
STATUTORY INSTRUMENTS

2009 No. 470

The Education (Student Loans) (Repayment) Regulations 2009

PART 2

Provisions Applicable to all Repayments

Interpretation

9.—(1) In this Part—

“2006 Support Regulations” means the Education (Student Support) Regulations 2006(1).

“the 2006 Welsh Regulations” means the Assembly Learning Grants and Loans (Higher Education) (Wales) Regulations 2006(2);

“date of receipt” in relation to a repayment is to be construed in accordance with regulation 17;

“disability-related benefit” means long-term incapacity benefit or short-term incapacity benefit at the higher rate, severe disablement allowance, disability living allowance, industrial injuries benefit and disability working allowance, all payable under the Social Security Contributions and Benefits Act 1992(3), or the amount of any disability premium and severe disability premium included in the applicable amount in calculating the income support payable under the Income Support (General) Regulations 1987(4);

“end-on course” means—

(a) a full-time first degree course (other than a first degree course for the initial training of teachers) which, disregarding any intervening vacation, a student begins immediately after ceasing to attend a full-time course mentioned in paragraph (2) for which the student received or was entitled to receive an award made under the Education (Mandatory Awards) Regulations 1998(5) (other than an award within the meaning of the Education (Mandatory Awards) Regulations 2003(6)), or financial support under Student Support Regulations; and

(b) a full-time honours degree course beginning on or after 1st September 2006 which, disregarding any intervening vacation, a student begins immediately after ceasing to attend a full-time foundation degree course and for which the student received or was entitled to receive any of the financial support referred to in paragraph (a); and

“Student Support Regulations” means—

(1) SI 2006/119 amended by SI 2006/955 and 2006/1745.

(2) SI 2006/126 (W.19)

(3) 1992 c.4, amended by the Social Security (Incapacity for Work) Act 1994 (c.18) sections 1 to 3, 5 to 6, 8 to 11 and Schedules 1 and 2. The provisions of the 1992 Act and the amendments of the 1994 Act are repealed by the Welfare Reform Act 2007 (c.5) sections 23 and 67 and Schedules 3 and 8 from a date to be appointed (see section 70(2)).

(4) SI 1987/1967 (see parts 3 and 4 of Schedule 2) ; relevant amending Regulations are SI 1988/663, 1988/2022, 1989/1678, 1991/2742, 1993/2119, 1994/2139, 1994/3061, 1995/482, 1995/515, 1997/543, 2000/681, 2002/3019, 2003/2379, 2007/688 and 2007/719.

(5) SI 1998/116, amended by SI 1998/1972.

(6) SI 2003/1994, amended by SI 2004/1038, 2005/2083, 2006/930, 2007/1629 and 2008/1477.

- (c) in relation to England, any Regulations made in or in relation to any academic year commencing in or after 1998 pursuant to section 22 of the 1998 Act and which regulate or define the entitlement of a borrower to loans and the extent of any financial support available including Regulations made after the date of these Regulations; and
 - (d) in relation to Wales, any Regulations made pursuant to section 22 of the 1998 Act which regulate or define the entitlement of a borrower to loans and the extent of any financial support available made-
 - (i) by the Secretary of State in or in relation to any academic year beginning in or after 1998 but before 2006; and
 - (ii) by the Welsh Ministers for the academic year beginning in 2006, or any subsequent academic year, including Regulations made after the date of these Regulations.
- (2) The courses mentioned in this paragraph are a course for the Diploma of Higher Education, and a course for the Higher National Diploma or Higher National Certificate of—
- (a) the Business & Technician Education Council; or
 - (b) the Scottish Qualifications Authority.

Functions of HMRC

10.—(1) HMRC must collect repayments from borrowers (whether or not any loan of the borrower is a transferred loan) in accordance with Parts 3 and 4, and the provisions of section 1 of the 1970 Act apply for those purposes as they apply for the purposes of income tax.

(2) HMRC must, at such time and in such manner as the Treasury may direct, account for, and pay to, the Secretary of State the sums estimated by HMRC (in the manner so directed) to have been collected by it as repayments in accordance with Parts 3 and 4.

(3) HMRC must account for and pay to the Secretary of State such sums as are referred to in paragraph (2) regardless of whether the Secretary of State is entitled to retain such repayments or receives them on behalf of a loan purchaser.

(4) Payments to the Secretary of State do not include any interest, penalties or charges payable under Part 3 or 4 and HMRC will cause any such sums which it recovers to be paid, at such times and under such regulations as the Treasury may from time to time prescribe, to accounts to be entitled “The Account of Her Majesty’s Exchequer”, at the Bank of England and the sums so paid form part of the Consolidated Fund.

Transfer of repayments due to a loan purchaser

11.—(1) The Authority must pay to a loan purchaser at such time and in such amount as may be agreed with the loan purchaser any sums which are paid directly to the Authority in connection with transferred loans whether under this Part or Part 5.

(2) The Authority may make aggregate payments to a loan purchaser in respect of all or a number of transferred loans owned by that loan purchaser.

Officers of Revenue and Customs

12. Any legal proceedings or administrative act authorised by or done for the purposes of these Regulations begun by an officer of Revenue and Customs may be continued by another officer; and any officer may act for any other division or area.

Penalties in relation to Parts 3 and 4

13.—(1) Section 98 of the 1970 Act (special returns etc) applies for the purposes of repayments under Parts 3 or 4 as if any reference in that section to a provision in the Table is a reference to a provision in those Parts 3 or 4 with the exception of regulations 30, 33, 60 and 61.

(2) Section 99 of the 1970 Act (assisting in the preparation of incorrect returns etc) applies in the case of returns, statements, declarations, accounts, information or documents for the purposes of repayments under Parts 3 or 4 as it applies for the purposes of income tax.

(3) For tax years—

- (a) ending on or before 5 April 2008, sections 100 (determination of penalties by officer of HMRC), 100A (provisions supplementary to section 100) and 100B (appeals against policy determinations) of the 1970 Act apply to the penalties set out in regulation 40(3) in connection with repayments under Part 3 as they apply in connection with income tax;
- (b) commencing on or after 6 April 2008, where the date on which the return is due to be filed is on or after 6 April 2009, Schedule 24 to the Finance Act 2007(7) (penalties for errors) applies in relation to the assessment of penalties and appeals against the assessment of penalties in connection with Part 3 as it applies to penalties in connection with income tax.

(4) Sections 100 (determination of penalties by officer of Revenue and Customs), 100A (provisions supplementary to section 100) and 100B (appeals against penalty determinations) of the 1970 Act apply to penalties other than those outlined in regulations 40(3) and 40(4) in connection with repayment under Part 3 and all penalties under Part 4 as they apply to penalties in connection with income tax.

(5) Section 100C (penalty proceedings before the tribunal), 100D (penalty proceedings before court), 102 (mitigation of penalties), 103(3) and (4) (time limit for penalties), 103A (interest on penalties), 104 (savings for criminal proceedings) and 105 (evidence in cases of fraudulent conduct) of the 1970 Act apply to penalties in connection with repayments under Part 3 or 4 as they apply in connection with income tax.

(6) Sections 112 to 115A of and Schedule 3A to the 1970 Act (documents) apply to assessments, returns or other documents made, required, issued, served, sent or lodged for the purposes of or in connection with repayments under Parts 3 or 4 as they apply to documents for the purposes of or in connection with income tax.

(7) Section 118(2) of the 1970 Act (failure to act within limited time) applies in relation to anything required to be done under Parts 3 or 4 as it applies in relation to anything required to be done under that Act.

(8) For the purposes of these Regulations, the amount of a repayment covered by any assessment under Part 3 is not deemed finally determined until that assessment can no longer be varied, whether by the tribunal on appeal or by the order of any Court.

Interest and penalties

14.—(1) Interest and penalties charged under Parts 3 or 4 are not added to the principal outstanding, are not part of the loan, and payments of such interest or penalties are not credited against the principal outstanding.

(2) Any repayments received by the Authority or loan purchaser will be applied in reduction or satisfaction of the liabilities of a borrower in the following order:—

- (a) first, any outstanding penalties, costs, expenses or charges under regulations 24 or 25;
- (b) second, any outstanding penalties, costs, expenses or charges under Part 5;

(7) 2007 c.11. Schedule 24 was amended by the Finance Act 2008 (c.9) Schedule 40.

- (c) third, any outstanding interest;
- (d) fourth, any outstanding principal, which will be reduced or satisfied from the date of receipt.

Timing of repayments: general

15.—(1) A borrower may repay all or any part of a student loan to the Authority or loan purchaser at any time, by making direct payments to the Authority.

(2) A borrower is not required to repay any part of the student loan before the start of the following tax year commencing on 6 April after a borrower ceases to be eligible for financial support under Regulations made pursuant to section 22 of the 1998 Act, whether by reason of having completed that course or otherwise.

(3) Subject to paragraphs (7), (8) and regulation 16, the Authority must notify the borrower and HMRC of—

- (a) the first or, as the case may be, next tax year in respect of which the borrower may be required to make repayments under Part 3;
 - (b) the date on and after which a borrower may be required to make repayments by deductions from earnings under Part 4;
 - (c) where the borrower has given the Authority notification in accordance with regulation 16(3), the tax year in respect of which the borrower will cease to be required to make repayments under Part 3;
 - (d) the tax year in which the borrower will cease to be required to make repayments under Part 3 because of the occurrence of a relevant event; and
 - (e) the date on and after which a borrower will cease to be required to make repayments by way of deduction from earnings under Part 4 because of the occurrence of a relevant event.
- (4) For the purposes of paragraph (3)(d), a “relevant event” occurs when—
- (a) the loan has been repaid in full to or via the Authority;
 - (b) an amount sufficient to repay the balance owing to the Authority or loan purchaser is likely to be received by HMRC under Part 4 or by the Authority directly from overseas borrowers by 30 April in the tax year immediately following the tax year in which the notice is issued;
 - (c) the loan has been cancelled; or
 - (d) the borrower becomes an eligible teacher in full-time eligible employment.
- (5) For the purposes of paragraph (3)(e), a ‘relevant event’ occurs when—
- (a) the loan has been repaid in full to or via the Authority;
 - (b) an amount sufficient to repay in full the balance owing to the Authority or loan purchaser is likely to be received by HMRC under Parts 3 and 4 and by the Authority directly from overseas borrowers by the date given in the notice;
 - (c) the loan has been cancelled;
 - (d) the borrower has notified the Authority in accordance with regulation 16(3);
 - (e) the borrower becomes an eligible teacher in full-time eligible employment; or
 - (f) the borrower has undertaken to repay the loan in full after the date given in the notice in accordance with regulation 18 and meets the criteria of that regulation.

(6) The Authority must not issue a notice under paragraph (3)(d) after the end of the calendar year during which the tax year specified in the notice ends.

(7) Where the Authority has notified a borrower and HMRC that repayments under Parts 3 and 4 must no longer be made but at a later date it appears to the Authority that the student loan has not been fully repaid, then a further notice may be given in accordance with paragraph (3).

(8) No notice need be given under paragraph (3)(a) or (b) if the borrower's loan does not exceed £120.

(9) Any notice which the Authority is required to give to HMRC pursuant to this regulation may be given in respect of one or more than one borrower, and in respect of each borrower, the Authority must provide the particulars required in paragraph (3).

(10) Any notice given by the Authority pursuant to the Education (Student Loan) (Repayment) Regulations 2000 prior to the coming into force of these Regulations is to be treated as having been given pursuant to these Regulations.

Timing of Repayment: teachers and eligible teachers

16.—(1) Where a borrower is an eligible teacher in full-time employment the Authority must not issue a notice under regulation 15(3)(a) to (d).

(2) Regulation 15(3) applies, however, if a borrower—

- (a) ceases to be eligible for a reduction under the Teachers' Regulations; or
- (b) a borrower who is an eligible teacher in full-time eligible employment changes to part-time eligible employment.

(3) A borrower—

- (a) whose student loan was made in connection with undertaking a course for the initial training of teachers, other than a course leading to a first degree; and
- (b) who has notified the Authority in writing of a desire not to repay that student loan during any period in which the borrower is also required to repay a loan made under the Education (Student Loans) Act 1990⁽⁸⁾ or the Education (Student Loans) (Northern Ireland) Order 1990⁽⁹⁾,

is not be required to repay any part of the student loan during any such period.

(4) A borrower who is an eligible teacher in full-time eligible employment is not required to repay any part of a student loan during the period in which the borrower remains eligible under regulation 3(1) of the Teachers' Regulations.

(5) A borrower who is an eligible teacher in part-time employment is not required to repay the proportion of any part of a student loan for which the borrower is eligible for a reduction under the Teachers' Regulations during the period in which the borrower remains eligible under regulation 3(1) of the Teachers Regulations.

(6) Where under paragraph (1) the Authority is not required to give notices under regulation 15(3), a borrower may be required by the Authority to repay the student loan in such manner and over such period as in all the circumstances seems appropriate.

Date of repayment

17. For the purposes of this Part, repayment will be considered to have been paid by the borrower and received by the Authority or loan purchaser as follows:—

(8) 1990 c.6 as amended by the Education (Student Loans) Act 1998 (c.1). The 1990 Act was repealed with savings by the Teaching and Higher Education Act 1998 (c. 30) section 44(2) and Schedule 4. To the extent it continues in force by virtue of those savings, it was amended by the Learning and Skills Act 2000 (c. 21) section 151 and Schedule 10, part 4.

(9) SI 1990/1506 (NI. 11).

- (a) where an amount is paid by the borrower directly to the Authority, or by direct debit under regulation 18, a repayment of that amount is considered to have been received on the date on which the amount is, in fact, received;
- (b) where HMRC have notified the Authority that an amount has become payable to it in respect of a tax year under Part 3, a repayment of that amount is considered to have been received by the Authority on 31 January following the tax year, whether or not the borrower has, in fact, paid any or all of that amount to HMRC;
- (c) where an amount is deducted by an employer under Part 4, that amount must be aggregated with all other amounts deducted in the same tax year and repayments of the aggregate amount will be considered to have been received by the Authority in equal instalments received on the days during the tax year which are—
 - (i) the last days of a month;
 - (ii) days after the date on which the Authority has given notice under regulation 15(3) (b) that payment should be deducted; and
 - (iii) days before the date on which the Authority has given notice under regulation 15(3) (e) that payment should cease to be deducted; and
- (d) for the purposes of transferred loans, payment to the loan purchaser by the borrower is considered to have been received on the same day as payment is considered to have been received by the Authority in accordance with this regulation.

Direct debit repayment

18.—(1) This regulation will apply if—

- (a) the borrower gives notice to the Authority of an intention to repay the outstanding balance in accordance with this regulation;
- (b) the Authority is satisfied that the borrower is likely to repay all of the outstanding balance of the student loan under Part 4 within 23 months of that notice; and
- (c) the borrower has not previously ceased making payments under this regulation without the loan having being repaid in full, unless such cessation was agreed by the Authority.

(2) Where this regulation applies, subject to paragraphs (3) and (4), the Authority must give notice to HMRC, in accordance with regulation 15(3)(e) that deductions from the borrower's earnings are to cease from the date specified in the notice.

(3) The borrower must complete and return to the Authority in the format required by the Authority from time to time a standing instruction to the borrower's bank authorising monthly lump sum payments to the Authority in such sum as is required to ensure payment of the outstanding balance within the next 23 months.

(4) The first date on which a bank, authorised by a borrower to make a payment, makes a payment must fall no later than 30 days after the date which the Authority specifies in a notice pursuant to regulation 15(3)(e).

(5) If at any time the instruction to the borrower's bank—

- (a) is refused on any second presentation by the Authority; or
- (b) is cancelled or otherwise altered by the borrower without the permission of the Authority given under paragraph (6),

then the Authority must give notice of any refusal or failed payment to the borrower and must give a notice to HMRC and to the borrower pursuant to regulation 15(3) that deductions from earnings are to recommence unless regulation 15(8) would otherwise apply.

(6) The borrower may, at any time, agree with the Authority that repayment in accordance with this regulation will cease, and thereafter the Authority must give a notice to HMRC and to the borrower in accordance with regulation 15(3) that repayment through the tax system is to recommence unless regulation 15(8) would otherwise apply.

(7) The Authority may suspend or delay the operation of paragraph (5) if and to the extent it appears to the Authority expedient to do so, taking into account the causes of the failed payment and the Authority must notify the borrower of any suspension or delay as the case may be.

(8) This regulation will not affect any voluntary repayments made by a borrower by any method pursuant to regulation 15(1).

Cancellation

19.—(1) This regulation applies where a borrower is not in breach of any obligation to repay:

- (a) a student loan under the overseas provisions;
- (b) a student loan under regulation 18; or
- (c) any loan mentioned in paragraph (4).

(2) In this regulation “post-2006 student loan” means any student loan paid under the 2006 Support Regulations or the 2006 Welsh Regulations or any subsequent Regulations made by the Secretary of State or the Welsh Ministers (as the case may be) under section 22 of the 1998 Act and taken out by—

- (a) a borrower who takes out a student loan for the first time in respect of an academic year beginning on or after 1 September 2006; or
- (b) a borrower who takes out a student loan in respect of a course which satisfies the following conditions—
 - (i) it begins on or after 1 September 2006;
 - (ii) it is not an end-on course following on from a course which the borrower began before 1 September 2006; and
 - (iii) it is not one to which the borrower’s status as a student eligible for support under Regulations made under section 22 of the 1998 Act has been transferred from another course which the borrower began before 1 September 2006.

(3) The Authority or loan purchaser must cancel the borrower’s liability to repay the student loan when one of the following occurs—

- (a) the borrower dies;
- (b) the borrower receives a disability-related benefit and because of the disability is permanently unfit for work;
- (c) in the case of post-2006 student loans, the 25th anniversary of the date on which the borrower became liable to repay the student loan; or
- (d) in the case of student loans which are not post-2006 student loans, the borrower reaches the age of 65.

(4) For the purposes of paragraph (1) the loans are loans made under the Education (Student Loans) Act 1990, the Education (Student Loans) (Northern Ireland) Order 1990, the Education (Scotland) Act 1980 and Regulations made under it, and the Education (Student Support) (Northern Ireland) Order 1998(10) and Regulations made under it.

(10) *SI 1998/1760 (NI. 14)* as amended by the Learning and Skills Act 2000 (c.21) section 147(3)(a) and (b) and the Higher Education (Northern Ireland) Order 2005 (*SI 2005/1116 (NI. 5)*).

(5) The cancellation of the borrower's liability to repay the student loan under paragraph (3) does not affect the liability of the borrower to make repayments under Part 3 subject to and in accordance with that Part in respect of any tax year—

- (a) in the case of cancellation under paragraph (3)(a), during which the borrower was alive; and
- (b) in any other case, preceding the tax year during which the student loan was cancelled.

(6) The cancellation of a borrower's liability to repay the student loan under paragraph (3) does not affect the employer's liability to make deductions under Part 4 subject to and in accordance with that Part in respect of any earnings period ending before the date of cancellation.

Refunds

20.—(1) Where the Authority has received a repayment either directly from the borrower or from HMRC under Part 4—

- (a) which results in the student loan being repaid in full, or
- (b) when the student loan has already been repaid in full,

the Authority must refund to the borrower any amount not required to repay the loan in full together with interest calculated as if it were the principal of a student loan outstanding from the date of receipt of the repayment to the date of the refund.

(2) Where the Authority is considered to have received a payment from HMRC under Part 3 in respect of a tax year –

- (a) which results in the student loan being repaid in full, or
- (b) when the student loan has already been repaid in full,

the repayment will be considered to have been received by the Authority on 31 January next following the tax year in accordance with regulation 17(b) and the Authority must refund to HMRC for the borrower's account any overpayment which results from the receipt.

(3) A refund under paragraph (2) will not carry interest and HMRC will be considered to have received the refund on the date on which the amount refunded was considered to have been received by the Authority in accordance with regulation 17.

(4) Where the Authority has received a repayment by way of deduction from the borrower's earnings for a tax year in accordance with Part 4 and those earnings do not exceed £15,000, the Authority must refund the amount deducted if the borrower applies for a refund.

(5) Where the Authority has received a voluntary payment not required under these Regulations in relation to the student loan of a borrower who is an eligible teacher after the date on which the borrower has commenced eligible employment or 1 September 2002 whichever is the later, the Authority may refund to the borrower—

- (a) who is a full-time eligible teacher, an amount equal to that payment, or
- (b) who is a part-time eligible teacher, an amount equal to the part of that payment which is not required to pay the student loan in full not including the proportion of the loan for which the teacher is eligible for a reduction under the Teachers' Regulations.

Interest rate on the loans

21.—(1) Subject to paragraph (2), during any academic year, if the Authority determines that student loans will bear interest, loans bear interest at the rate which will result in an annual percentage rate of charge determined in accordance with the Consumer Credit (Total Charge for

Credit) Regulations 1980⁽¹¹⁾ equal to the percentage increase between the retail prices all items index published by the Office for National Statistics for the two Marches immediately before the commencement of the academic year.

(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⁽¹²⁾ student loans bear interest at the rate so specified.

(3) Interest is calculated on the principal outstanding daily and is added to the principal monthly.

(4) The index of prices to which the Authority is required by section 22(8) of the 1998 Act to have regard in prescribing the rate of interest which student loans bear is the retail prices all items index mentioned in paragraph (1).

(5) The Authority must publish, at least once a year, by whatever means and in whatever media the Authority thinks fit, the interest rate determined in accordance with paragraph (1) for any forthcoming academic year, subject to any variation required by virtue of paragraph (2) to be applied.

(6) If, for any academic year, the Authority determines not to charge interest on student loans, the Authority must publish notice of that fact in the same manner.

(7) If, for any academic year, the Authority publishes more than one rate of interest to apply to student loans, any subsequent rate so published will replace any previously published rate as the rate to apply from the date specified in the notice.

Information requests

22. If a borrower-

- (a) changes home address; or
- (b) changes name,

the borrower must inform, and provide particulars of the change to, the Authority within six weeks of the relevant change.

Information notices

23.—(1) The Authority may serve a notice (“an Information Notice”) on a borrower at the borrower’s home address.

(2) An Information Notice under paragraph (1) may require the borrower to provide some or all of the following, together with documentary evidence in support where relevant -

- (a) full name;
- (b) telephone number and/or email address;
- (c) National Insurance number or a valid reason for not having one;
- (d) date of birth;
- (e) a statement of whether the borrower is employed, self-employed or not employed;
- (f) the following particulars of employment and income during the period specified in the notice-
 - (i) for each part of that period during which the borrower was employed, the dates on which the employment began and (unless continuing) ended, the name and address of the employer, employee number, and gross earnings;

⁽¹¹⁾ SI 1980/51, amended by SI 1999/3177; there are other amending instruments but none is relevant.

⁽¹²⁾ 1974 c.39. The Act has been amended, but none are relevant.

- (ii) for each part of that period during which the borrower was self-employed, the dates on which that self-employment began and (unless continuing) ended and the borrower's gross earnings; and
- (iii) the amount, source and date of receipt of any other income.

(3) An Information Notice under paragraph (1) must contain statements detailing the penalties for failure to comply with an Information Notice set out in regulations 24 and 27.

(4) Where the Authority serves an Information Notice on a borrower under paragraph (1), the borrower must comply with it within 28 days beginning with the day on which the Information Notice was served.

Penalties and Penalty Notices

24.—(1) Where a borrower fails to comply with regulation 22, the Authority may require the borrower to pay a penalty of £50.

(2) Where a borrower fails to comply with regulation 23(4), the Authority may require the borrower to pay a penalty of £50.

(3) Where a borrower is liable to a penalty under paragraphs (1) or (2) and has not paid it by the time of the expiry of the time limit for payment, the Authority may require the borrower to pay one additional penalty of £100 in respect of that failure.

(4) Where a borrower was liable to a penalty under paragraphs (1) or (2) and has paid the penalty but not complied with the requirements of the relevant regulation within 28 days of the date of payment of the penalty, the Authority may require the borrower to pay one additional penalty of £100 in respect of that failure.

(5) The Authority must notify the borrower of a penalty imposed under paragraphs (1) to (4) by serving a notice (“a Penalty Notice”) on the borrower at the borrower's home address containing the details of that and other possible penalties under regulations 24 and 27.

(6) A penalty imposed under paragraphs (1) to (4) is payable within 28 days beginning on the day on which the Penalty Notice was served, despite the provisions of regulation 15(3), (4), (5) or (6).

(7) The Authority may add any penalty imposed under this regulation to the borrower's loan account and it will form part of the principal of the loan from the date on which it is added.

Costs and expenses

25.—(1) Where the Authority incurs reasonable costs or expenses in taking steps to—

- (a) serve an Information Notice on a borrower under regulation 23(1);
- (b) obtain the information requested in an Information Notice served under regulation 23(1);
or,
- (c) serve a Penalty Notice on a borrower under regulation 24(5).

the Authority may require the reimbursement of those costs or expenses by the borrower.

(2) Where the Authority incurs such costs or expenses as are referred to in paragraphs (1)(a) to (c) in respect of a transferred loan, the Authority is entitled to recover such costs and expenses as are incurred on behalf of the loan purchaser.

(3) The Authority may add any costs or expenses incurred under this regulation to the borrower's loan account and they will form part of the principal of the student loan from the date on which they are added.

(4) In respect of any transferred loan, any sum added to the borrower's loan account in accordance with paragraph (3) is owed to the loan purchaser.

Alteration of relevant time limits

26. Where the Authority considers that, having regard to all the circumstances of a particular case, a time limit in regulation 22, 23(4), 24(4) or 24(6) should be relaxed, the Authority may specify another time limit.

Foreclosure

27. Where a borrower fails to comply with an Information or Penalty Notice or both, the Authority may require the borrower to repay the student loan in full immediately.