

# SL(6)046 – The Education (Student Loans) (Repayment) (Amendment) (No. 3) Regulations 2021

## Background and Purpose

The [Education \(Student Loans\) \(Repayment\) \(Amendment\) \(No. 3\) Regulations 2021](#) (“the 2021 Regulations”) amend the Education (Student Loans) (Repayment) Regulations 2009 (“the 2009 Regulations”).

The 2009 Regulations provide the basis for the repayment of student loans made by the Welsh Ministers and include provision for interest to be charged on student loans.

The 2021 Regulations amend the 2009 Regulations to set a maximum interest rate on student loans, resulting in a lower rate of interest being charged to Welsh borrowers with Plan 2 or Plan 3 loans. Plan 2 loans are post 2012 undergraduate loans and Plan 3 loans are postgraduate degree loans. The rates will apply for a fixed period of three months, when they will be re-assessed.

Repayment of student loans is provided for in the 2009 Regulations which are made on a composite basis. This means that they are made by the Secretary of State and, in respect of those functions transferred to them, by the Welsh Ministers. The Welsh Ministers legislate in relation to Wales in respect of those functions transferred to them and the Secretary of State in relation to England and, insofar as the Secretary of State retains functions, Wales. The 2021 Regulations are also composite regulations.

The 2021 Regulations are also made by the Welsh Ministers in order to comply with their duty to ensure that the student loan interest rate is either below the prevailing market rate (‘PMR’), or equal to the PMR with better terms and conditions. By keeping interest rates below the PMR, the 2021 Regulations also seek to ensure that student loans remain exempt from the Consumer Credit Directive, meaning that they will not show up on a borrower’s credit file and potentially affect their credit rating.

## Procedure

Composite negative.

The 2021 Regulations were made by both the Welsh Ministers and the Secretary of State, before being laid before both the Senedd and the United Kingdom Parliament. The Senedd can annul the 2021 Regulations within 40 days (excluding any days when the Senedd is: (i) dissolved, or (ii) in recess for more than four days) of the date they were laid before the Senedd. The United Kingdom Parliament can also annul the 2021 Regulations, in accordance with the rules for annulment that apply to the United Kingdom Parliament.



## Technical Scrutiny

The following point is identified for reporting under Standing Order 21.2 in respect of this instrument.

### **1. Standing Order 21.2(ix) – that it is not made or to be made in both English and Welsh**

The 2021 Regulations have been made as a composite instrument, meaning the 2021 Regulations have been: (a) made by both the Welsh Ministers and the Secretary of State, and (b) laid before both the Senedd and the United Kingdom Parliament.

As a result, the 2021 Regulations have been made in English only.

The Explanatory Memorandum explains that:

*“The 2021 Regulations are composite regulations. As the Regulations will be subject to UK Parliamentary scrutiny, it is not considered reasonably practicable for this instrument to be made or laid bilingually. Therefore, the amending regulations are made in English only.”*

## Merits Scrutiny

No points are identified for reporting under Standing Order 21.3 in respect of this instrument.

## Welsh Government response

A Welsh Government response is not required.

## Committee Consideration

The Committee considered the instrument at its meeting on 20 September 2021 and reports to the Senedd in line with the reporting point above

