
STATUTORY INSTRUMENTS

1998 No. 258

The Education (Student Loans) (Northern Ireland) Order 1998

Regulations to prescribe certain terms of student loan agreements

4.—(1) Paragraph 1 of Schedule 2 to the 1990 Order (public sector student loans: principal, interest and payments) shall be amended as follows.

(2) In paragraph 1(1), for heads (b) and (c) there shall be substituted—

- “(b) require the terms of every agreement for a public sector student loan to include—
- (i) such terms relating to the time and manner of repayments;
 - (ii) such terms relating to the interest to be borne by the loan; and
 - (iii) such terms under which the borrower’s liability may be deferred or cancelled, as are prescribed by the regulations.”.

(3) In paragraph 1(3), for “under sub-paragraph (1)(b)” there shall be substituted “made in pursuance of sub-paragraph (1)(b)(i)”.

(4) For paragraph 1(4) and (5) there shall be substituted—

“(4) Regulations made in pursuance of sub-paragraph (1)(b)(ii) shall make such provision with respect to the rate of interest for the time being applicable to a public sector student loan as the Department considers appropriate to maintain the value in real terms of the outstanding amount of the loan.

(5) The provision required by sub-paragraph (4) shall be framed by reference to such index of prices as may be specified in, or determined in accordance with, the regulations.”.

(5) After paragraph 1(5) (as substituted by paragraph (4) above) there shall be inserted—

“(6) Nothing in any regulations under sub-paragraph (1)(b) shall affect the terms of any agreement for a public sector student loan entered into before the coming into operation of the regulations.”.

(6) Where an agreement for a public sector student loan was entered into before the coming into operation of this Article, then as from that time—

- (a) the agreement shall have effect as if its terms included the terms prescribed in relation to such an agreement by regulations in operation at that time under paragraph 1(1)(b) of Schedule 2 to the 1990 Order as amended by paragraph (2) above; and
- (b) the prescribed terms shall have effect in accordance with sub-paragraph (a) in place of any of the existing terms of the agreement that make provision for any of the matters for which provision is made by the prescribed terms.

(7) Paragraph 1(6) of Schedule 2 to the 1990 Order, as inserted by paragraph (5) above, accordingly has effect subject to paragraph (6) above.