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STATUTORY INSTRUMENTS

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**2012 No. 1309**

**The Education (Student Loans) (Repayment)  
(Amendment) (No. 2) Regulations 2012**

**Amendment of the Education (Student Loans) (Repayment) Regulations 2009**

8. In regulation 20—

(a) in paragraph (1), delete from “as if it were the principal” to the end and substitute “in accordance with paragraph (1A).”;

(b) after paragraph (1) insert—

“(1A) Interest is calculated—

(a) for a student loan which is not a post-2012 student loan on or after 18 June 2012 up to and including 5 April 2016, 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;

(b) for a student loan which is not a post-2012 student loan on or after 6 April 2016, as if it were the principal of a student loan, which is not a post-2012 student loan, outstanding from the date of receipt of the repayment to the earlier of—

(i) the end of a period 60 days after the Authority issues a notice; or

(ii) the date on which the Authority makes the refund to the borrower;

after which period no interest will accrue;

(c) for a post-2012 student loan, as if it were the principal of a student loan outstanding, to which the interest rate is limited to that in regulation 21A(9), from the date of receipt of the repayment to the earlier of—

(i) the end of a period 60 days after the Authority issues a notice ; or

(ii) the date on which the Authority makes the refund to the borrower;

after which period no interest will accrue;

(1B) The notice to the borrower under paragraph (1A)(b)(i) and (c)(i) must state that interest will accrue on any overpayment from the date of receipt of the repayment, under paragraph (1), until the earlier of—

(a) the end of a period 60 days after the Authority issues the notice; or

(b) the date on which the Authority makes the refund to the borrower;

after which period no interest will accrue.”;

(c) after paragraph (5) insert—

“(6) Where a borrower has a post-2012 student loan and a student loan which is not a post-2012 student loan and the Authority has received a repayment either directly from the borrower under regulation 15(1) or from HMRC under Parts 3 and 4—

(a) which results in the student loan which is not a post-2012 student loan being repaid in full but where the post-2012 student loan has not been repaid in full, or

(b) when the student loan which is not a post-2012 student loan has already been repaid in full but where the post-2012 student loan has not been repaid in full, the Authority must give notice to the borrower that any amount not required to repay the student loan which is not a post-2012 student loan and which was a repayment above the repayment threshold for the student loan which is not a post-2012 student loan and not above the repayment threshold for a post-2012 student loan, shall be treated as a direct payment to the Authority under regulation 15(1) for the post-2012 student loan unless the borrower notifies the Authority, within 60 days of the date of the Authority's notice, that an amount should be refunded to the borrower.

(7) A refund under paragraph (6) will carry interest calculated as if it were the principal of a student loan, which is not a post-2012 student loan, outstanding from the date of receipt of the repayment to the earlier of—

- (a) the end of a period 60 days after the Authority issues a notice; or
  - (b) the date on which the Authority makes the refund to the borrower;
- after which period no interest will accrue.

(8) A notice given by the Authority in paragraph (6) must state that interest will accrue on a refund from the date of receipt of the repayment until the earlier of—

- (a) the end of a period 60 days after the Authority issues the notice; or
- (b) the date on which the Authority makes the refund to the borrower.”.