
STATUTORY INSTRUMENTS

2005 No. 52

The Education (Student Support) Regulations 2005

PART 6

LOANS FOR LIVING COSTS

Qualifying conditions for loans for living costs

24.—(1) An eligible student shall qualify for a loan for living costs in connection with his attendance on a designated course if he satisfies the conditions in paragraph (2) and is not excluded by paragraph (3).

(2) The conditions referred to in paragraph (1) are that the eligible student is—

- (a) under the age of 50 on the first day of the first academic year of the course; or
- (b) aged 50 or over and under the age of 55 on that day, if the Secretary of State is satisfied that he intends—
 - (i) to enter employment after he has completed his course; or
 - (ii) to undertake another higher education course immediately after completing his present course, disregarding any intervening vacation.

(3) An eligible student shall not qualify for a loan for living costs if the only paragraph from 1 to 7 of Schedule 2 into which he falls is paragraph 7.

(4) Where a student becomes an eligible student during the course of an academic year as a result of one of the events listed in paragraph (5)—

- (a) he may qualify for a loan for living costs in respect of such quarters of that academic year as are specified in regulation 25(9) provided that he meets the conditions in paragraph (1); and
- (b) he shall not qualify for a loan for living costs in respect of any academic year beginning before the academic year in which the relevant event occurred.

(5) The events referred to in paragraph (4) are—

- (a) the student's course becomes a designated course; or
- (b) the student, his spouse, his civil partner or his parent is recognised as a refugee or is granted leave to enter or remain as mentioned in paragraph 3 of Schedule 2.

Maximum amount of loans

25.—(1) Subject to the following paragraphs, the amount of loan for living costs in respect of an academic year shall not exceed—

- (a) for a student in category A, £3,320;
- (b) for a student in category B, £5,175;
- (c) for a student in category C, £5,125;

(d) for a student in category D, £5,125;

(e) for a student in category E, £4,195.

(2) Subject to the following paragraphs, the amount of loan for living costs in respect of an academic year which is the final year of a course other than an accelerated course shall not exceed—

(a) for a student in category A, £2,900;

(b) for a student in category B, £4,490;

(c) for a student in category C, £4,460;

(d) for a student in category D, £4,460;

(e) for a student in category E, £3,645.

(3) Subject to paragraph (4), where an eligible student resides at his parents' home and the Secretary of State is satisfied that in all the circumstances his parents by reason of age, incapacity or otherwise cannot reasonably be expected to support him and that it would be appropriate for an amount referred to in paragraphs (1)(b) to (e) or (2)(b) to (2)(e) to apply, the student shall be treated as if he were not residing at his parents' home.

(4) Paragraph (3) does not apply to an eligible student who begins a course on or after 1st September 2004.

(5) Where an eligible student is a member of a religious order who resides in a house of his order he shall be treated as if he were residing at his parents' home.

(6) A loan is payable in respect of three quarters of the academic year and is not payable in respect of the quarter in which, in the opinion of the Secretary of State, the longest of any vacations occurs.

(7) The following sub-paragraphs apply where a student falls into more than one of the categories in paragraph (17) in the course of the academic year—

(a) the maximum amount of loan for the academic year is the aggregate of the maximum amount of loan for each quarter in respect of which the loan is payable;

(b) the maximum amount of loan for each such quarter is one third of the maximum amount of loan which would apply for the academic year if the student fell into the category which applies to the relevant quarter for the duration of the academic year; and

(c) subject to paragraph (8), the category which applies to a quarter is—

(i) the category into which the student falls for the longer or longest period in that quarter; or

(ii) if the student falls into more than one category for an equal period in that quarter, the category with the higher or highest rate of loan for the academic year.

(8) Category C cannot be the category applicable to a quarter unless the student is attending an overseas institution for at least half of the period covered by that quarter.

(9) Where regulation 24(4) applies—

(a) an eligible student may qualify for a loan but only in respect of such quarters in respect of which a loan is payable as begin after the relevant event in regulation 24(5) occurs;

(b) the maximum amount of loan payable is the aggregate of the maximum amount of loan for each quarter in respect of which the student qualifies for support under this paragraph; and

(c) the maximum amount of loan for each such quarter is one third of the maximum amount of loan which would apply for the academic year if the student fell into the category which applies to the relevant quarter for the duration of the academic year.

(10) For the purposes of paragraphs (1) to (9) where a postgraduate course of initial training for teachers is of only one academic year's duration that year shall not be treated as a final year.

(11) Where an eligible student is required to attend his course for a period exceeding 30 weeks and 3 days in an academic year, the amounts referred to in paragraphs (1) and (2) shall be increased for each week or part week of attendance in that academic year beyond 30 weeks and 3 days as follows:

- (a) for a student in category A, by £50;
- (b) for a student in category B, by £96;
- (c) for a student in category C, by £104;
- (d) for a student in category D, by £104;
- (e) for a student in category E, by £75.

(12) Where an eligible student attends his course for a period of not less than 45 weeks in any continuous period of 52 weeks the amounts referred to in paragraphs (1) and (2) shall in addition be increased for each week during the 52 week period during which he did not attend by the amounts referred to in paragraph (11).

(13) Where in relation to an academic year an eligible student does not qualify for a grant for living costs by virtue of regulation 13(3)(a) or 13(3)(b) he may qualify for a loan for living costs in accordance with this Part but—

- (a) in paragraphs (1) and (2) there shall be substituted for the amounts in Column 1 below the corresponding amounts in Column 2—

<i>Column 1</i>	<i>Column 2</i>
£3,320	£1,575
5,175	2,540
5,125	2,055
4,195	2,055
2,900	1,155
4,490	1,855
4,460	1,500
3,645	1,500

and

- (b) paragraphs (11) and (12) shall not apply.

(14) Where in relation to an academic year an eligible student does not qualify for a grant for living costs by virtue of regulation 13(3)(c) or 13(5) he may qualify for a loan for living costs in accordance with this Part but—

- (a) in paragraphs (1) and (2) there shall be substituted for the amounts in Column 1 below the corresponding amounts in Column 2—

<i>Column 1</i>	<i>Column 2</i>
£ 3,320	£ 1,575
5,175	2,540
5,125	2,520
4,195	2,055

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

<i>Column 1</i>	<i>Column 2</i>
2,900	1,155
4,490	1,855
4,460	1,840
3,645	1,500

and

(b) paragraphs (11) and (12) shall not apply.

(15) Where in relation to an academic year an applicant applies for a loan and opts not to provide details of the income of his household, he may qualify for a loan in accordance with this Part but—

(a) in paragraphs (1) and (2) there shall be substituted for the amounts in Column 1 below the corresponding amounts in Column 2—

<i>Column 1</i>	<i>Column 2</i>
£3,320	£2,490
5,175	3,880
5,125	3,845
4,195	3,145
2,900	2,175
4,490	3,370
4,460	3,345
3,645	2,735

and

(b) paragraphs (11) and (12) shall not apply.

(16) A deduction may be made from the loan for living costs in accordance with regulation 30.

(17) In this regulation—

(a) a student is in category A if he resides at his parents' home while attending the designated course;

(b) a student is in category B if he is not in category A and he attends one or more of the following—

(i) a course at the University of London;

(ii) a course at an institution which requires attendance for at least half the time in aggregate of any quarter of the course in the academic year at a site wholly or partly within the area comprising the City of London and the former Metropolitan Police District; or

(iii) a sandwich course at an institution which requires the eligible student to undertake work experience or a combination of work experience and study provided that he undertakes such work experience or combination of work experience and study for at least half the time in aggregate of any quarter of the course in the academic year at a site or sites wholly or partly within the area comprising the City of London and the former Metropolitan Police District;

- (c) a student is in category C if he is not in category A and he attends an overseas institution as part of his course for at least eight consecutive weeks in the academic year;
- (d) a student is in category D if he is not in category A and he attends the British Institute in Paris;
- (e) a student is in category E if he is not in categories A to D.

Additional amount of loans

26.—(1) An eligible student may apply to borrow an additional amount of loan where—

- (a) the Secretary of State determines that the maximum amount of loan which has been notified to the student in relation to an academic year should be increased (including an increase from nil) as a result of a reassessment of the student's contribution or otherwise; and
- (b) the Secretary of State considers that the increase in the maximum amount does not result from the eligible student—
 - (i) failing to provide information promptly which might affect his ability to qualify for a loan or the amount of loan for which he qualifies; or
 - (ii) providing information which is inaccurate in any material particular.

(2) The additional amount under paragraph (1) is an amount which when added to the amount already applied for does not exceed the increased maximum.

(3) Where an eligible student has applied for a loan of less than the maximum amount to which he is entitled in relation to the academic year, he may apply to borrow an additional amount which, when added to the amount already applied for, does not exceed the relevant maximum applicable in his case.

Interest

27.—(1) Subject to paragraph (2), loans shall 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⁽¹⁾ equal to the percentage increase between the retail prices all items index published by the Office for National Statistics for March 2004 and that index so published for March 2005.

(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⁽²⁾ loans shall bear interest at the rate so specified.

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

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

Insolvency

28.—(1) In England and Wales—

(1) S.I.1980/51, amended by S.I. 1989/596 and S.I. 1999/3177.

(2) 1974 c. 39.

- (a) 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⁽³⁾ any sum payable to an eligible student by way of a loan and which he receives or is entitled to receive after the commencement of the bankruptcy, whether his entitlement arises before or after the commencement of his bankruptcy; and
 - (b) there shall not be included in a person's bankruptcy debts any debt or liability to which he is or may become subject in respect of any sum payable to an eligible student by way of a loan and which he receives or is entitled to receive—
 - (i) in the case of a bankruptcy commencing before 1st September 2004, after the commencement of the bankruptcy; or
 - (ii) in the case of a bankruptcy commencing on or after 1st September 2004, before or after the commencement of the bankruptcy.
- (2) In Northern Ireland—
- (a) there shall not be treated as part of a bankrupt's estate or claimed for his estate under Article 280 or 283 of the Insolvency (Northern Ireland) Order 1989⁽⁴⁾ any sum payable to an eligible student by way of a loan and which he receives or is entitled to receive after the commencement of the bankruptcy, whether his entitlement arises before or after the commencement of his bankruptcy; and
 - (b) there shall not be included in a person's bankruptcy debts any debt or liability to which he is or may become subject in respect of any sum payable to an eligible student by way of loan and which he receives or is entitled to receive—
 - (i) in the case of a bankruptcy commencing before 1st March 2005, after the commencement of the bankruptcy; or
 - (ii) in the case of a bankruptcy commencing on or after 1st March 2005, before or after the commencement of the bankruptcy.

(3) 1986 c. 45; section 307 was amended by the Enterprise Act 2002 (c. 40), section 261. Section 310 was amended by the Pensions Act 1995 (c. 26), section 122 and Schedule 3, paragraph 15, the Welfare Reform and Pensions Act 1999 (c. 30), section 18 and Schedule 2, paragraph 2 and the Enterprise Act 2002, sections 259 and 278 and Schedule 26.

(4) S.I. 1989/2405 (N.I. 19); Article 283 was amended by the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22)), Schedule 1, paragraph 11.