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Leading learning and skills

Professional and Career Development Loans e-newsletter

Welcome to the June e-newsletter from the LSC providing information about the new Professional and Career Development Loans.

Career Development Loans (CDLs) have now been replaced with the new Professional and Career Development Loans.

Like CDLs, Professional and Career Development Loans are bank loans to help individuals pay for learning that will improve their skills for work, but the conditions of the loans have changed.

With a Professional and Career Development Loan, learners will:

- Have the option to borrow up to £10,000 to support the cost of learning
- Benefit from a fixed interest rate for repayment of the loan, that is competitive compared with other commercial unsecured loans - Barclays Bank and The Co-operative Bank* have confirmed that they will offer the new loans at a fixed rate of interest of 9.9%
- Be allowed to have up to £16,000 of savings and still be eligible for a loan.

Leaflets to help you promote the new loans will be available from July.

To place your orders please call the helpline on **0800 585 505**.

Application packs for learners will be available from July. Learners should call the helpline on **0800 585 505** to place orders or visit

www.direct.gov.uk/pcdl

In this edition of the e-newsletter, we will cover:

- Transition from CDLs to Professional and Career Development Loans
- Application process for learners
- Support for you

**Barclays and the Co-operative Bank have signed up for the new programme – other banks have expressed interest and will be getting involved later in the year.*

Transition from CDLs to Professional and Career Development Loans

What's happened to Career Development Loans (CDLs)?

Learners can no longer apply for a CDL, they have been replaced by Professional and Career Development Loans. To order an application pack for a Professional and Career Development Loan, learners should call **0800 585 500**.

Like CDLs, Professional and Career Development Loans are bank loans that can be used to help pay for work-related learning. However, the conditions of the loan are better for learners.

For more information on the changes, please visit <http://pcdl.lsc.gov.uk/faqs/>

What if a learner already has a CDL?

If a learner already has a CDL, they will still need to repay the money they've borrowed under the terms and conditions agreed with the participating bank.

Learners can't apply for a Professional and Career Development Loan if they already have a CDL for the same course. However, if they pay back their CDL, they will be able to apply for a Professional and Career Development Loan if they start a new course.

If they need extra funds for their CDL, learners must get in touch with the participating bank. The limit on what learners can borrow through a CDL is £8,000, and they can't switch to a Professional and Career Development Loan in order to borrow more.

What if a learner is in the process of applying for a CDL?

If a learner is on course that has already started or is starting in July, they should continue with their CDL application. However, learners must be aware that they will not benefit from the improved conditions of the loan if they continue their application for a CDL.

If they don't need support with the cost of their learning until September 2009, learners should call the helpline on **0800 585 505** to order an application pack for a Professional and Career Development Loan.

For more information on other learner support options, learners should visit www.direct.gov.uk/adultlearning

Applying for Professional and Career Development Loans

To order a Professional and Career Development Loan application pack, learners must call 0800 585 505.

What should learners consider before applying?

Taking on a loan is a big commitment. Here are some of the things learners should consider before taking this step:

1

Have they considered all learning support options available?

Remember, a loan is just one of a range of support options on offer for taking part in learning. Visit www.direct.gov.uk/adultlearning

2

Have they thought about how much money they need to borrow?

Do they need money for course fees only or for other course costs such as books, travel and even living expenses?

3

Have they checked how much their monthly repayments would be and how they would meet them?

Are they confident their course will lead to a job that will enable them to repay the loan over an agreed fixed period?

4

Have they thought about committing to the course?

Remember if they fail to complete their course, they will still be responsible for repaying the full amount of the loan to the bank.

Applying for Professional and Career Development Loans

How do learners apply?

It's easy. Learners should call the helpline on 0800 585 505 to order an application pack and follow seven simple steps:

- 1 Check they meet the basic eligibility criteria**

Must be 18 or over, 'settled'* in the UK and have been ordinarily resident in the UK for at least the three years prior to the start of learning.
- 2 Choose a course**

The course doesn't necessarily have to lead to a qualification, but it must be one that will help with their career
- 3 Choose a learning provider**

They should find out how the learning is delivered, what qualifications they will get and if any extra costs are involved.
- 4 Ask their learning provider if they are registered with the programme**

Learning providers must call 0845 000 0045 for more information on registration
- 5 Decide how much money they need to borrow**

They can borrow from £300 to £10,000 to help fund full-time, part-time or distance learning courses for up to two years
- 6 Choose one of the participating banks**

Interest rates may vary from bank to bank so they should compare interest rates before deciding which bank to apply to.
- 7 Complete and submit an application form to the chosen bank**

They must fill out the form accurately and send supporting documentation, e.g. copies of bank statements to avoid delays

* 'Settled' means having either indefinite leave to enter or remain or having the right of abode in the UK

Support for you to help promote the new loans

To help you promote Professional and Career Development Loans with potential learners as an option for helping to pay for learning that enhances their job skills or career prospects, we have various supporting material for you.

1

LSC website

Visit <http://pcdl.lsc.gov.uk/> for FAQs and a Quick Reference Guide

2

Email LSC

pcdladvice@lsc.gov.uk for answers to specific queries

3

Leaflets/posters

Call 0800 585 505 to place orders

4

Briefing Sessions

Visit www.livegroup.com/pcdl for more information

Regular e-updates

For the next few months we will issue an updated e-newsletter to keep you informed about the latest developments for the new loans. The e-newsletters will be available online, however, if you would like to receive a copy by email please let us know at pcdladvice@lsc.gov.uk

To view previous editions of the Professional and Career Development Loans e-newsletter, visit <http://pcdl.lsc.gov.uk/resourceadvisors/>