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Leading learning and skills

Professional and Career Development Loans e-newsletter

Welcome to the first e-newsletter from the LSC providing information about the changes we're making to Career Development Loans.

Career Development Loans (CDLs) will be re-named Professional and Career Development Loans to appeal to a wider range of potential learners looking to:

- Improve their career prospects by undertaking further study, e.g. a second degree or a postgraduate course
- Protect their current career in times of job insecurity
- Retrain in a new or emerging industry
- Change their career

Like a CDL, a Professional and Career Development Loan is a bank loan to help individuals pay for learning that will improve their skills for work, but the conditions of the loan are being made more attractive for learners.

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.

The LSC are working with participating banks to finalise the new loan conditions so they will be able to benefit learners this summer.

These e-newsletters will include information about the availability of the new loans, supporting materials (including application packs and leaflets), and will explain the messages that we would like you to pass on to learners. In this issue:

- **Professional and Career Development Loans – basic facts**
- **Timescales for introducing the new loans**
- **How to find out more.**

Professional and Career Development Loans – basic facts

What is a Professional and Career Development Loan?

Like a CDL, it is a bank loan specifically aimed at providing support for individuals aged 18 years or over, who wish to take part in work related learning. For example, to help those seeking to progress at work; to gain a qualification to improve their longer term career prospects or re-skilling to start a new career.

Learners will be able to borrow from £300 to £10,000 to help with the cost of learning. While they're in learning and for up to one month afterwards, they can enjoy an interest free period. They also benefit from a fixed competitive rate of interest when they have to repay the loan after they stop their course.

When will Professional and Career Development Loans be available?

The existing CDL programme is still available to learners. However, please be aware that learners applying for a CDL will not benefit from the new conditions to the loan. Professional and Career Development Loans will be available for learner applications from mid June this year.

We will continue to update you on the availability of application packs and promotional materials in future editions of this e-newsletter.

Who is eligible for Professional and Career Development Loans?

To apply for a loan with one of the participating banks, learners must:

- Be aged 18 years old or over at the point of application
- Be 'settled'* in the UK, and been ordinarily resident in the UK for at least the three years prior to the start of your learning programme
- Be intending to work in the UK, the EU or the EEA (European Economic Area) when the course finishes.

Please note:

In order for a learner to be able to be supported in their learning by a Professional and Career Development Loan, their chosen Learning Provider must be registered or willing to be registered with the Programme. Learners should call 0845 000 0045 for more information on this.

Learners' financial circumstances must meet the requirements of the participating bank, which are in line with FSA requirements and responsible lending guidelines.

* 'Settled' means having either indefinite leave to enter or remain (ILE/R) or having the right of abode in the UK

Professional and Career Development Loans – basic facts

Which courses are covered?

As long as the course leads to employment or enhances job skills and is not a foundation course that leads to another course, Professional and Career Development Loans can be used to help with the cost [~~A~~ whole range of courses, **even those that don't necessarily lead to a qualification.**

Learners can use the loan for any full-time, part-time or distance learning course. Examples include:

- Specialist courses at private institutions, e.g. in Homeopathy
- Management or technician level training, e.g. in Accounting
- National or Scottish Vocational Qualifications (N/SVQs), e.g. in Hospitality
- Diplomas, e.g. in Manufacturing and product design
- Postgraduate courses, e.g. MSc in Environmental Science

The loan can cover up to two years' study, plus up to one year's practical work experience if this is part of the course.

The loan cannot be used to fund any part of a course not related to learning, for example looking for a job, careers advice, marketing activities and business start-up costs, i.e. franchise courses.

How much support is available?

When the new conditions of the loan have been agreed with the participating banks, learners will be able to apply for between £300 and £10,000 to support the cost of their course fees, other course costs including books, childcare and travel and even living expenses, such as rent or food.

Like any loan, the amount of money borrowed needs to be repaid so there are associated risks. Learners must consider all aspects of these risks when applying for a Professional and Career Development Loan, especially their ability to repay the loan when they stop their course.

How do learners apply?

Learners can request an application pack for a CDL now by calling the helpline on **0800 585 505**. **However, if they want to benefit from a Professional and Career Development Loan, they will need to wait until mid June for an application pack.**

Before applying learners should check their learning provider is on the CDL Register of Learning Providers by calling the LSC on **0845 000 0045**.

Timescales for introducing the new Loan

To help you plan for the change to Professional and Career Development Loans, we have set out a timeline for introducing the new programme below. **However, please be aware that this timetable is subject to change.** We will tell you about any changes in future editions of this e-newsletter.

- **In mid June** we are running a series of regional briefing sessions in Scotland and Wales to inform stakeholders about the programme. For further information about these events, or to register to attend, please visit www.livegroup.co.uk/pcdl
- **During June**, application packs will be available to order for learners. Leaflets and posters will be available to order to let learners know about the programme and tell them how to apply. We will tell you more about this activity, including delivery dates, in the next e-newsletter.
- **From July**, participating banks will be able to process applications so that the first loan decisions can be made during August in time for any new courses starting in September or after.

How to find out more?

Online

The new LSC website for Professional and Career Development Loans is currently in development. We will update you with the details of our website in the next edition of this e-newsletter.

By email

You can also find out more by emailing us at pcdladvice@lsc.gov.uk

Regular e- updates

For the next few months we will create an e-newsletter to keep you informed with 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