question.

(6) Interest shall accrue on a loan and shall be added to the outstanding amount thereof during any period of deferment.

Cancellation

12.—(1) A borrower’s liability to make repayments in respect of all loans shall be cancelled if—

- (a) he dies; or
- (b) he is a person to whom paragraph (2) applies.

(2) This paragraph applies to a borrower who is not in breach of any obligation in relation to any loan and—

- (a) if he was aged less than forty when he last entered into an agreement for a loan, if he attains the age of fifty or if the loan for which he last entered into an agreement has been outstanding for not less than twenty-five years (whichever event is the sooner); or
- (b) if he was aged not less than forty when he last entered into an agreement for a loan, if he attains the age of sixty.