
STATUTORY INSTRUMENTS

2019 No. 189

**The Education (Student Loans) (Repayment)
(Amendment) Regulations 2019**

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

5. In regulation 21A—

- (a) in paragraph (2), after “Subject to paragraphs (2A), (2B), (2C),”, insert “(2D), (2E), (2F),”;
- (b) after paragraph (2C), insert—

“(2D) Subject to paragraphs (2E) and (2F), for a borrower to whom Part 4 applies and has applied for the whole or part of the previous tax year, where the borrower repays all of the outstanding balance of the post-2012 student loan by way of deductions from earnings under Part 4 during the tax year beginning on 6 April 2019, any subsequent tax year or any part of those tax years, that loan bears interest at the rate which will result in an annual percentage rate of charge determined in accordance with total charge for credit rules equal to—

- (a) where the interest income the borrower received in the previous tax year is the lower interest threshold or less, the standard interest rate;
- (b) where the interest income the borrower received in the previous tax year is more than the lower interest threshold but not more than the higher interest threshold, the standard interest rate plus the additional interest rate;
- (c) where the interest income the borrower received in the previous tax year is more than the higher interest threshold, the standard interest rate plus 3%.

(2E) The interest income applied in paragraph (2D) will be from the tax year in which a borrower repays all of the outstanding balance of the post-2012 student loan by way of deductions from earnings under Part 4 where—

- (a) the borrower requests that their interest rate is recalculated after the end of the tax year; and
- (b) the borrower’s interest income in that tax year is less than the interest income the borrower received in the previous tax year.

(2F) Where, during the tax year beginning on 6 April 2019 or any subsequent tax year or any part of those tax years, a borrower repays all of the outstanding balance of the post-2012 student loan by way of deductions from earnings under Part 4 in the tax year specified by regulation 15(2), that loan bears interest at the rate which will result in an annual percentage rate of charge determined in accordance with total charge for credit rules equal to the standard interest rate.”.