
SCOTTISH STATUTORY INSTRUMENTS

2007 No. 154

The Education (Student Loans) (Scotland) Regulations 2007

PART V

INTEREST AND INSOLVENCY

Interest

14.—(1) Subject to paragraph (2), loans made in each 12 month period commencing on each 1st September shall bear interest at a rate which will result in an annual percentage rate of charge determined in accordance with the Consumer Credit (Total Charge for Credit) Regulations 1980⁽¹⁾ equal to the percentage by which the retail prices all items index published by the Office for National Statistics for the month of March immediately preceding the commencement of that period has increased compared with that for the previous March.

(2) If the rate referred to in paragraph (1) exceeds the rate for the time being specified for the purposes of any exemption conferred by virtue of section 16(5)(b) of the Consumer Credit Act 1974⁽²⁾ loans shall bear interest at the rate so specified.

(3) Interest shall be calculated on the principal outstanding daily, and shall be added to the principal monthly.

(4) The index of prices that the Scottish Ministers shall have regard to in prescribing the rate of interest which loans shall bear shall be the retail prices all items index mentioned in paragraph (1).

Insolvency

15. Where after the date of sequestration of an eligible student's estate, that student receives, or is entitled to receive, sums by way of loan—

- (a) the sheriff shall not, in fixing an amount under section 32(2) of the Bankruptcy (Scotland) Act 1985⁽³⁾ treat the sums as income of the eligible student;
- (b) for the purpose of section 32(6) of that Act the sums shall not be treated as estate vesting in, or requiring to be conveyed or delivered to, the eligible student's permanent trustee; and
- (c) any debt or liability to which the eligible student is, or may become, subject in respect of the sums shall not be treated as a debt or liability—
 - (i) for the purposes of the sequestration (or of any offer of composition to the permanent trustee); or
 - (ii) from which the eligible student is discharged on the expiry of a period after the date of sequestration, under or by virtue of section 54 or 75(4) of that Act (or on an order

(1) S.I.1980/51; amended by S.I. 1983/1562 and 1989/596.

(2) 1974 c. 39.

(3) 1985 c. 66; section 32 was amended by the Child Support Act 1991 (c. 48), Schedule 5, paragraph 6, the Pensions Act 1995 (c. 26), Schedule 3, paragraph 14 and prospectively by the Bankruptcy and Diligence etc. (Scotland) Act 2007 (asp 3), sections 17, 18 and 19 and schedule 1.

being made under paragraph 11 of Schedule 4 to that Act as respects them and the permanent trustee).