

1990 No. 310**EDUCATION****The Education (Student Loans) Regulations
(Northern Ireland) 1990**

Made 20th August 1990

Coming into operation 1st October 1990

*To be laid before Parliament under paragraph 3(3) of
Schedule 1 to the Northern Ireland Act 1974.*

The Department of Education, in exercise of the powers conferred on it by Articles 2(2)(a) and 3(2) of and paragraphs 1(1), (3) and (4) and 2(1) and 3(4) of Schedule 2 to the Education (Student Loans) (Northern Ireland) Order 1990(b) and of every other power enabling it in that behalf, hereby makes the following Regulations:

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CONDITIONS OF ELIGIBILITY

PART I

GENERAL

Citation, commencement and application

1.—(1) These Regulations may be cited as the Education (Student Loans) Regulations (Northern Ireland) 1990 and shall come into operation on 1st October 1990.

(2) These Regulations apply in relation to any academic year beginning on or after 1st August 1990.

Interpretation

2.—(1) In these Regulations—

“the Order” means the Education (Student Loans) (Northern Ireland) Order 1990;

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

“eligible” means eligible for the purposes of Article 3 of the Order read with regulation 3 and the Schedule;

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

(a) which persons undertaking it are normally required by the institution providing it to attend (whether at premises of the institution or elsewhere) for periods of at least 24 weeks in each academic year of the course; 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 towards a student’s maintenance out of money made available by the Department for that purpose pursuant to arrangements made by the Department by virtue of Article 3 of the Order and includes 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 Department pursuant to paragraph 3 of Schedule 2 to the Order;

“periods of work experience” means periods of industrial, professional or commercial experience associated with full-time study at the 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(a) as extended by the Protocol thereto which entered into force on 4th October 1967(b) 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.

PART II

ELIGIBILITY FOR LOANS

Conditions of eligibility

3.—(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 1990 if—

(a) Cmnd. 9171

(b) Cmnd. 3906 (Out of print: photocopies are available, free of charge, from Scholarships Branch, Department of Education, Rathgael House, Balloo Road, Bangor, Co. Down BT19 2PR)

- (a) the course of study during that academic year forms part or all of a full-time course or of a part-time course for the initial training of teachers; and
- (b) the student—
- (i) satisfies the conditions prescribed in the Schedule; or
 - (ii) on the first day of that academic year, is a refugee and has been ordinarily resident in the United Kingdom, the Channel Islands or the Isle of Man and has not ceased to be so since he was first recognised as a refugee or was awarded asylum; or
 - (iii) on the first day of that academic year, is the spouse or child of a person referred to in head (ii); and
- (c) the student has entered into an agreement for the loan not later than the end of the period of twelve months beginning on 1st August in the year in which that academic year begins; and
- (d) the student 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 undertaking a course of education 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(a) 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(b) or section 85(1) of the National Health Service (Scotland) Act 1978(c) or by the Department of Health and Social Services(d) under Article 87 of the Health and Personal Social Services (Northern Ireland) Order 1972(e); or
- (c) is studying for the Postgraduate Certificate in Education as a participant in arrangements made by a local education authority in England or Wales 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) 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) A student shall not be eligible for a loan in relation to more than one academic year beginning in any period of twelve months beginning on 1st August in any year.

(a) 1979 c. 36

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

(c) 1978 c. 29: substituted by section 6 of the Health Services Act 1980 (c. 53)

(d) See the definition of “Ministry” as read with paragraph 8(1) of Schedule 5 to the Northern Ireland Constitution Act 1973 (c. 36)

(e) S.I. 1972/1265 (N.I. 14)

PART III

DESIGNATION OF COURSES

Designation of courses by the Department

4. For the purposes of Article 3 of the Order the Department may designate courses of higher education at institutions other than institutions receiving support from public funds.

PART IV

LOANS: PRINCIPAL, INTEREST AND REPAYMENTS

Amounts of loans

5.—(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) where the year is the final year of the course, £240 where he resides at his parents' home, and £340 where he does not so reside; and
- (b) in any other case, £330 where he resides at his parents' home, and £460 where he does not so reside.

(2) Subject to paragraphs (3) and (4), in the case of any student attending a course other than the course mentioned in paragraph (1) the maximum amount of the loan in relation to any academic year shall be—

- (a) where the year is the final year of the course, £240 where he resides at his parents' home, and £310 where he does not so reside; and
- (b) in any other case, £330 where he resides at his parents' home, and £420 where he does not so reside.

(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 £310 where the year is the final year of the course and £420 in any other case.

(4) For the purposes of paragraphs (1) and (2) a year of a course for the Postgraduate Certificate in Education shall not be treated as a final year, and a person's place of residence is his place of residence on the date a certificate is given in respect of him pursuant to regulation 11.

Interest

6.—(1) Loans shall bear interest at the percentage per annum specified in paragraph (2) being the rate appearing to the Department to be requisite for maintaining the value of the amount of the loans in real terms.

(2) That percentage is the percentage increase between the retail prices index published by the Central Statistical Office of the Chancellor of the Exchequer for June 1989 and the retail prices index so published for June 1990.

Time and manner of repayments

7.—(1) Subject to regulations 8, 9 and 10 a borrower shall commence repayment of his loan on 1st April in the year following the final year of the course to which the loan relates or, if he did not complete the course, 1st April next following the date he ceased to attend the course.

(2) Subject to regulations 8, 9 and 10 repayments shall be made in 60 monthly instalments calculated in accordance with paragraph (3) 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) On the date mentioned in paragraph (6) in each year the amount of the monthly repayment shall be calculated by dividing the aggregate amount of the loan outstanding at that date (including interest added during the preceding twelve months) and of interest which will accrue during the remaining period of repayment (on the assumption that the rate of interest will not change during that period) by the number of repayment instalments still to be paid, and during the period of twelve months beginning with that date the amount so calculated shall be the amount of the monthly repayment.

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

(5) Nothing in this regulation shall be taken to prevent a borrower from reducing or discharging his liability in respect of his loan with the agreement of the loans administrator sooner than required by the regulation, and where a borrower wishes so to reduce or discharge his liability the amount and time of repayments shall be determined by the loans administrator and paragraphs (2) and (3) shall no longer apply to the loan.

(6) The date referred to in paragraph (3) is 1st September except in relation to a person who ceases to attend a course during the period commencing on 1st September in any year and ending on the following 31st March, in which case the date is such date as the loans administrator considers appropriate.

Repayment by disabled borrowers

8. In the case of a borrower receiving any disability-related benefit at the beginning of or at any time during the period of repayment determined in accordance with regulation 7, the loans administrator may do either or both of the following, namely:

- (a) allow the borrower to commence repayment of the loan at such date later than that provided by regulation 7 as the loans administrator considers appropriate;
- (b) allow the borrower such longer period for repayment of the loan than that provided by regulation 7 as the loans administrator considers appropriate.

Deferment and reduced repayments

9.—(1) Subject to the provisions of this regulation, a borrower shall be entitled to defer making repayments in respect of his loan if he satisfies the loans administrator that his gross income for any month does not exceed £965.

(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 at any time earlier but not more than 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 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 income in any month exceeds the amount specified in paragraph (1) no account shall be taken of any disability-related benefits paid to him in that month.

(5) In regulation 8 and in paragraph (4) "disability-related benefits" means—

- (a) the benefits or allowances payable pursuant to the Social Security Act 1975(a) or the Social Security Act (Northern Ireland) 1975(b) known as invalidity allowance(c), attendance allowance(d), severe disablement allowance(e), mobility allowance(f) and industrial injuries benefit(g); and

- (a) 1975 c. 14 ("the Great Britain Act")
- (b) 1975 c. 15 ("the Northern Ireland Act")
- (c) See section 16 of the Great Britain Act, 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). See section 16 of the Northern Ireland Act, as amended by Article 6(2) of and paragraph 10 of Schedule 1 to the Social Security (Northern Ireland) Order 1979 (S.I. 1979/396 (N.I. 5)) and Article 11(1) of the Social Security (Northern Ireland) Order 1985 (S.I. 1985/1209 (N.I. 16))
- (d) See section 35 of the Great Britain Act, as amended by the National Health Service 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. See section 35 of the Northern Ireland Act, as amended by Article 3 of the Social Security (Northern Ireland) Order 1979, Article 3 of and paragraph 8 of Part II of Schedule 1 to the Social Security (Northern Ireland) Order 1980 (S.I. 1980/870 (N.I. 8)), Article 3(1) of the Social Security (Northern Ireland) Order 1988 (S.I. 1988/594 (N.I. 2)) and paragraph 5 of Schedule 8 to the Social Security (Northern Ireland) Order 1989 (S.I. 1989/1342 (N.I. 13))
- (e) See section 36 of the Great Britain Act, 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. See section 36 of the Northern Ireland Act, as substituted by Article 5 of the Health and Social Security (Northern Ireland) Order 1984 (S.I. 1984/1158 (N.I. 8)) and amended by Article 21 of and paragraph 2 of Schedule 4 to the Social Security (Northern Ireland) Order 1985 and paragraph 6 of Schedule 8 to and Schedule 9 to the Social Security (Northern Ireland) Order 1989
- (f) See section 37A of the Great Britain Act, 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. See section 37A of the Northern Ireland Act, as inserted by Article 24(1) of the Social Security Pensions (Northern Ireland) Order 1975 (S.I. 1975/1503 (N.I. 15)) and amended by Article 4 of the Social Security (Northern Ireland) Order 1979, Article 72(1), (2) and (3) of and Schedule 10 to the Social Security (Northern Ireland) Order 1986 (S.I. 1986/1888 (N.I. 18)) and Article 10 of the Social Security (Northern Ireland) Order 1989
- (g) See section 50 of the Great Britain Act, as amended by the Social Security and Housing Benefits Act 1982 (c. 24), Schedule 4, and by the Social Security Act 1988. See section 50 of the Northern Ireland Act, as amended by Articles 32(1) and 38 of and paragraph 8 of Schedule 4 to the Social Security (Northern Ireland) Order 1982 (S.I. 1982/1084 (N.I. 16)), Article 40 of and paragraph 2 of Schedule 3 to and Schedule 10 to the Social Security (Northern Ireland) Order 1986 and paragraph 8 of Schedule 4 to the Social Security (Northern Ireland) Order 1988

(b) disability premium and severe disability premium payable pursuant to the Income Support (General) Regulations 1987(a) or the Income Support (General) Regulations (Northern Ireland) 1987(b).

(6) For the avoidance of doubt interest shall accrue on a loan during any period of deferment.

Cancellation

10.—(1) A borrower's liability to make repayments in respect of all loans shall be cancelled if he dies or if 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 the 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.

PART V

HIGHER EDUCATION INSTITUTIONS: DUTIES

Duties of governing bodies in relation to loans

11.—(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;

(a) S.I. 1987/1967; relevant amending regulations are S.I. 1988/663. See Parts III and IV of Schedule 2
 (b) S.R. 1987 No. 459; relevant amending regulations are S.R. 1988 Nos. 146 and 431, S.R. 1989 Nos. 139 and 395 and S.R. 1990 No. 70

- (f) send each form so certified to the loans administrator; and
 - (g) issue to each student in relation to whom they have taken all other steps required by this paragraph and whom they consider to be eligible a loan application form provided by the loans administrator.
- (3) The governing body shall—
- (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 Department to inspect the records and copies at any reasonable time and provide them with reasonable facilities for that purpose; and
 - (d) acknowledge receipt of all eligibility forms 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.
- (4) Without prejudice to the generality of paragraphs (2)(b) and (c), the steps to be taken thereunder shall include verifying particulars given in the 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(a) and the Registration Service Act 1953(b) 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(c) which contains a record of the date of the 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(d), 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(e) which contains a record of the date of birth of the person, an extract of that entry; or
 - (e) 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 (Northern Ireland) Order 1976(f), a certified copy of that entry;

(a) 1953 c. 20

(b) 1953 c. 37

(c) 1976 c. 36

(d) 1965 c. 49

(e) 1978 c. 28

(f) S.I. 1976/1041 (N.I. 14)

- (f) in the case of a person in respect of whom an entry was made in the Adopted Children Register kept in pursuance of Article 50 of the Adoption (Northern Ireland) Order 1987(a) which contains a record of the date of the birth of the person, a certified copy of that entry; and
 - (g) 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—
- (a) take any steps to establish whether a student falls within regulation 3(2)(d) or (e) (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; or
 - (b) take any of the steps required by the regulation 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 the year in which that academic year begins.
- (6) 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
- “responsible person” means a consular officer, minister of religion, medical or legal practitioner, established civil servant, teacher or police officer.

Sealed with the Official Seal of the Department of Education on 20th August 1990.

(L.S.)

E. M. Power

Assistant Secretary

Conditions of eligibility

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

- (a) is on the relevant date ordinarily resident in Northern Ireland;
- (b) throughout the three years preceding the relevant date has been ordinarily resident in the United Kingdom, the Channel Islands or the Isle of Man or, in the case of such a person as is mentioned in paragraph 2, 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 United Kingdom, the Channel Islands or the Isle of Man or, in the case of such a person as is mentioned in paragraph 2, the European Community wholly or mainly for the purpose of receiving full-time education.

2. The person referred to in paragraph 1(b) and (c) is a person who is entitled to the payment of an award in pursuance of the Students Awards Regulations (Northern Ireland) 1990 by virtue of 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(a).

3. A person shall be treated for the purposes of paragraph 1 as ordinarily resident in Northern Ireland, in the United Kingdom, the Channel Islands or the Isle of Man, 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 Northern Ireland, outside the United Kingdom, the Channel Islands or the Isle of Man or, as the case may be, outside the European Community and paragraph 1(c) shall not apply in the case of such a person.

4.—(1) A person shall be treated for the purposes of paragraph 1 as having been ordinarily resident in the United Kingdom, the Channel Islands or the Isle of Man throughout the three years preceding the relevant date if he is a British citizen within the meaning of the British Nationality Act 1981(b) 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 United Kingdom, the Channel Islands or the Isle of Man; or
- (b) (i) he was not so resident throughout that period only because his parent is such a person as is mentioned in head (a); and
 - (ii) his parent is ordinarily resident in Northern Ireland on the relevant day.

(2) In sub-paragraph (1) “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 area comprised by the member states of the European Economic Community as constituted from time to time; and

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

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

(b) 1981 c. 61

EXPLANATORY NOTE

(This note is not part of the Regulations.)

These Regulations, which come into operation on 1st October 1990, are the first to be made under Article 3 of and Schedule 2 to the Education (Student Loans) (Northern Ireland) Order 1990, S.I. 1990/1506 (N.I. 11) ("the Order"). They apply in relation to an academic year beginning on or after 1st August 1990 (regulation 1(2)).

Conditions of eligibility for a loan are prescribed. A student must be attending a full-time course, or a part-time initial teacher training course (regulation 3(1)(a)). The student must satisfy the ordinary residence conditions in the Schedule to the Regulations; or be a refugee (or a spouse or child of a refugee) who has been ordinarily resident in the United Kingdom, the Channel Islands or the Isle of Man since being recognised as a refugee (regulation 3(1)(b)). A loan is available only if the student enters into an agreement for it during the twelve month period beginning on 1st August in the year in which the relevant academic year begins (regulation 3(1)(c)). A student is not eligible if he or she 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 in England or Wales under the Articled Teachers Scheme; is in default on a previous loan made under the Order; or if he or she obtained a loan when a minor and refused to ratify the loan agreement on reaching 18 (regulation 3(2)). No student is eligible for more than one loan in any year (regulation 3(3)).

The Department is empowered to designate courses at private sector institutions for the purposes of Article 3 of the Order (regulation 4). (A student at a private sector institution is eligible for a loan only if his course is designated).

Rates of loans 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. The Postgraduate Certificate in Education is not treated as a final year (regulation 5).

Loans bear interest at the same percentage as the percentage increase in the Retail Prices Index between June 1989 and June 1990, thus maintaining the value of the outstanding amount of the loan in real terms (regulation 6).

A borrower will start to repay his loan — by direct debit (unless otherwise agreed) — on 1st 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. Repayments for the forthcoming year will be calculated on 1st September by dividing the outstanding loan plus the interest which will accrue during the remaining repayment period by the number of instalments remaining (regulation 7).

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 and/or longer period for repayment than provided for in regulation 7 (regulation 8).

A borrower may defer repayments for one year if he satisfies the loans administrator that his gross income for any month does not exceed £965. 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 9).

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 loan agreement was made) or has had his most recent loan outstanding for 25 years (regulation 10).

The governing bodies of institutions at which eligible students are attending courses are to issue, check and certify eligibility questionnaires and forms, and issue application forms. They are not required to do so after 30th June in or immediately following each academic year. They are also required to notify the loan administrator if a certified student ceases to be eligible (other than by completing the course); 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 11).

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