

EXECUTIVE NOTE

THE EDUCATION (INTEREST ON STUDENT LOANS) (SCOTLAND) REGULATIONS 2009

SSI 2009/189

These regulations amend the Education (Student Loans for Tuition Fees) (Scotland) Regulations 2006 (“the 2006 Regulations”) and the Education (Student Loans) (Scotland) Regulations 2007 (“the 2007 Regulations”).

Policy

The amendments are being made so that student loans made in accordance with the 2006 Regulations and the 2007 Regulations shall not bear interest unless the Scottish Ministers make a determination to the effect that they will bear interest. Where the Scottish Ministers make such a determination, then subject to the low interest cap imposed by consumer credit legislation, loans will continue to bear interest at the rate which is equivalent to the increase in the Retail Prices (All items) Index for the 12 months to March preceding the beginning of the academic year in September.

Financial Implications

These regulations have a negligible effect on the Scottish Government, Local Government or on business. It has not been necessary to prepare a Regulatory Impact Assessment.

LLD:HELS
12 May 2009