
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Education (Student Loans) (Repayment) Regulations 2009 (S.I. 2009/470) (“the 2009 Regulations”), which make provision for the repayment of income-contingent student loans in England and Wales.

Regulation 2 amends the 2009 Regulations to cap the interest that would otherwise be payable on certain undergraduate and postgraduate student loans (under regulations 21A, 21B and 21C). It puts in place a long-term interest rate cap, assessed on a monthly basis (replacing the existing regulation 20B, which was calculated on a quarterly basis and required quarterly amending Regulations to be made). The cap is calculated in relation to a month, first, by calculating the 12 month rolling average in two data sets published by the Bank of England (for further details, see below) and, then, by taking the lower of the two. The Authority is required to publish the interest rate cap for each month.

Regulation 3 makes amendments to the 2009 Regulations consequential on the change made by regulation 2.

Regulation 4 concerns the scope of the fixed instalment rate, which is relevant to the repayment of student loans by overseas borrowers. It provides for the fixed instalment rate for plan 1 student loans to be calculated in the same way as for plan 2, plan 3 and plan 5 student loans.

The data sets mentioned in relation to regulation 2, CFMZ6LI and CFMZ6K9, are available at:

[https://www.bankofengland.co.uk/boeapps/database/fromshowcolumns.asp?](https://www.bankofengland.co.uk/boeapps/database/fromshowcolumns.asp?Travel=NIxAZxSUx&FromSeries=1&ToSeries=50&DAT=RNG&FD=1&FM=Jan&FY=2010&TD=11&TM=May)

[Travel=NIxAZxSUx&FromSeries=1&ToSeries=50&DAT=RNG&FD=1&FM=Jan&FY=2010&TD=11&TM=May](https://www.bankofengland.co.uk/boeapps/database/fromshowcolumns.asp?Travel=NIxAZxSUx&FromSeries=1&ToSeries=50&DAT=RNG&FD=1&FM=Jan&FY=2010&TD=11&TM=May)

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[Travel=NIxAZxSUx&FromSeries=1&ToSeries=50&DAT=RNG&FD=1&FM=Jan&FY=2010&TD=11&TM=May](https://www.bankofengland.co.uk/boeapps/database/fromshowcolumns.asp?Travel=NIxAZxSUx&FromSeries=1&ToSeries=50&DAT=RNG&FD=1&FM=Jan&FY=2010&TD=11&TM=May)

A copy of the data sets in hard copy can be requested by writing to the Department for Education, Funding Policy Unit, Repayments Team, Sanctuary Buildings, Great Smith Street, London SW1P 3BT.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.

The Welsh Ministers’ Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to the exercise of the Welsh Ministers’ functions under these Regulations. As a result, a regulatory impact assessment has been prepared as to the likely costs and benefits of complying with these Regulations. A copy can be obtained from the Higher Education Division, Welsh Government, Cathays Park, Cardiff CF10 3NQ.