

*These notes refer to the Sale of Student Loans Act 2008
(c.10) which received Royal Assent on 21 July 2008*

SALE OF STUDENT LOANS ACT 2008

EXPLANATORY NOTES

SUMMARY

8. The Act enables the Secretary of State for Innovation, Universities and Skills to sell some or all existing rights and obligations relating to income-contingent repayment student loans. It also contains provision for the Secretary of State to spend public money in connection with the sales. Such sales are referred to in the Act as ‘transfer arrangements’.
9. The Act will enable a programme of sales to proceed indefinitely.
10. The Act sets out the extent to which Government data held on borrowers can be shared with loan purchasers and makes provision to control this, notably by the introduction of a criminal sanction for wrongful disclosure of information.
11. The Act permits the Secretary of State to include provision in any sales contract that a loan purchaser will be compensated in specified circumstances, for example if the value of the loans changes as a result of future changes in regulations relating to student loans, or there is a breach of warranty in the sales contracts. It also permits the Secretary of State to include in the sales contract with a purchaser undertakings about the exercise of the power to make loan regulations (which include terms and conditions of student loans).
12. The Act places a legal duty on the Secretary of State to report to Parliament on each sale transaction, including on value for money, within three months of the transaction and to inform any borrower whose loan has been sold of that fact in the same time frame.