

With effect from Wednesday 15th April 2009, the Student Loans Company (SLC) is introducing a new system to recover outstanding arrears from customers with pre-1998 (mortgage-style) loans.

The Student Loans Company actively contacts customers to discuss repayments and pursue arrears, and as part of this work we will now be sending letters to those who are consistently failing to repay what is due, requesting that they contact the Student Loans Company, (or, if appropriate, private sector loan administrator) within 28 days to discuss the options available to them.

After this date, unless there are extenuating circumstances, customers who have not deferred and are not meeting their repayment obligations will be registered with UK Credit Reference Agencies.

This is being done not only to ensure that loans are properly collected but to protect these customers from getting into further long-term debt through excessive borrowing.

Customers who engage with the Student Loans Company and make suitable arrangements to repay or to defer repayments will not face court action for as long as they keep to their agreed repayment plan.

Customers earning below £25,936 can apply for deferment and there is support available for those that need it.

Anyone affected by this announcement should contact the Student Loans Company (or other loan administrator) as soon as possible for advice.

This announcement only applies to pre-1998 mortgage-style loans.