



Education (Student Loans) Act 1996

1996 CHAPTER 9

An Act to make provision for, and in consequence of, the payment of subsidy in respect of private sector student loans. [29th April 1996]

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Subsidy in respect of private sector student loans

- (1) In section 1 of the Education (Student Loans) Act 1990 (arrangements for loans for students out of money made available by Secretary of State), after subsection (1) insert—

“(1A) The Secretary of State may, in pursuance of arrangements with persons by whom private sector student loans are made, pay subsidy to those persons in respect of such loans; and in this subsection “private sector student loans” means loans made to eligible students towards their maintenance otherwise than out of money made available by the Secretary of State.”

- (2) The Schedule to this Act (which makes amendments in consequence of subsection (1) above) shall have effect.

2 Corresponding provision for Northern Ireland

An Order in Council under sub-paragraph (1)(b) of paragraph 1 of Schedule 1 to the Northern Ireland Act 1974 (legislation for Northern Ireland in the interim period) which contains a statement that it is made only for purposes corresponding to the purposes of section 1 above and the Schedule to this Act—

- (a) shall not be subject to sub-paragraphs (4) and (5) of that paragraph (affirmative resolution of both Houses of Parliament), but
- (b) shall be subject to annulment in pursuance of a resolution of either House of Parliament.

3 Financial provisions

There shall be paid out of money provided by Parliament—

- (a) any sums required by the Secretary of State for paying subsidy in respect of private sector student loans, and
- (b) any increase attributable to this Act in the expenses of the Secretary of State under the Education (Student Loans) Act 1990.

4 Citation and extent

- (1) This Act may be cited as the Education (Student Loans) Act 1996.
- (2) This Act and the Education Acts 1944 to 1994 may be cited together as the Education Acts 1944 to 1996.
- (3) Apart from—
 - (a) section 2 above,
 - (b) (as respects institutions in Northern Ireland) paragraph 3(3) of the Schedule to this Act, and
 - (c) this section,this Act does not extend to Northern Ireland.

Status: This is the original version (as it was originally enacted).

SCHEDULE

CONSEQUENTIAL AMENDMENTS

- 1 The Education (Student Loans) Act 1990 is amended in accordance with this Schedule.
- 2 (1) Section 1 (arrangements for loans for students out of money made available by Secretary of State) is amended as follows.
(2) After subsection (1A) (which is inserted by section 1 of this Act) insert—
“(1B) In this Act—
 - (a) references to public sector student loans are to loans under arrangements made under subsection (1) above; and
 - (b) references to subsidised private sector student loans are to loans in respect of which arrangements such as are mentioned in subsection (1A) above provide for the payment (at any time or in any circumstances) of subsidy under that subsection.”
- (3) In subsection (5), for “arrangements made under this section” substitute “public sector student loans and subsidised private sector student loans”.
- 3 (1) Schedule 2 (provisions about loans out of money made available by Secretary of State) is amended as follows.
(2) In paragraph 1—
 - (a) in sub-paragraph (1), before “loan” (in both places) and “loans” insert “public sector student”, and
 - (b) in sub-paragraph (4), for “Loans” substitute “Public sector student loans”, and, accordingly, in the heading immediately preceding that paragraph, for “*Principal*,” substitute “*Public sector student loans: principal*,”.
- (3) In paragraph 2—
 - (a) in sub-paragraph (1), for “loans under the arrangements made under section 1 of this Act,” substitute “public sector student loans or subsidised private sector student loans,”, and
 - (b) after that sub-paragraph insert—
“(1A) Regulations under sub-paragraph (1) above may include provision for the making of payments to governing bodies in respect of the taking by them of steps prescribed by the regulations.”
- (4) In paragraph 3—
 - (a) in sub-paragraph (1), for “The arrangements may provide for the” substitute “Arrangements made under section 1(1) of this Act may provide for public sector student” and for “to the loans” substitute “to such loans”,
 - (b) in sub-paragraph (2), for “loans under the” substitute “such loans under those”,
 - (c) in sub-paragraph (5), for “borrowers or intending borrowers under this Act” substitute “persons borrowing or intending to borrow by way of public sector student loans” and after “making” insert “such”,
 - (d) in sub-paragraph (6), after “making” insert “public sector student”, and

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(e) in sub-paragraph (7), after “recovering” insert “public sector student” and for “under the arrangements” substitute “by virtue of this paragraph”, and, accordingly, for the heading immediately preceding that paragraph substitute “*Public sector student loans: administration*”.

(5) For sub-paragraph (8) of paragraph 3 substitute—

“Circulars to minors

3A No document sent—

- (a) in connection with public sector student loans by any such person or body as is mentioned in paragraph 3(1) above; or
- (b) in connection with subsidised private sector student loans by any person making or proposing to make such loans,

shall be regarded as sent with a view to financial gain within the meaning of section 50 of the Consumer Credit Act 1974 (circulars to minors).”

(6) In paragraph 4—

- (a) in sub-paragraph (1), after “recovering” insert “public sector student”,
- (b) after that sub-paragraph insert—

“(1A) No person making or proposing to make subsidised private sector student loans shall provide or make available to anyone else (whether for consideration or not) any information held in connection with such loans if the information is to be used for soliciting custom for goods or services; but this sub-paragraph does not prevent a member of a group (within the meaning of Part VII of the Companies Act 1985) providing or making available information to another member of the group.”, and

- (c) in sub-paragraph (2), for “sub-paragraph (1) above is” substitute “sub-paragraphs (1) and (1A) above are” and for “applies” substitute “apply”.

(7) In paragraphs 5(3) and 6, for “loan under the arrangements” substitute “public sector student loan or subsidised private sector student loan”.