
STATUTORY INSTRUMENTS

1991 No. 1299

**EDUCATION, ENGLAND AND WALES
EDUCATION, SCOTLAND**

The Education (Student Loans) Regulations 1991

<i>Made</i>	- - - -	<i>3rd June 1991</i>
<i>Laid before Parliament</i>		<i>5th June 1991</i>
<i>Coming into force</i>	- -	<i>1st August 1991</i>

In exercise of the powers conferred by section 1(2) and (7) of and paragraphs 1, 2 and 3 of Schedule 2 to the Education (Student Loans) Act 1990⁽¹⁾, the Secretary of State for Education and Science, as respects England and Wales, and the Secretary of State for Scotland, as respects Scotland, hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Education (Student Loans) Regulations 1991 and shall come into force on 1st August 1991.

Revocation

2. The Education (Student Loans) Regulations 1990⁽²⁾ and the Education (Student Loans) (Amendment) Regulations 1991⁽³⁾ are hereby revoked.

Interpretation

3.—(1) In these Regulations, except where the context otherwise requires—

“the Act” means the Education (Student Loans) Act 1990;

“borrower” means a person to whom a loan has been made;

“eligible” means eligible for the purposes of section 1 of the Act read with regulation 4 and the Schedule to these Regulations;

“full-time course” means a sandwich course or a course—

(1) 1990 c. 6.
(2) S.I. 1990/1401.
(3) S.I. 1991/829.

- (a) which persons undertaking it are normally required by the institution providing it to attend (whether at premises of the institution or elsewhere)—
 - (i) in the case of a course of one academic year's duration, for a period of at least 24 weeks; and
 - (ii) in the case of a course of two or more academic years' duration, for a period of at least 24 weeks in each academic year except the final year and of at least eight weeks in the final year; and
- (b) the nature of which is such that a person undertaking it would normally require to undertake periods of study, tuition or work experience which together amount in each academic year to an average of at least 21 hours a week as respects the periods of attendance mentioned in sub-paragraph (a) above for the year;

“loan” means a loan (whether made before or after the coming into force of these Regulations) towards a student's maintenance out of money made available by the Secretary of State for that purpose pursuant to arrangements made by the Secretary of State by virtue of section 1 of the Act, including the interest accrued on the loan and the amount of the loan from time to time outstanding;

“loans administrator” means any person or body for the time being exercising functions in relation to loans under arrangements made with the Secretary of State pursuant to paragraph 3 of Schedule 2 to the Act;

“periods of work experience” means periods of industrial, professional or commercial experience associated with full-time study at an institution but at a place outside the institution;

“refugee” means a person who is recognised by Her Majesty's government as a refugee within the meaning of the United Nations Convention relating to the Status of Refugees done at Geneva on 28th July 1951⁽⁴⁾ as extended by the Protocol thereto which entered into force on 4th October 1967⁽⁵⁾ or a person who enjoys asylum in the United Kingdom in pursuance of a decision of Her Majesty's government though not so recognised, and any reference to the child of a refugee includes a reference to a person adopted in pursuance of adoption proceedings and a step-child; and

“sandwich course” means a course consisting of alternate periods of full-time study in an institution and periods of work experience so organised that, taking the course as a whole, the student attends the periods of full-time study for an average of not less than 19 weeks in each year; and for the purpose of calculating his attendance the course shall be treated as beginning with the first period of full-time study and ending with the last such period.

(2) For the purposes of these Regulations an academic year which begins in the month of July in any year shall be deemed to begin in the month of August immediately following that month.

(3) In these Regulations any reference to a regulation is a reference to a regulation of these Regulations, any reference in a regulation to a paragraph is a reference to a paragraph of that regulation, and any reference in a paragraph to a sub-paragraph is a reference to a sub-paragraph of that paragraph.

⁽⁴⁾ Cmnd. 9171.

⁽⁵⁾ Cmnd. 3906 (Out of print: photocopies are available, free of charge, from Further and Higher Education Branch 3, Awards, Department of Education and Science, Corporation House, c/o Mowden Hall, Staindrop Road, Darlington, DL3 9BG or Awards Branch, Scottish Office Education Department, Gyleview House, 3 Redheughs Rigg, South Gyle, Edinburgh EH12 9HH).

Conditions of eligibility

4.—(1) A student attending a course of higher education of at least one academic year's duration shall be eligible for a loan in relation to an academic year which begins on or after 1st August 1991 if—

- (a) his course of study during that academic year forms part or allof—
 - (i) a full-time course; or
 - (ii) a course (whether or not full-time) for the initial training of teachers which is for the time being designated by or under regulations made by virtue of section 1(2)(b) and (3)(c) of the Education Act 1962⁽⁶⁾; and
- (b) (i) he satisfies the conditions prescribed in the Schedule to these Regulations; or
 - (ii) in respect of the course he satisfies one of the conditions of eligibility for an allowance set down in paragraphs (a), (b) and (f) of regulation 5 of the Students' Allowances (Scotland) Regulations 1987⁽⁷⁾; or
 - (iii) before the commencement of or at any time during that academic year he has been recognised as a refugee or awarded asylum and from that time he has been ordinarily resident in the British Islands, or is the spouse or child of such a person; and
- (c) he has agreed with the loans administrator to accept payment of the loan by direct credit to his bank or building society account and has provided the administrator with a signed direct debit mandate in favour of the administrator in respect of repayments of the loan from that account; and
- (d) he has entered into an agreement for the loan not later than the end of the period of 12 months beginning on 1st August in which that academic year begins; and
- (e) he is not a person to whom paragraph (2) applies.

(2) This paragraph applies to a person who—

- (a) before the date on which the course begins has attained the age of fifty years; or
- (b) is attending a course leading to registration on Part 12, 13, 14 or 15 of the register maintained by the United Kingdom Central Council for Nursing, Midwifery and Health Visiting under section 10 of the Nurses, Midwives and Health Visitors Act 1979⁽⁸⁾ and is eligible to receive payment of a bursary or salary out of funds paid by the Secretary of State under section 97 of the National Health Service Act 1977⁽⁹⁾ or section 85(1) of the National Health Service (Scotland) Act 1978⁽¹⁰⁾; or
- (c) is studying for the Postgraduate Certificate in Education as a participant in arrangements made by a local education authority for the training of teachers known as the “Articled Teachers Scheme”; or
- (d) is in breach of any obligation contained in any agreement for a loan; or
- (e) subject to paragraph (3) was a minor when any agreement for a loan was made with him and who has not ratified that agreement after attaining his majority.

(3) In the case of an agreement for a loan which is subject to the law of Scotland, sub-paragraph (e) of paragraph (2) shall apply only if—

- (a) the agreement was made with the concurrence of the borrower's curator; or
- (b) at the time the agreement was made the borrower had no curator.

(6) 1962 c. 12; the Regulations in force at the date these Regulations are made are the Education (Mandatory Awards) Regulations 1990 (S.I. 1990/1628) as amended by S.I. 1991/827.

(7) S.I. 1987/864; the relevant amending instrument is S.I. 1988/1424.

(8) 1979 c. 36.

(9) 1977 c. 49, substituted by section 6 of the Health Services Act 1980 (c. 53).

(10) 1978 c. 29, substituted by section 6 of the Health Services Act 1980.

(4) A student shall not be eligible for a loan in relation to more than one academic year or more than one course beginning in any period of twelve months beginning on 1st August in any year.

Designation of courses by Secretary of State

5. For the purposes of section 1 of the Act the Secretary of State may designate courses of higher education at institutions other than institutions receiving support from public funds.

Amounts of loans

6.—(1) Subject to paragraphs (3) and (4), 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) if the year is the final year of the course, £335 if he resides at his parents' home, and £480 if he does not; and
- (b) if the year is any other year of the course £460 if he resides at his parents' home, and £660 if he does not.

(2) Subject to paragraphs (3) and (4), in the case of any other student the maximum amount of the loan in relation to any academic year shall be—

- (a) if the year is the final year of the course, £335 if he resides at his parents' home, and £425 if he does not; and
- (b) if the year is any other year of the course, £460 if he resides at his parents' home, and £580 if he does not.

(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 £425 if the year is the final year of the course and £580 if it is not.

(4) For the purposes of paragraphs (1) to (3) where a course for the Postgraduate Certificate in Education 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 1990 loans shall bear interest in respect of the period consisting of the month of August 1991 at the rate specified in regulation 6 of those regulations.

(2) Loans shall bear interest in respect of any period commencing on or after 1st September 1991 at the rate specified in paragraphs (3) and (4), being the rate appearing to the Secretary of State 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 1991, 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⁽¹¹⁾ which is equal to the percentage specified in paragraph (4).

(4) That percentage is the percentage increase between the retail price index published by the Central Statistical Office of the Chancellor of the Exchequer for June 1990 and the retail price index so published for June 1991.

(11) S.I. 1980/51, amended by S.I. 1985/1192, 1989/596.

Time and manner of repayments

8.—(1) Subject to regulations 9 to 12 a borrower shall commence repayment of his loan on 1st April next following the date on which he ceased to attend the course.

(2) Subject to regulations 9 to 12 repayments shall be made in 60 monthly instalments calculated in accordance with paragraphs (5) and (6) 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.

(3) 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.

(4) On or before the date referred to in paragraph (1), the amount of the monthly repayments shall be calculated in accordance with paragraph (5).

(5) The amount of the loan outstanding on the relevant 1st April 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 (6).

(6) On 1st September next following the date referred to in paragraph (1), and in each subsequent year on that date 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 repayments 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.

(7) For the purposes of calculating monthly repayments under paragraphs (5) and (6) it shall be assumed that—

- (a) (if it is not the case) any repayments due prior to the relevant date have been made;
- (b) the rate of interest will not change during the period of repayment; and
- (c) each repayment will be applied to reduce the amount of the loan immediately after the addition of interest in accordance with paragraph (3).

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

(9) 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 (3) and (8)) shall no longer apply to the loan.

9. Notwithstanding the provisions of regulation 8, the loans administrator may, in the case of a borrower who is in breach of an obligation to repay any loan instalment, do either or both of the following, namely:

- (a) grant any relaxation or indulgence to the borrower which does not vary the agreement for the loan;
- (b) require the borrower to make an immediate repayment of the outstanding amount of the loan:

Provided that the loans administrator shall not grant any relaxation or indulgence in accordance with paragraph (a) unless it is satisfied that such action represents a more effective means of recovering the debt due under the agreement than instituting legal proceedings against the borrower.

Repayment by disabled borrowers

10.—(1) In the case of a borrower receiving any disability-related benefit (as defined in regulation 11(5)) 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 such longer period for repayment of the loan than that 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 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 shall be entitled to defer making repayments of his loan if he satisfies the loans administrator—

- (a) that his gross income for the month preceding the month in which he applies for deferment does not exceed £1055; and
- (b) if the loans administrator so requires, that his gross average monthly income during the three months immediately following the month first referred to in sub-paragraph (a) will not or is unlikely to exceed £1055.

(2) 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 twelve months earlier or one month later than the date on which the loans administrator notifies the borrower that it is satisfied that he is entitled to defer making repayments.

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

(4) 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.

(5) In paragraph (4) "disability-related benefits" means—

- (a) the benefits or allowances payable pursuant to the Social Security Act 1975 (12) known as invalidity allowance (13), attendance allowance (14), severe disablement allowance (15), mobility allowance (16) and industrial injuries benefit (17); and

(12) 1975 c. 14.

(13) See section 16, as amended by the Social Security Act 1979 (c. 18), Schedule 1, para. 10(a) and (b) and by the Social Security Act 1985 (c. 53), section 18(3).

(14) See section 35, as amended by the National Health Services Act 1977 (c. 49), Schedule 15, by the Social Security Act 1979, section 2 and Schedule 8, by the Social Security Act 1980 (c. 30), Schedule 1, Part II, by the Social Security Act 1988 (c. 7), and by the Social Security Act 1989 (c. 24), Schedule 8.

(15) See section 36, as substituted by the Health and Social Security Act 1984 (c. 48), section 11, and amended by the Social Security Act 1989, Schedules 8 and 9.

(16) See section 37A, inserted by the Social Security Pensions Act 1975 (c. 60), section 22(1) and amended by the National Health Service Act 1977, Schedule 15, by the National Health Service (Scotland) Act 1978 (c. 29), Schedule 15, by the Social Security Act 1979, section 3, by the Social Security Act 1986 (c. 50), section 71, and by the Social Security Act 1989, section 8 and Schedule 7.

- (b) disability premium and severe disability premium payable pursuant to the Income Support (General) Regulations 1987⁽¹⁸⁾.
- (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.

Duties of governing bodies in relation to loans

- 13.**—(1) This regulation prescribes the steps to be taken by the governing body of each institution at which eligible students are attending courses for the purposes of, or in connection with, applications for loans.
- (2) The governing body shall as soon as practicable after the commencement of each academic year—
- (a) issue to any student on request an eligibility questionnaire provided by the loans administrator;
 - (b) in respect of each eligibility questionnaire completed by a student and returned to them, take such steps as are reasonably practicable to verify the particulars inserted in the questionnaire by the student relating to his eligibility for a loan;
 - (c) if the student's eligibility cannot be determined solely by verifying the particulars on the questionnaire, take such other steps as are reasonably practicable for that purpose;
 - (d) issue to each student in relation to whom they have taken the steps required by sub-paragraphs (a)—(c) and whom they consider to be eligible an eligibility form provided by the loans administrator for completion by the student;
 - (e) certify to the best of their knowledge and belief the accuracy of the particulars in each completed eligibility form and the amount of loan to which they consider the student to be entitled;
 - (f) issue to each student in relation to whom they have taken all other steps required by the preceding provisions of this paragraph a loan application form provided by the loans administrator; and
 - (g) send each certified eligibility form to the loans administrator.
- (3) The governing body shall—

⁽¹⁷⁾ See section 50, as amended by the Social Security and Housing Benefits Act 1982 (c. 24), Schedule 4, and by the Social Security Act 1988.

⁽¹⁸⁾ S.I. 1987/1967; the relevant amending regulations are S.I. 1988/663. See Parts III and IV of Schedule 2.

- (a) promptly notify the loans administrator in writing if a person in respect of whom they have certified eligibility in accordance with paragraph (2) ceases to be an eligible student otherwise than because he has completed the course;
 - (b) keep records and copies of all documents except loan application forms which they are required by this regulation to issue or certify and a record of any steps taken by them to establish a student's eligibility;
 - (c) permit the loans administrator or the Secretary of State to inspect the records and copies at any reasonable time and provide them with reasonable facilities for that purpose;
 - (d) acknowledge receipt of all eligibility and application forms received by them from the loans administrator and provide to it on request brief particulars of such forms which they have issued; and
 - (e) as soon as practicable notify the loans administrator in writing if they believe that a person has fraudulently obtained or attempted to obtain a loan and provide the administrator with the name of the person (if known) and particulars of the circumstances of that person's obtaining or attempting to obtain the loan.
- (4) Without prejudice to the generality of sub-paragraphs (b) and (c) of paragraph (2), the steps to be taken under those sub-paragraphs shall include verifying particulars given in the eligibility questionnaire by reference to—
- (a) in the case of a person in respect of whom an entry was made in a register of births kept in pursuance of the Births and Deaths Registration Act 1953⁽¹⁹⁾ and the Registration Service Act 1953⁽²⁰⁾, a certified copy of that entry;
 - (b) in the case of a person in respect of whom an entry was made in the Adopted Children Register kept in pursuance of section 50 of the Adoption Act 1976⁽²¹⁾ which contains a record of the date of birth of the person, a certified copy of that entry;
 - (c) in the case of a person in respect of whom an entry was made in a register of births kept in pursuance of the Registration of Births, Deaths and Marriages (Scotland) Act 1965⁽²²⁾, an extract of, or an abbreviated certificate of birth relating to, that entry;
 - (d) in the case of a person in respect of whom an entry was made in the Adopted Children Register kept in pursuance of Section 45 of the Adoption (Scotland) Act 1978⁽²³⁾ which contains a record of the date of birth of the person, an extract of that entry; or
 - (e) in the case of any other person except a refugee, his passport (if he holds one), and a letter or other document issued by a responsible person which contains particulars of his date, place and country of birth and his names at birth.
- (5) Nothing in this regulation shall require the governing body to take any steps to establish whether a student falls within sub-paragraph (1)(c), (2)(d) or (2)(e) of regulation 4 (direct credit and debit agreement, breach of loan agreement and minor's failure to ratify loan agreement), and in considering whether a student is eligible the governing body shall disregard those sub-paragraphs.
- (6) The governing body shall not be required to take any of the steps specified in paragraphs (2) and (4) for the purposes of, or in connection with, loans in relation to a particular academic year after 30th June in the period of 12 months beginning on 1st August in which that academic year begins.
- (7) In this regulation—
- “eligibility form” means a form requesting particulars from a student relevant to his eligibility for a loan and of his bank or building society account; and

(19) 1953 c. 20.

(20) 1953 c. 37.

(21) 1976 c. 36.

(22) 1965 c. 49.

(23) 1978 c. 28.

“responsible person” means a consular officer, minister of religion, medical or legal practitioner, established civil servant, teacher or police officer.

SCHEDULE

Regulation 4(1)(b)(i)

Conditions of eligibility

1. The conditions prescribed for the purposes of regulation 4(1)(b)(i) are that, subject to paragraphs 3 and 4 below, the student—

- (a) is on the relevant date ordinarily resident in England and Wales for the purposes of the Education Act 1962⁽²⁴⁾, read with the regulations for the time being in force made under section 1 of and Schedule 1 to that Act (but disregarding any provision in such regulations corresponding to paragraph 3 of this Schedule)⁽²⁵⁾;
- (b) throughout the three years preceding the relevant date has been ordinarily resident in the British Islands or, in the case of such a person as is mentioned in paragraph 2 below, has been so resident in the European Community; and
- (c) has not during any part of the said three year period been resident in the British Islands or, in the case of such a person as is mentioned in paragraph 2 below, the European Community wholly or mainly for the purpose of receiving full-time education.

2. The person mentioned in paragraph 1(b) or 1(c) above is a person to whom Article 7(2) or (3) or Article 12 of Council Regulation (EEC) No. 1612/68 on the freedom of movement for workers within the Community⁽²⁶⁾ applies.

3. A person shall be treated for the purposes of paragraph 1 above as ordinarily resident in England and Wales, in the British Islands, or in the European Community if he would have been so resident but for the fact that he, his spouse or his parent, guardian or any other person having actual custody of him during his minority is, or was, temporarily employed outside England and Wales, outside the British Islands or, as the case may be, outside the European Community and paragraph 1(c) above shall not apply in the case of such a person.

4.—(1) A person shall be treated for the purposes of paragraph 1 above as having been ordinarily resident in the British Islands throughout the three years preceding the relevant date if he is a British citizen within the meaning of the British Nationality Act 1981⁽²⁷⁾ and—

- (a) he was not so resident only because he was ordinarily resident for the purposes of employment in the European Community during every part of that period in which he was not ordinarily resident in the British Islands; or
- (b) (i) he was not so resident throughout that period only because his parent is such a person as is mentioned in sub-paragraph (a), and
- (ii) his parent is ordinarily resident in Great Britain on the relevant day.

(2) In sub-paragraph (1) above “parent” includes a guardian and any other person having actual custody of a minor, and “relevant day” means—

- (i) where the person had entered the United Kingdom before the day one month earlier than that of the beginning of the term in which he commences his course, that day;
- (ii) where he had not so entered the United Kingdom, the day of the beginning of that term.

5. In this Schedule—

“European Community” means the territory comprised by the member states of the European Economic Community as constituted from time to time and, as respects any period

⁽²⁴⁾ 1962 c. 12: the relevant provisions, as amended, are set out in Schedule 5 to the Education Act 1980 (c. 20).

⁽²⁵⁾ The Regulations in force on the date these Regulations are made are the Education (Mandatory Awards) Regulations 1990 (S.I. 1990/1628) (as amended by S.I. 1991/827) and the provision therein corresponding to paragraph 3 of the Schedule to these Regulations is regulation 5(4).

⁽²⁶⁾ OJ No. L257, 19.10.68, p. 2 (OJ/SE 1968(II)) p. 475).

⁽²⁷⁾ 1981 c. 61.

prior to the unification of the Federal Republic of Germany with the former German Democratic Republic, that former Republic; and

“the relevant date” means the first day of the course.

Signed by authority of the Secretary of State for Education and Science

3rd June 1991

Alan Howarth
Parliamentary Under Secretary of State,
Department of Education and Science

Signed by authority of the Secretary of State for Scotland

3rd June 1991

Michael Forsyth
Minister of State, Scottish Office

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 1st August 1991, are made under section 1 of and Schedule 2 to the Education (Student Loans) Act 1990 (“the Act”).

Conditions of eligibility for a loan are prescribed. A student must be attending a full-time course, a part-time initial teacher training course or a partly full-time and partly part-time initial teacher training course (regulation 4(1)(a)). The student must satisfy the ordinary residence conditions in the Schedule to the Regulations or in the Students' Allowances (Scotland) Regulations 1987; or at any time before or during the academic year be a refugee (or a spouse or child of a refugee) who has been ordinarily resident in the British Islands since being recognised as a refugee (regulation 4(1)(b)). A loan is only available if the student agrees with the loans administrator that payment of the loan shall be by direct credit and has signed a direct debit mandate (regulation 4(1)(c)). A loan is available only if the student enters into an agreement for it during the twelve month period beginning on 1st August in which the relevant academic year begins (regulation 4(1)(d)). A student is not eligible if he is aged 50 or over before the start of the course; is training to be a nurse and eligible for a bursary from public funds under the Project 2000 scheme; is following a course under the Articled Teachers Scheme; is in default on a previous loan made under the Act; or if he obtained a loan when a minor and refused to ratify the loan agreement on reaching 18 (regulation 4(2)). No student is eligible for more than one loan in any year (regulation 4(4)).

The Secretary of State is empowered to designate courses at private sector institutions for the purposes of section 1 of the Act (regulation 5). (A student at a private sector institution is eligible for a loan only if his course is designated.)

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Rates of loan are prescribed, differing according to whether the student is in the final or another year of the course, and according to whether he lives in the parental home, or away from the parental home and studies in London or elsewhere. A one year course for the Postgraduate Certificate of Education is not treated as a final year (regulation 6).

From 1st September 1991 loans bear interest at the same percentage as the percentage increase in the Retail Prices Index between June 1990 and June 1991, thus maintaining the value of the outstanding amount of the loan in real terms (regulation 7).

A borrower will start to repay his loan — by direct debit (unless otherwise agreed) — on 1 April after leaving his course, whether completed or not. Repayments will be made in 84 monthly instalments if the student has received a loan in respect of 5 academic years or more, and in 60 monthly instalments in all other cases. Provision is made for calculating the amount of monthly repayments. The administrator may require a defaulting borrower to repay the outstanding debt immediately or, in prescribed circumstances, may relax the repayment requirements of the loan agreement in the case of such a borrower (regulation 9).

The loans administrator is empowered, in the case of borrowers receiving specified disability-related benefits, to relax the terms of repayment by allowing a later start date or deferred repayments or a longer period for repayment than provided for in regulation 8 (regulation 10).

A borrower may defer repayments for one year if he satisfies the loans administrator that his gross income for specified months does not exceed £1055. When assessing gross income no account is taken of specified disability-related benefits. The borrower may resume repayments during the deferment period. Interest accrues on the loan during any deferment period (regulation 11).

A borrower's liability is cancelled if the borrower dies; or if a borrower, without being in breach of any obligation: attains the age of 50 (or the age of 60 if he was aged 40 or over when the most recent loan agreement was made) or has had his most recent loan outstanding for 25 years (regulation 12).

The governing bodies of institutions at which eligible students are attending courses are under a duty to issue, check and certify eligibility questionnaires and forms, and issue application forms. The duty does not apply in relation to an academic year after 30th June in or immediately following that year. They are also required to notify the loans administrator if a certified student ceases to be eligible (other than by completing the course) or if a person fraudulently obtains or attempts to obtain a loan; keep appropriate records and copies of documents for inspection; and acknowledge receipt of eligibility and application forms and provide brief details of those issued (regulation 13).

The Schedule specifies conditions of eligibility. Generally speaking a person is eligible for a loan if he has been ordinarily resident in the British Islands (ie the United Kingdom, the Channel Islands and the Isle of Man) for a period of three years ending with the first day of his course.