

SCHEDULES

SCHEDULE 2

Section 1(5).

LOANS FOR STUDENTS

Principal, interest and payments

- 1 (1) Regulations made by the Secretary of State shall—
- (a) prescribe the maximum amount of the loan that may be made to a student in any year;
 - (b) make provision as to the time and manner in which repayments of loans are to be made; and
 - (c) make provision for the deferment or cancellation of a borrower's liability in respect of a loan.
- (2) The maximum amount prescribed under sub-paragraph (1)(a) above for the loan to be made to a student in any year shall not exceed—
- (a) the amount specified as the ordinary maintenance requirement for students of the class or description to which he belongs by regulations having effect for that year under section 1(1) of the Education Act 1962 (mandatory awards); or
 - (b) if no such amount is specified for students of the class or description to which he belongs, such amount as the Secretary of State considers appropriate for students of that class or description having regard to the amount specified as mentioned in paragraph (a) above;
- but regulations, other than the first, made under sub-paragraph (1)(a) above may prescribe a higher maximum if a draft of the regulations has been laid before and approved by a resolution of each House of Parliament.
- (3) Regulations under sub-paragraph (1)(b) above shall make such separate provision as the Secretary of State considers appropriate with respect to the repayment of loans by borrowers who are disabled.
- (4) Loans shall bear interest at such rates as may from time to time be prescribed by regulations made by the Secretary of State but so that—
- (a) the interest (which shall accrue from day to day) shall be added to the outstanding amount of a loan; and
 - (b) the rates shall be such as appear to the Secretary of State to be requisite for maintaining the value of that amount in real terms.
- (5) For the purposes of sub-paragraph (4)(b) above the Secretary of State shall have regard to the retail prices index published by the Central Statistical Office of the Chancellor of the Exchequer, any substituted index or index figures published by that Office or such other index as appears to him to be appropriate.

Status: This is the original version (as it was originally enacted).

Certificates etc.

- 2
- (1) The Secretary of State may by regulations require the governing bodies of institutions at which eligible students are attending courses to take such steps (whether by the issue of certificates or otherwise) as may be prescribed by the regulations for the purposes of, or in connection with, applications by those students for loans under the arrangements made under section 1 of this Act, including the provision of information when a person ceases to be an eligible student.
 - (2) For the purposes of this paragraph the governing body, in relation to a university, means the body responsible for the management and administration of its revenue and property and the conduct of its affairs, in relation to a college of further education as defined in section 80(1) of the Self-Governing Schools etc. (Scotland) Act 1989 with a college council established under section 54 of that Act, means that council and, in relation to a college of further education as so defined without such a council, means the education authority.

Administration

- 3
- (1) The arrangements may provide for the loans to be made and recovered, and other functions in relation to the loans to be discharged, by such person or persons as may agree to do so or by one or more bodies constituted or acquired by the Secretary of State for that purpose.
 - (2) The Secretary of State shall provide any person or body having the function of making loans under the arrangements with the funds necessary for making the loans; and any such person or body shall make such periodical repayments to him in respect of those funds as he may require.
 - (3) Arrangements made by virtue of this paragraph may include provision for defraying the administrative expenses incurred by the person or body in question in discharging the functions to which the arrangements relate and for remunerating that person or body for discharging them.
 - (4) Regulations made under paragraph 1(1)(b) or (c) above may confer functions on any such person or body as is mentioned in sub-paragraph (1) above, including power to exercise a discretion in relation to any matter for which the regulations provide.
 - (5) Any arrangements made by virtue of this paragraph shall provide for the appointment of an independent person approved by the Secretary of State with the function of investigating and reporting on disputes between borrowers or intending borrowers under this Act and any person or body having the function of making loans under the arrangements.
 - (6) Any person or body having the function of making loans by virtue of this paragraph shall make to the Secretary of State such periodical reports as he may require with respect to the working of the arrangements under which the loans are made.
 - (7) Any person or body having the function of recovering loans under the arrangements may, for appropriate consideration, assign the right of recovery to a third party.
 - (8) No document sent in connection with loans under the arrangements by any such person or body as is mentioned in sub-paragraph (1) above 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).

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

Restriction on disclosure of information

- 4 (1) No person or body having by virtue of paragraph 3 above the function of making and recovering loans shall provide or make available to anyone else (whether for consideration or not) any information held for the purpose of discharging those functions if the information is to be used for soliciting custom for goods or services.
- (2) As respects information constituting personal data for the purposes of the Data Protection Act 1984 sub-paragraph (1) above is without prejudice to the requirements of that Act but applies irrespective of any consent given for the purposes of that Act by the person to whom the information relates.

Insolvency: England and Wales

- 5 (1) 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 any sums to which this paragraph applies and which he receives or is entitled to receive after the commencement of the bankruptcy.
- (2) No debt or liability to which a bankrupt is or may become subject in respect of any such sum shall be included in his bankruptcy debts.
- (3) This paragraph applies to any sum by way of loan under the arrangements payable to the bankrupt pursuant to an agreement entered into by him before or after the commencement of the bankruptcy.

Insolvency: Scotland

- 6 Where, after the date of sequestration of a person's estate, he receives, or is entitled to receive, sums by way of loan under the arrangements pursuant to an agreement entered into by him before or after that date—
- (a) the sheriff shall not, in fixing an amount under subsection (2) of section 32 of the Bankruptcy (Scotland) Act 1985, treat the sums as income of the person;
 - (b) for the purposes 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 person's permanent trustee; and
 - (c) any debt or liability to which the person 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 person 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).