
STATUTORY INSTRUMENTS

1999 No. 1001

The Education (Student Loans) (Scotland) Regulations 1999

PART V

LOAN REPAYMENTS AND INTEREST

Interest

15.—(1) Subject to paragraph (2), loans shall bear interest at the rate which, in relation to a loan made under these Regulations on or after 1st August 1999, 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 increase between the retail prices all items index published by the Office for National Statistics for March 1998 and that index so published for March 1999.

(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 Secretary of State 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).

Repayments

16.—(1) A borrower may pay any part of or all of any moneys he owes to the Secretary of State under the Act and these Regulations at any time without charge or penalty.

(2) A borrower shall not be required to pay any moneys he owes before 6th April 2000.

(3) Any liability of a borrower under the Act and these Regulations shall be cancelled if he—

(a) dies;

(b) is not in breach of any obligation to repay any loan and he has attained the age of 65; or

(c) receives a disability related benefit and the Secretary of State is satisfied that because of his disability he is permanently unfit for work.

(4) For the purposes of paragraph (3) “loan” has the meaning given it in regulation 4(4).

Insolvency

17.—(1) In England and Wales there shall not be treated as part of a bankrupt’s estate or claimed for his estate under section 307 or 310 of the Insolvency Act 1986⁽³⁾ any sum payable to an eligible

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

(2) 1974 c. 39.

(3) 1986 c. 45; section 310 was amended by the Pensions Act 1995 (c. 26).

student by way of a loan and which he receives or is entitled to receive after the commencement of the bankruptcy, whether his entitlement arises before or after the commencement of his bankruptcy.

(2) In Scotland, where after the date of sequestration of an eligible student's estate, he receives, or is entitled to receive, sums by way of loan—

- (a) the sheriff shall not, in fixing an amount under subsection (2) of section 32 of the Bankruptcy (Scotland) Act 1985⁽⁴⁾ treat the sums as income of the eligible student;
- (b) for the purpose of subsection (6) of that section 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 being made under paragraph 11 of Schedule 4 to that Act as respects him and the permanent trustee).

(3) In Northern Ireland there shall not be treated as part of a bankrupt's estate or claimed for his estate under Article 280 or 283 of the Insolvency (Northern Ireland) Order 1989⁽⁵⁾ any sum payable to an eligible student by way of a loan and which he receives or is entitled to receive after the commencement of the bankruptcy, whether his entitlement arises before or after the commencement of his bankruptcy.

(4) 1985 c. 66; section 32 was amended by the Child Support Act 1991 (c. 48), Schedule 5, paragraph 6, and the Pensions Act 1995 (c. 26), Schedule 3, paragraph 15.

(5) S.I. 1989/2405 (N.I. 19).