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Professional and Career Development Loans e-newsletter

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

Volume of calls to the Professional and Career Development Loan Helpline hits a record high!

Since the launch of Professional and Career Development Loans in July this year, the volume of calls to the helpline from learners requesting more information on the loans or application packs has more than doubled compared to the same period last year.

This is great news and demonstrates the key role you have played and continue to play in helping to raise awareness of the loans with learners.

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

- Frequently Asked Questions
- Case Study of how the loan helped launch a career in interior design
- Materials to help you
- Where to find more information

Frequently Asked Questions

Below are answers to some of the most common questions we have been asked at the events and via the LSC email inbox. The FAQ section of the website has been updated so please visit this page for further information. If you have more specific queries, you can email the team at pcdladvice@lsc.gov.uk

Can we promote or raise awareness of the loans to students? What wording should we use?

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We are happy for you to raise awareness of the loans to students at your organisation as long as students are also made aware of all the other adult funding options available to them. We have produced leaflets, posters and business cards to help provide more information on the loans to learners. You should also guide them to call the Professional and Career Development Loan helpline **0800 585 505** or visit direct.gov.uk/pcdl for more information.

Please note: Learning Providers registered with the Programme, must refer to the Requirements for Registration at <http://pcdl.lsc.gov.uk/lprequirements/>

Can a learner re-pay the loan earlier, for example before they have finished their course? Can they pay the loan back in a lump sum?

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Learners must start to repay their loan one month after they have stopped their course, regardless of whether they are in employment or not. However, there are no restrictions if they are able to repay the loan earlier, for example before they have completed their course. Learners can avoid paying any interest on the loan if they repay the amount before they finish their course. Where repayments have commenced but the learner chooses to repay the loan before the full term, a settlement payment will apply on any outstanding interest that has accrued.

The loans cover two years of a learner's course. If a learner is studying on a course that is longer than two years, what is the best time within that course to apply for a loan?

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Professional and Career Development Loans can be used to cover the cost of learning for up to two years (or up to three years if there is an practical unpaid element). However, a learner may still be eligible to receive a loan if their course is longer. In these cases, a learner may find it most useful to take out a loan to cover the latter two years of their course (or three if it has a practical element), as they must start to repay the loan one month after they have stopped their course.

How do the loans affect any benefits a learner may be in receipt of?



Entitlement to a loan in itself will not affect an individual's benefits. However, taking part in full/part-time learning may affect an individual's entitlement to benefits. It is difficult to give a definitive answer without knowing an individual's personal and financial situation so learners should speak to their local JobCentre for more information regarding benefit entitlements.

What criteria do the banks use when assessing an application?



The banks will take a number of factors into account when assessing a learner's application. They will:

- Check learners meet the eligibility criteria for the programme
- Assess learners' ability to repay the loan when they have completed their course by checking their credit history.

The bank may be reluctant to agree the loan if a learner has had problems with their credit rating in the past. If a learner is worried about their credit history it is worth discussing this with their chosen bank before they complete and submit an application form.

Can a learner use their loan to top-up any other funding they may be in receipt of?



The loan can be used to supplement other forms of public funding as long as a learner does not receive "double-funding". For example, if a learner has a grant that only covers half of their course fees, they can apply for a loan to cover the remainder of the course fees, plus any other associated course or living costs.

Is there any management information about the types of learners that take out the loans?



With the change to Professional and Career Development Loans, we are updating our information systems and processes in order to capture and record important learner information. In the future, we hope to provide you with a more comprehensive picture of Professional and Career Development Loan learner profiles.

Case Study: Tamaryn White's experience

In each issue of this e-bulletin we will be giving examples of how the loans (previously known as Career Development Loans) have helped a number of people gain qualifications to improve their longer term career prospects or re-skill to start a new career. We hope these case studies will provide real life examples for you to use with learners.



Tamaryn, 26, graduated in 2004 with a degree in English from the University of Manchester and was planning to pursue a career in law but realised that she really wanted to pursue a career in interior design. Taking advice from professionals in the sector, Tamaryn applied to the KLC School of Design and was accepted onto a the Professional Diploma in Interior Design, a full-time, one-year course. She successfully applied for £8,000 which she used to part-fund the course fees and found the CDL application process to be “easy and painless”.

The course provided Tamaryn with a thorough foundation for a career in interior design. It gave her valuable links to a range of employers and she quickly found a job and later secured a position as an intermediate designer at a boutique design agency.

Tamaryn was due to repay her final CDL instalment in August 2009 and is positive about the loan – she appreciated the flexibility it gave her to choose a realistic repayment period and knowing how much she has to repay each month, it has helped her budget effectively. She also found that not having to start repaying the loan until a month after the end of the course was very useful.

“

The Loan enabled me to pursue a career in interior design and land my dream job at a boutique design agency. I enjoy my job so much that it does not feel like work to me

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This month we are distributing marketing materials to those of you who attended the events and Programme-registered Learning Providers to help provide impartial information on Professional and Career Development Loans. ***Please remember that these materials must not be used to 'sell' the loan to prospective learners.***

You can order copies of leaflets, posters and business cards by calling the helpline on

0800 585 505

Visit the LSC website on <http://pcdl.lsc.gov.uk/resourceadvisors> to view sample PDF copies of these materials and other supporting materials, including:

1 Quick Reference Guide

Outlines the basic eligibility criteria for Professional and Career Development Loans.

2 Briefing pack from the events

This contains a copy of the presentation at the events.

How to find out more

To help you give information on Professional and Career Development Loans to potential learners as an option for helping to pay for learning that enhances their job skills or career prospects, supporting material is available for you.

1 LSC website

Visit <http://pcdl.lsc.gov.uk/> for FAQs and other resources for advisers

2 Email LSC

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

3 Leaflets/posters/
business cards

Call 0800 585 505 to place orders

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>