



## ANALYSIS

Title	3. New section inserted
1. Short Title	60A. Cancellation of interest if IRD
2. Excess repayments made by residents	loan balance repaid early

1998, No. 8

**An Act to amend the Student Loan Scheme Act 1992**

[27 March 1998]

BE IT ENACTED by the Parliament of New Zealand as follows:

**1. Short Title**—This Act may be cited as the Student Loan Scheme Amendment Act 1998, and is part of the Student Loan Scheme Act 1992 (“the principal Act”).

**2. Excess repayments made by residents**—(1) Section 56 (1)(f) of the principal Act is amended by omitting the expression “; and”, and substituting the expression “and apply any amount not so credited in accordance with either subsection (1A) or (1B).”

(2) Section 56 (1)(g) of the principal Act is repealed.

(3) Section 56 of the principal Act is amended by inserting after subsection (1), the following subsections:

“(1A) A borrower may elect that the whole or part of the amount not credited—

“(a) Be refunded; or

“(b) Be applied to the loan balance.

“(1B) Where a borrower does not make an election, the Commissioner must apply the amount not credited to the loan balance.”

(4) Section 56 (2) of the principal Act is amended by omitting the expression “(1)(g)”, and substituting the expression “(1A)(b)”.

(5) Section 56 of the principal Act is amended by inserting, after subsection (2), the following subsection:

“(2A) Where a borrower has not made an election, the borrower may request the Commissioner, within 6 months of the date on which the Commissioner issued the notice of assessment that showed the amount applied to the loan balance, to refund, in whole or in part, the amount so credited.”

(6) Subsections (1) to (5) apply to an overpayment arising on or after 1 April 1998.

**3. New section inserted**—After section 60, the following new section is inserted:

**“60A. Cancellation of interest if IRD loan balance repaid early**—(1) Subsection (2) applies if—

- (a) The Commissioner notifies a borrower of the borrower’s outstanding IRD loan balance; and
- (b) The borrower pays that loan balance in full (including interest charged to the date of notification) within 15 days of the date of notification.

(2) The Commissioner must cancel the interest that accrues between the date of a notification and the date on which the payment is received.

(3) This section applies to notifications provided on or after 1 June 1998.

---

This Act is administered in the Inland Revenue Department.

---