

## **WRITTEN MINISTERIAL STATEMENT**

**RT HON DAVID WILLETTS, MINISTER OF STATE FOR UNIVERSITIES AND SCIENCE; DEPARTMENT FOR BUSINESS, INNOVATION AND SKILLS**

### **STUDENT LOAN REPAYMENT**

**23 February 2012**

I am today confirming that there is to be no system of charges introduced for early repayment of student loans.

Last year, we consulted as to whether there should be a charge for early repayment, and if so, what form such a charge would take. This consultation, which closed on 20 September 2011, prompted 154 responses from the general public and key stakeholders including a diverse range of HE providers and representative bodies, consumer groups, employers and professional bodies.

Analysis of the consultation responses showed that a substantial majority of respondents were opposed to there being any restrictions on a borrower's ability to make early repayments. A smaller number of respondents were sympathetic to the principle of protecting the progressive nature of the student support system, but most of these felt that restrictions on early repayments were generally an ineffective way of delivering progressivity.

Having carefully considered all the evidence and responses submitted, we agree that individuals should be allowed to repay without penalty if they so wish. We have therefore decided that we will not make any changes to the status quo and will not implement any early repayment system. The proposed new student finance package is fair, sustainable and progressive and will remain so.

A list of respondents and summary of responses can be viewed online at <http://discuss.bis.gov.uk/hereform/early-repayment/>.