

Student Loans (Debt Interest) Bill

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Limit the rate of interest chargeable on outstanding student loan debt; and for connected purposes.

BE IT ENACTED by the Queen’s most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Student loan debt interest

- (1) The Education (Student Loans) (Repayment) Regulations 2009 are amended as follows.
- (2) In Regulation 21(1), omit “any academic year” and insert “an academic year that commences in a year prior to 2020”. 5
- (3) After Regulation 21(1), insert-
“(1A) Subject to paragraph (2), during an academic year that commences in 2020 or a later year, if the Authority determines that student loans will bear interest, loans 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 annual rate of the Consumer Prices Index for all items published by the Office for National Statistics for the March immediately before the commencement of the academic year.” 10
- (4) In Regulation 21(4), omit “retail prices all items index” and insert “annual rate of the Consumer Prices Index for all items”. 15

2 Amendment to the Teaching and Higher Education Act 1998

- (1) After section 22(4) of the Teaching and Higher Education Act 1998 insert—
“(4A) Regulations made under this section for the purpose of calculating the interest to be borne by loans under this section must make provision for such interest to be no higher than the annual rate of the Consumer Prices Index for all items published by the Office for National Statistics 20

for the March immediately before the commencement of the academic year in which the interest is to be charged.”

3 Financial provisions

There is to be paid out of money provided by Parliament any increase attributable to this Act in the sums payable under any other Act out of money so provided.

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4 Extent, commencement and short title

- (1) This Act extends to England and Wales only.
- (2) This Act comes into force two months after Royal Assent.
- (3) This Act may be cited as the Student Loans (Debt Interest) Act 2018.

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To limit the rate of interest chargeable on outstanding student loan debt; and for connected purposes.

*Presented by Mr Christopher Chope
supported by
Mr Peter Bone, Mr Nigel Evans
Mr William Wragg, Esther McVey,
Martin Vickers, Philip Davies
and Sir Edward Leight*

*Ordered, by The House of Commons,
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