



PROFESSIONAL AND CAREER DEVELOPMENT LOANS: GUIDANCE FOR APPLICANTS

This document contains important information about Professional and Career Development Loans that you **must** read before submitting an application form.

You should retain this document for future reference.

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1 What is a Professional and Career Development Loan?

- 1.1 A Professional and Career Development Loan is a deferred repayment commercial bank loan that can be used to help pay for the costs of learning or training that enhances your job skills or employment and career prospects.
- 1.2 A Professional and Career Development Loan can be taken out for any amount between £300 and £10,000 to help fund the cost of employment-focused learning or training.
- 1.3 The Skills Funding Agency, in partnership with the participating banks, administers the Professional and Career Development Loans programme. There are currently two banks participating in the programme, Barclays and The Co-operative Bank. The banks provide the loan capital and are responsible for all lending decisions.
- 1.4 The Professional and Career Development Loan must be repaid to the bank if they agree to offer you a loan, as you would any other commercial loans product. However, in order to help you focus on studying, the Skills Funding Agency will pay the interest on the loan to the bank on your behalf while you are studying and for one month afterwards. You then need to start repaying the loan to the bank in the usual way.

2 Key points to consider before applying for a Professional and Career Development Loan

- 2.1 A Professional and Career Development Loan is a commercial bank loan that you must ensure you are fully committed to and that you can afford to repay.
- 2.2 Before deciding to apply you may wish to consider if:
 - there are any other funding options for the learning you wish to undertake. A loan might just be one option.
 - you have identified the right amount of money you need to borrow, i.e.: do you need to fund the course fees only, or do you have other costs you need to cover?
 - you can afford to repay the loan when you have completed your learning. You must be able to afford the monthly repayments over the period you agree with the bank. You should not assume you will be able to postpone your payments.
 - you have had any problems with your credit rating in the past. The bank may refuse to lend to you if your credit history shows any problems – you should talk to them about this before you apply.
 - the learning you have chosen is the best choice for you, i.e.: can you commit to the number of hours, are you confident you will complete the course and that it will give you the skills and/or qualification you need?

You MUST repay the loan whether or not you complete your learning. A Professional and Career Development Loan is not a student loan and repayments are not linked to your salary – repayments will start one month after you finish your course.

Defaulting on your repayments for a Professional and Career Development Loan may impact on your future ability to obtain credit.

3 Eligibility criteria

3.1 In order to apply to one of the participating banks for a Professional and Career Development Loan you must meet the eligibility criteria for the programme:

- You must be aged 18 years or over;
- You must meet the residency conditions for the programme. You must be 'settled' in the UK and have been ordinarily resident in the UK for at least the three years prior to the start of your learning programme ('settled' means having either indefinite leave to enter or remain (ILE/R) or having the right of abode in the UK);
- You must be intending to work in the UK, European Union (EU) or European Economic Area (EEA)* when you have completed your learning programme.

3.2 You are **not eligible to apply for a Professional and Career Development Loan if you:**

- are eligible for a Local Authority mandatory grant and/or student loan for a learning programme you wish to undertake at a publicly funded learning provider, including a higher education institution (HEI).
- are employed and your employer will be receiving funding to pay for the learning you wish to undertake. Graduate or Registered Teacher Programmes are an exception to this rule.
- have access to funds of £16,000 or more and are therefore able to fund your learning without access to a Professional and Career Development Loan
- intend to use a Professional and Career Development Loan to pay for anything that is being financed from another publicly funded source
- are in prison or a Young Offenders Institution (YOI) or have been released on temporary licence (ROTL). However, individuals who have been released from prison or a Young Offenders Institution or who remain under supervision in the community (such as electronic tagging) are eligible to apply for a Professional and Career Development Loan.

* The European Economic Area is composed of all current European Union members, plus Iceland, Lichtenstein and Norway.

- are an employee of a Professional and Career Development Loans registered learning provider and want to use the loan to fund a learning programme delivered by that provider. This also applies to those involved in the sale and delivery of learning with the learning provider, parent company, subsidiaries or affiliates and members of their immediate family or others living in the same household.
- 3.3 It is important to note that although these are the eligibility criteria for applications for Professional and Career Development Loans, the bank to which you apply will undertake their own eligibility checks before deciding whether to offer you a loan.

4 Eligible learning programmes

4.1 Professional and Career Development Loans can be used to support a wide range of learning programmes, at both publicly funded and privately owned learning providers. Learning programmes may be full time, part time or involve distance learning and may be at any level, up to and including post graduate study. They do not necessarily need to lead to an accredited qualification.

4.2 The key eligibility criteria for Professional and Career Development Loans are:

- The learning programme must enhance your job skills or employment and career prospects; and
- It must be intended to lead directly into employment, i.e.: it is not intended to lead into further learning.

4.3 Examples of eligible learning include:

- Post graduate courses, for example an MSc or MA
- A specialist course at a privately owned learning provider, for example, in Homeopathy or Studio Sound Engineering
- Management courses, for example The Professional Consultant Course
- Technician level training, for example, Plumbing or Electrical Installation
- A national or Scottish Vocational Qualification (NVQ/SVQ) at a local college, for example in Hospitality and Catering
- Courses leading to a professional qualification, for example, the Certificate in Programme Management

5 Learning programmes that are not eligible

5.1 A Professional and Career Development Loan cannot be used to pay for learning programmes which lead into other learning or which are not directly focused on helping you to gain new skills to improve your employment and career prospects.

- 5.2 A Professional and Career Development Loan cannot be used to fund an Apprenticeship or an Internship.
- 5.3 In order to ensure the best value for the public purse (because the Skills Funding Agency pays the interest on the loan while you are in learning), a Professional and Career Development Loan cannot be used to pay for learning at a learning provider in the EU if the equivalent learning programme is already available from a learning provider in the UK; or for learning at a learning provider outside the EU if the equivalent learning programme is available at a learning provider in the UK or EU.
- 5.4 Examples of ineligible learning include:
- Foundation or access courses which are the first step towards a degree (however, a stand-alone foundation course that leads to employment in its own right would be eligible).
 - Careers Counselling courses, for example, courses which are intended to help you with the mechanics of job hunting or which provide advice on CV writing.
 - Franchises, i.e.: paying to operate or buy a licence for a franchise.
 - A Masters degree at a learning provider in Germany (for example) when the equivalent degree is already available in the UK
 - the Graduate Diploma in Law (GDL, otherwise known as the Common Professional Examination or CPE) as this leads to the Legal Practice Course (LPC) or Bar Vocational Course (BVC)

6 The Professional and Career Development Loans register of learning providers

- 6.1 The learning programme you wish to fund with a Professional and Career Development Loan must be delivered by a learning provider that is on the Professional and Career Development Loans register.
- 6.2 It is the responsibility of the individual to undertake research to ensure that the learning provider you choose is the right choice for you before committing to invest a significant amount of money via a loan you will need to pay back.
- 6.3 Key questions you might want to consider in making your choice are:
- Whether or not the learning leads to a recognised and accredited qualification (if you need one).
 - What the provider's policies are in regard to refunds and complaints.
 - How the course content, length and cost compare to those offered by other providers.
 - If the course is at the right level for you and the content is clear.

- If the method of learning, i.e.: the number of hours study per week, distance learning or classroom based etc, is right for you and your circumstances.
- 6.4 A learning provider should be able to answer any questions you have and provide you with clear information about the learning they deliver and the policies/procedures they have in place.
 - 6.5 The learning provider you choose must be registered with the Professional and Career Development Loans programme or must be willing to become registered.
 - 6.6 Your learning provider should be able to tell you if they are registered and, if they are, will give you their registration number that you will need to quote on your application form. If the provider is registered but does not know their registration number you can obtain it by calling Next Step (who provide information and careers advice) on 0800 100 900.
 - 6.7 If the learning provider you have chosen is not registered but is willing to become registered, they can visit <http://pcdl.ypla.gov.uk/lprequirements/> or call 0845 000 0045 for more information.
 - 6.8 An application for inclusion on the register can take up to 30 working days to process and this time must be factored into the application process.
 - 6.9 It is the responsibility of individuals to decide on the learning or training they wish to undertake and the learning provider with whom they wish to study. The Skills Funding Agency does not contract directly with learning providers for the purposes of Professional and Career Development Loans. However, because the programme is supported by public funds, a Professional and Career Development Loans register of learning providers is maintained to ensure the programme is operated with due propriety.
 - 6.10 The register is maintained for administrative purposes, and is intended to ensure that a learning provider is a legitimate, established and currently operating business and that they have in place clear and accurate learner facing information.
 - 6.11 The register in no way infers a contract or any other binding legal relationship between the Skills Funding Agency and any learning provider included on the register and is not an implication or inference in any way that the provision delivered by learning providers on the register has been quality assured or are in any way guaranteed.
 - 6.12 Only learning providers who meet the requirements for registration will be accepted for inclusion on the register. If a learning provider you have chosen is not accepted for registration you will need to talk directly to them about this.

7 Costs covered by a Professional and Career Development Loan

- 7.1 A Professional and Career Development Loan can be used for costs associated with learning:
 - *Course fees* – the loan can cover up to 80% of your course fees; or 100% of your course fees if you have been registered unemployed for three months or more at the time you apply.

- *Other course costs* – books, equipment, travel expenses, childcare and any costs associated with a disability you may have.
- *Living expenses* – the loan can cover the costs of food, ordinary clothing/footwear, housing costs, rent, fuel, council tax and water charges. These costs must not be covered by any other grants or state benefits. If you wish to pay for living expenses with the loan, you must be working for less than 30 hours per week.

7.2 A Professional and Career Development Loan cannot be used to pay for anything that is already funded by another source of public funding. For example, the loan cannot be used to pay for a first degree (they are funded by Student Loans) or for any course for which you have a bursary that covers all your costs.

7.3 However, a Professional and Career Development Loan can normally be used to supplement another source of funding which does not meet the full costs of the learning. For example, if a bursary covers your course fees you may be able to use a Professional and Career Development Loan to pay for other learning costs such as books or travel.

8 How to apply

8.1 Once you have checked that you meet the eligibility criteria for Professional and Career Development Loans; have chosen your learning programme; and ensured that your chosen learning provider is registered with the programme or that they are applying for registration, you should submit an application to one of the two banks who participate in the programme.

8.2 Each bank has a different application form (both are included in this application pack) and it is important you follow your chosen bank's application guidance when completing the form.

8.3 It is important you complete all sections of the application form and send the supporting evidence that is required. If your application is incomplete or unclear the bank may return it to you, delaying the processing time. If you are unsure or have any questions you should contact the designated helpline for the programme that each bank has – the relevant telephone number is listed on the application form.

8.4 Before deciding which bank to apply to, you should ensure you have read and understood the Annual Percentage Rate (APR) and other information that each bank publishes for the programme.

8.5 **You may only apply to one participating bank at a time.** Each bank will apply their own checks to your application and if the bank you initially apply to declines your application for a loan you may go on to submit an application to the other bank.

Remember: You MUST repay the loan whether or not you complete your learning. Defaulting on your repayments may impact on your future ability to obtain credit. It is important you understand these key points before you decide to submit an application.

Important: You should allow between two and three months for the bank to process your application.

8.6 If the bank agrees the loan they will send you two documents:

- A Credit Agreement which you must sign and return to them
- A Course Start Notification form. You must sign the 'learner' part of this document to confirm the date you intend to start your learning. You must take this document to your learning programme – they will need to complete the second part of the document when you have started your course and submit it to your bank. **The bank will not release any funds until the learning provider has confirmed your actual start date and returned the form to them.**

9 How a Professional and Career Development Loan is paid

9.1 If your application is successful, the bank will release the funds when your learning provider has confirmed to them that you have started your course.

9.2 **Course fees** that are funded via the loan will be paid directly to your learning provider by the bank. If your course costs £2,000 or more and is over three months long, the course fee payments will be made in a number of equal instalments, up to a maximum of four. Learning providers who are included on the Professional and Career Development Loans register of learning providers accept these terms as part of their registration.

9.3 **Funds for other learning related costs and/or living costs** will be paid directly to your bank account by the bank. If your course lasts for more than a year the bank will pay the element of the loan that is to pay for living costs to you in stages throughout the academic year. It is important you discuss your individual circumstances with the bank so you fully understand how this will work.

10 Repaying a Professional and Career Development Loan

10.1 During the duration of your learning and for one month afterwards, the interest on your Professional and Career Development Loan will be paid to the bank by the Skills Funding Agency.

10.2 After this point you must start repaying the loan as you would any other commercial loans product, in line with the repayment terms and conditions you have agreed and signed up to with your bank. **The Skills Funding Agency will NOT pay the loan for you.**

10.3 If your circumstances change during the time you are studying, for example, if you change your address, stop your learning before you have completed it,

need to interrupt or extend your course for any reason or if your learning provider ceases trading **you must tell the bank immediately.**

- 10.4 If you do not complete your learning, or finish your learning earlier than anticipated, the bank will expect you to start repaying your loan one month after you finished learning – this date will override the repayment dates you originally agreed with them.

Important: even if you do not complete your course you are still responsible for repaying the full amount of the loan you took out with the bank. This applies even if your learning provider ceased trading.

- 10.5 If you need more time to complete your learning, for example, if the learning provider made a mistake in the original course dates or your progress has been slower than anticipated because of ill health you may be able to postpone your loan repayments. You will not be able to postpone your payments simply because a dissertation is still outstanding as this is part of the course and the time to complete this is factored into the original course dates.

- 10.6 Similarly, if you think you can no longer afford the repayments you originally committed to with the bank, you may be able to postpone your loan repayments.

- 10.7 **It is important that you understand no postponement can be guaranteed.** The decision lies with the bank and they will only agree to a postponement in exceptional circumstances.

- 10.8 In deciding whether or not to grant a loan postponement the bank will assess whether you meet one of the following criteria:

- 10.8.1. You are unemployed and claiming Income Support or out of work benefits such as Jobseekers Allowance, Employment and Support Allowance or Incapacity Benefits.

- 10.8.2. You are employed and either you are or your partner[†] is receiving one of the following benefits: Council Tax Benefit, Housing Benefit, Working Tax Credit, Pension Credit, Employment and Support Allowance or Income Support.

- 10.8.3. You have to attend your course for longer than expected due to ill health.

- 10.8.4. Your previous learning provider has ceased trading; you wish to continue your learning on another eligible course; and require additional time to complete your study; or

- 10.8.5. You are pursuing legal action against a learning provider to recover course fees while paying the interest on your Professional and Career Development Loan

- 10.9 If you are seeking a postponement **you must agree this with your bank before the date your repayments are due to start.** The bank will require you to provide evidence to support your request. If the bank agrees to a loan postponement you may be able to defer your payments for up to 17 months.

[†] A partner is defined as someone you are married to or someone who you live with as though you are married

If you do not make a postponement agreement with your bank before your repayments are due to start the bank will pursue you for repayment.

If you default on your Professional and Career Development Loan this may affect your ability to obtain credit in the future.

11 Further information and advice

11.1 For more information and advice about Professional and Career Development Loans, call Next Step on 0800 100 900. Next Step will also be able to offer more general information about learning and sources of financial help.

11.2 Information about the programme can also be found at: www.direct.gov.uk/pcdl

11.3 For independent financial advice: www.moneymadeclear.fsa.gov.uk/loans

11.4 Sources of information and advice about other sources of financial help for learning that may be available to you include:

- college and University careers and student services advisors and prospectuses
- your local Jobcentre Plus office (in particular about whether any benefits you may be in receipt of might be affected by your learning)
- if you are studying in England: www.direct.gov.uk/moneytolearn
- if you are studying in Scotland: www.skillsdevelopmentscotland.co.uk
- if you are studying in Wales: www.studentfinancewales.co.uk
- if you are studying in Northern Ireland: www.delni.gov.uk/index/funding-support