

2007 No. 1630

EDUCATION, ENGLAND AND WALES

The Education (Student Loans) (Amendment) (England and Wales) Regulations 2007

Made - - - - - *7th June 2007*

Laid before Parliament *15th June 2007*

Coming into force in accordance with regulation 2

The Secretary of State for Education and Skills makes the following regulations in exercise of the powers in sections 1(1), (2) and (7) of and paragraph 1(1) of Schedule 1 to the Education (Student Loans) Act 1990(a):

Citation, commencement, application and interpretation

1. These Regulations may be cited as the Education (Student Loans) (Amendment) (England and Wales) Regulations 2007.

2.—(1) Except as provided for in paragraph (2) these Regulations come into force on 16th July 2007.

(2) Regulations 5 and 9 come into force on 1st August 2007.

3. These Regulations do not apply in or as regards Scotland(b).

4. In these Regulations “the Principal Regulations” means the Education (Student Loans) Regulations 1998(c).

Revocation

5. Regulation 10 of the Education (Student Loans) (Amendment) (England and Wales) Regulations 2006 is revoked(d).

Amendment of the Principal Regulations

6. The Principal Regulations are amended in accordance with these Regulations.

(a) 1990 c.6, amended by the Education (Student Loans) Act 1996 (c.9), section 1(1) and the Schedule, by the Education Act 1996, Schedule 37 paragraph 98 and Schedule 38, and by the Education (Student Loans) Act 1998 (c.1), sections 1 to 3. The entire Act was repealed on 13th August 1998 by the Teaching and Higher Education Act 1998 (c.30), section 44(2) and Schedule 4, subject to transitional and saving provisions in the Teaching and Higher Education Act 1998 (Commencement No. 2 and Transitional Provisions) Order 1998 (S.I. 1998/2004). The saving provisions include provision for making subordinate legislation after the date of repeal.

(b) The Secretary of State’s functions under the Education (Student Loans) Act 1990 were transferred, in or as regards Scotland, to the Scottish Ministers by virtue of section 53 of the Scotland Act 1998 (c.46), read with article 3 and paragraph 11 of Schedule 1 to the Scotland Act 1998 (Functions Exercisable in or as Regards Scotland) Order 1999 (S.I. 1999/1748).

(c) S.I. 1998/211, as amended, in relation to England and Wales, by S.I. 1998/1676, S.I. 2000/1804, S.I. 2001/1627, S.I. 2002/1329, S.I. 2005/1718, S.I. 2005/2119 and S.I. 2006/929.

(d) S.I. 2006/929.

7.—(1) Regulation 3 is amended as follows.

(2) For the definition of “2005 loan”, substitute—

““2005 loan” means a loan the maximum amount of which is the maximum amount that would have been payable under these Regulations had they not been amended by the Education (Student Loans) (Amendment) (England and Wales) Regulations 2006 and the Education (Student Loans) (Amendment) (England and Wales) Regulations 2007;”.

(3) After the definition of “2005 loan”, insert—

““2006 loan” means a loan the maximum amount of which is the maximum amount that would have been payable under these Regulations had they not been amended by the Education (Student Loans) (Amendment) (England and Wales) Regulations 2007;”.

(4) Before the definition of “2006 academic year”, insert—

““2005 academic year” means an academic year beginning on or after 1st August 2005 but before 1st July 2006;”.

(5) After the definition of “2006 academic year”, insert—

““2007 academic year” means an academic year beginning on or after 1st August 2007 but before 1st July 2008;”.

(6) Omit the definition of “new academic year”.

8.—(1) Regulation 4 is amended as follows.

(2) In paragraphs (1A) and (1D) for “a new academic year” wherever it appears, substitute “the 2005 academic year”.

(3) For paragraphs (1E) to (1G), substitute—

“(1E) Subject to paragraphs (1I) and (2), a person shall be eligible for a 2006 loan in relation to the 2006 academic year if he—

(a) is either attending, or attended throughout the 2006 academic year, a course which is—

(i) a full-time course; or

(ii) a full-time or a part-time course for the initial training of teachers which is for the time being designated by or under regulations made by virtue of sections 1(2)(b) and (3)(c) of the Education Act 1962;

(b) falls within paragraph 11 of Part 2 of Schedule 1; and

(c) has entered into an agreement for a loan—

(i) in the case of a person who will—

(aa) complete the course referred to in sub-paragraph (a) during the 2006 academic year; and

(bb) not attend a further course of study in the 2007 academic year, before the final day of the course referred to in sub-paragraph (a); or

(ii) in the case of a person who will—

(aa) continue to attend the course referred to in sub-paragraph (a) in the 2007 academic year; or

(bb) attend a further course of study in the 2007 academic year, before 16th July 2008.

(1F) For the purposes of paragraph (1D)(b) and (1E)(b), the references to “the course” in the relevant paragraphs of Part 2 of Schedule 1 are to be treated as references to the course referred to in paragraph (1D)(a)(i) or (ii) or (1E)(a)(i) or (ii).

(1G) For the purposes of paragraph (1D)(c)(i)(bb), (1D)(c)(ii)(bb), (1E)(c)(i)(bb) and (1E)(c)(ii)(bb), “further course of study” means a further course of study which is a full-

time or a part-time course for the initial training of teachers which is designated by or under regulations made by virtue of section (1)(2)(b) and (3)(c) of the Education Act 1962.

(1H) Paragraph (1D) shall not apply in the case of a person who would have been eligible for a loan under paragraph (1) before 30th April 2006.

(1I) Paragraph (1E) shall not apply in the case of a person who would have been eligible for a loan under paragraph (1) before 16th July 2007.”.

9.—(1) Regulation 6 is amended as follows.

(2) In paragraphs (1) to (4), for each of the figures in the first column, wherever it appears, substitute the corresponding figure in the second column below—

<i>First column (£)</i>	<i>Second column (£)</i>
1,185	1,215
1,900	1,940
1,615	1,655
2,605	2,665
1,540	1,575
2,105	2,155

10. For regulation 7(1), substitute—

“(1) Every agreement for a loan made on or after 16th July 2007 shall include the terms set out in Part 1 of Schedule 2.”.

11.—(1) Schedule 1 is amended as follows.

(2) After the definition of “Switzerland Agreement” in paragraph 1(1), insert—

““Turkish worker” means a Turkish national who—

- (a) is ordinarily resident in the United Kingdom and Islands; and
- (b) is, or has been, lawfully employed in the United Kingdom;”.

(3) For paragraph 1(3), substitute—

“(3) For the purposes of this Schedule, a person is to be treated as ordinarily resident in the United Kingdom and Islands, the territory comprising the European Economic Area and Switzerland or the territory comprising the European Economic Area, Switzerland and Turkey if he would have been so resident but for the fact that—

- (a) he;
- (b) his spouse or civil partner;
- (c) his parent; or
- (d) in the case of a dependent direct relative in the ascending line, his child or child’s spouse or civil partner,

is or was temporarily employed outside the relevant area.”

(4) For paragraph 1(4), substitute—

“(4) For the purposes of sub-paragraph (3), temporary employment outside the United Kingdom and Islands, the territory comprising the European Economic Area and Switzerland or the territory comprising the European Economic Area, Switzerland and Turkey includes—

- (a) in the case of members of the regular naval, military or air forces of the Crown, any period which they serve outside the United Kingdom and Islands as members of such forces;
- (b) in the case of members of the regular armed forces of an EEA State or Switzerland, any period which they serve outside the territory comprising the European Economic Area and Switzerland as members of such forces; and

- (c) in the case of members of the regular armed forces of Turkey, any period which they serve outside the territory comprising the European Economic Area, Switzerland and Turkey as members of such forces.”.

(5) After paragraph 10, insert—

“Children of Turkish workers

11. A person who—

- (a) is the child of a Turkish worker; and
- (b) has been ordinarily resident in the territory comprising the European Economic Area, Switzerland and Turkey throughout the three-year period preceding the first day of the first academic year of the course.”.

12.—(1) Schedule 2 is amended as follows.

(2) In paragraph 1 for the definition of “2005 loan”, substitute—

““2005 loan”, “2005 academic year”, “2006 loan”, “2006 academic year” and “2007 academic year” have the meanings given by regulation 3(1) of the Education (Student Loans) Regulations 1998;”.

(3) In paragraph 1 for the definition of “old loan”, “new academic year” and “2006 academic year”, substitute—

““old loan” has the meaning given by regulation 3(1) of the Education (Student Loans) Regulations 1998;”.

(4) In paragraph 4 for “paragraphs 4A and 4B”, insert “paragraphs 4A, 4B and 4C”.

(5) After paragraph 4B, insert—

“4C. If the loan which is the subject of the loan agreement is a 2006 loan and the borrower had completed the course in respect of which he applied for that loan before he entered into the loan agreement, the borrower must make the first repayment in April 2009 unless—

- (a) the borrower defers repayment under paragraph 9;
- (b) the lender cancels the borrower’s loan under paragraph 12; or
- (c) paragraph 13 or 13C applies.”.

(6) In paragraph 13A for “a new academic year”, substitute “the 2005 academic year”.

(7) After paragraph 13B, insert—

“13C. If when the borrower takes out a 2006 loan, he had already entered into an agreement for a loan in relation to a further course of study for the 2007 academic year, the lender will not ask him to make any or any more repayments under the loan agreement for the 2006 loan until he begins to repay the loan taken out in relation to the further course of study. The number of repayments for the 2006 loan will then be the same as for the loan taken out in relation to the further course of study.”.

7th June 2007

Bill Rammell
Minister of State
Department for Education and Skills

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Education (Student Loans) Regulations 1998 (the “1998 Regulations”). The 1998 Regulations, made under the Education (Student Loans) Act 1990, govern mortgage style repayment loans. These loans are, for the most part, only available to students who started their courses before 1st August 1998.

These Regulations do not apply in or as regards Scotland.

Regulation 9 increases, in line with inflation, the maximum amounts that may be lent to students in relation to an academic year commencing on or after 1st August 2007.

These Regulations also amend the 1998 Regulations to comply with article 9 of Decision No 1/80 of the Association Council of 19th September 1980 on the development of the Association between the European Community and Turkey (“the Decision”).

Article 9 of the Decision provides: “Turkish children residing legally in a Member State of the Community with their parents who are or have been legally employed in that Member State, shall be admitted to courses of general education, apprenticeship and vocational training under the same educational entry qualifications as the children of nationals of that Member State. They may in that Member State be eligible to benefit from the advantages provided for under the national legislation in this area.”.

Regulation 8 sets out the criteria that this category of students, who were not previously eligible for a loan, must satisfy in order to be eligible for a loan in connection with an academic year beginning on or after 1st August 2006 but before 1st July 2007. Regulation 8 also sets out the time limits for applying for those loans.

These Regulations also revoke in part the Education (Student Loans) (Amendment) (England and Wales) Regulations 2006.

A full regulatory impact assessment has not been produced for this instrument as it has no impact on the costs of business.

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£3.00

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Stationery Office and Queen's Printer of Acts of Parliament.

E0840 6/2007 170840T 19585

