Professional and Career Development Loans

Investing in your future

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# Contents

1. What is a Professional and Career Development Loan?  
2. Is the loan right for me?  
3. What can I use the loan for?  
   3.1 What courses are covered?  
   3.2 What courses are NOT covered?  
   3.3 What can I use the loan to pay for?  
   3.4 What can the loan NOT be used to pay for?  
4. What should I consider before I apply?  
5. How do I apply?  
   5.1 Check you meet the basic eligibility criteria  
   5.2 Choose a course  
   5.3 Choose a learning provider  
   5.4 Check if your learning provider is on the Professional and Career Development Loan Register  
   5.5 Decide how much money you will need to borrow to fund your learning  
   5.6 Choose your bank  
   5.7 Complete your application form and submit it to your chosen bank  
6. What happens next?  
7. What is the loan payment and repayment process?  
   7.1 How is the loan paid?  
   7.2 How do I repay the loan?  
   7.3 What if I don’t complete my course or finish early?  
   7.4 What if I need more time to complete my course?  
   7.5 What if I can’t afford the repayments?  
8. Additional information  
9. Checklist
1. What is a Professional and Career Development Loan?

A Professional and Career Development Loan is a deferred repayment bank loan set at a competitive fixed interest rate that can be used to support learning or training that enhances your job skills or career prospects.

You can borrow any amount between £300 and £10,000 from a participating bank and use it to fund the course of your choice.

Like any loan, you need to repay the money you borrow, but with a Professional and Career Development Loan, the Learning and Skills Council (LSC) will pay the interest on the loan while you are learning and for up to one month afterwards, so you can focus on studying.

Even when you start to repay the loan to the bank, interest rates are set at a fixed rate that is competitive, compared with other commercial unsecured loans.*

The following pack provides more information and guidance on applying for a Professional and Career Development Loan.

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2. Is the loan right for me?

Taking part in learning is an investment in your future. With a Professional and Career Development Loan you can invest in learning that improves your career and salary prospects.

As long as you are aged 18 or over, are settled* in the UK, have been ordinarily resident in the UK for at least the three years prior to the start of your course, and are intending to work in the UK, the European Union (EU) or the European Economic Area (EEA) when the course finishes, you can apply for a Professional and Career Development Loan.

Professional and Career Development Loans are just one of a package of learner support schemes offered by the LSC to help adults who want to participate in learning. For more information on other forms of adult learning support, please visit www.direct.gov.uk/adultlearning

You choose the course you want to study

As long as the course leads to employment or enhances job skills and is not a foundation course that leads to another course, you can use the loan to help with the cost of a whole range of courses, even those that don’t necessarily lead to a qualification.

You choose where you want to study

It is worth researching several learning providers before you decide where you want to study. You should speak to others who have taken the course at the learning provider. Find out how the learning is delivered, what qualifications you will get and if any extra costs are involved.

You choose how much you need to borrow

You can borrow from £300 to £10,000 to help fund full time, part time or distance learning courses of up to two years (or up to three years if the course includes one year’s relevant practical unpaid work experience). You can use the loan to cover course fees, other costs including books, travel and even living expenses, such as rent or food.

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Remember: like any loan, you must repay the bank the money you borrow. It is important to think carefully about your ability to repay the loan after you have stopped your learning - taking into consideration the initial cost of investing in learning, and the potential long term rewards of a new career or profession.

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

*Currently, banks offer Professional and Career Development Loans at a reduced customer rate of 9.9% per annum, equivalent to a typical APR of 5-6% over the lifetime of the loan. However, interest rates may vary from bank to bank. For further information, consult the participating banks.
3. What can I use the loan for?

Professional and Career Development Loans are flexible. You choose the course you want to study, where you want to study and how much you will need to borrow to cover the cost of learning.

3.1 What 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 support a whole range of courses, even those that don’t necessarily lead to an accredited qualification.

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

- Postgraduate courses, e.g. MSc in Environmental Science.
- Specialist courses at private institutions, e.g. in Homeopathy or Studio Sound Engineering.
- Management or technician level training, e.g. in Plumbing.
- National or Scottish Vocational Qualifications (N/SVQs), e.g. in Hospitality and Catering at your local college.
- An additional bachelor’s degree (if you are already a graduate).
- Diplomas, e.g. in Manufacturing and Product Design.
- Course that leads to a professional qualification, e.g. Certificate in Programme Management.

3.2 What courses are NOT covered?
You can’t use a Professional and Career Development Loan to pay for a course which leads onto further learning or which is not directly focused on helping you to gain new skills for employment. Examples include:

- Careers Counselling courses, e.g. careers progression, CV writing, job-hunting etc.
- Franchise courses - it cannot be used to pay for the franchise or to buy a licence from the franchiser.
- Foundation or Access courses - a Foundation or Access course used as the first step towards a degree course is not eligible for a loan. However, a stand-alone foundation course that leads to employment in its own right would be eligible.

3.3 What can I use the loan to pay for?
You can use the loan to fund:

- Course fees - 80% of your course fees, or 100% if you have been out of work for three months or more at the time of application.
- Other costs - including books, equipment, tools, childcare, travel expenses and any costs associated with disability.
- Living expenses - these can only be claimed in respect of food, ordinary clothing or footwear, household fuel, rent, housing costs, council tax and water charges for which you are liable. These costs must not be covered by any other grants or state benefits. If you claim living expenses, you must not undertake work involving more than 30 hours per week.

3.4 What can the loan NOT be used to pay for?
The loan cannot be used to pay for anything that is being financed by another publicly funded source. For example, you couldn’t get one if you’re planning to study full-time for a first degree (because there’s a separate package of Student Loans available).

However, in most cases, the loan can be used to supplement a grant or bursary that does not meet the full cost of your learning. For example, if you receive a grant for your course fees, you may still be able to apply for a loan to pay for associated costs, such as books or travel.

Depending on where you study, you may also be able to claim other forms of financial support for learning.

- If you are studying in England, please visit www.Direct.gov.uk/moneytolearn
- If you are studying in Scotland, please visit www.skillsdevelopmentscotland.co.uk
- If you are studying in Wales, please visit www.studentfinancewales.co.uk
- If you are studying in Northern Ireland please visit www.delni.gov.uk/index/funding-support

4. What should I consider before I apply?

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

- Have you considered all the options for support for learning that are available? Remember, a loan is just one of a number of options that might be available to help support your learning. For more information on financial support, visit www.direct.gov.uk/adultlearning

- Think carefully about how much money you need to borrow. For example, do you need money for course fees only or for other costs such as books or living expenses?

- Check how much your monthly repayments will be. And think how you will meet them. You must be confident your course will help to position you well to build your career and will enable you to repay the loan over an agreed fixed period.

- Can you commit to the course? If you fail to complete your course, you will still be responsible for repaying the full amount to the bank.

Remember: a Professional and Career Development Loan is not a student loan. You must repay it at the end of your training, whether or not you are in work.

For more advice about borrowing money, speak to one of the participating banks or visit www.moneymadeclear.fsa.gov.uk/loans
5. How do I apply?

Applying for a Professional and Career Development Loan is easy, simply follow these seven simple steps.

5.1 Check you meet the basic eligibility criteria.
5.2 Choose a course.
5.3 Choose a learning provider.
5.4 Ask your learning provider if they are on the Professional and Career Development Loan Register.
5.5 Choose how much money you need to borrow.
5.6 Choose one of the participating banks.
5.7 Complete and submit application form to chosen bank.

To apply for a Professional and Career Development Loan with one of the participating banks, you must complete an application form (enclosed in this pack) and then submit it to your chosen bank. The bank you apply to will process the form to determine your eligibility for the loan.

5.1 Check you meet the basic eligibility criteria

Before you start completing an application form for a Professional and Career Development Loan with one of the participating banks, you must check if you meet the basic eligibility criteria to:

- Be aged 18 years old or over at the point of application.
- Be settled* in the UK, and you have 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 when the course finishes.

You are NOT eligible to apply for a Professional and Career Development Loan, if you:

- Are eligible for a Local Education Authority mandatory grant and/or student loan for your course at a publicly funded higher or further education institute.
- Are in receipt of an NHS non-means tested bursary.
- Have a job and your employer will be receiving a grant for your course (except if this is part of the Graduate or Registered Teacher Programmes).
- Have access to funds of £16,000 or more.
- Will use it to pay for anything that is being financed by another publicly funded source.
- Are an employee of a Professional and Career Development Loan registered learning provider and want to use the loan to support a course with that learning provider. This also applies to those involved in the sale and delivery of training with the learning provider, parent company, subsidiaries or affiliates and members of their immediate family or others living in the same household.

If you need additional help and advice about applying for a Professional and Career Development Loan, please call our helpline on 0800 585 505.

*Settled means having either indefinite leave to enter or remain or having the right of abode in the UK.
5.2 Choose a course

Make sure it’s a course that will lead to work and enhanced career and salary prospects. You should take time to assess the impact that your learning will have on your life and your career prospects. The course should be aimed at the right level and length that helps enhance your job skills or career prospects. You should consider what you want to achieve from your learning:

- What career do you want?
- What skills and experience will you need?
- What qualifications will you need?

Your course does not necessarily have to lead to a qualification to be funded by a Professional and Career Development Loan, but it should enhance the skills you need to improve your job skills. For example, you could use the loan to fund an MSc in Environmental Management to become a qualified technical engineer or to fund management training that gives you the skills needed to set up your own business.

You will also need to look into costs associated with the course, such as travel and the possible need to undertake coursework in your spare time. All of these factors come at a cost so you need to consider them when thinking about which course to study and how much money you may need to borrow.

For free, impartial advice on suitable courses and training opportunities, call the Careers Advice Service on 0800 100 900.

5.3 Choose a learning provider

Make sure it’s a quality provider; check what qualifications you will get, check how the learning will be delivered and if there are any extra costs. Before you choose a learning provider, it’s well worth asking some questions about them. These might include:

- Does the course lead to a recognised qualification (if you need one)?
- Do they have a customer satisfaction or refund policy? Your personal circumstances may change during the course and you may want to stop or suspend the course.
- Is there a guaranteed level of tutor support - is it via phone, email, or face-to-face?
- Will they send you an example of the course materials?
- Will they put you in touch with other people who have completed the course?
- Is the course at the right level? If not, get some advice and guidance or speak to the course tutor.

Your learning provider should be able to tell you whether they are registered or not. If they are not, then they should call 0845 000 0045 for more information about registration.

Remember: the LSC and the banks do not monitor or approve learning providers and cannot accept any responsibility if your chosen learning provider ceases trading or fails to deliver the education and learning you need to the standard you expect. It is your responsibility to choose an organisation that will offer the type of learning you need to the required standard.

5.4 Ask your learning provider if they are on the Professional and Career Development Loan Register

In order for your learning to be supported by a Professional and Career Development Loan, your chosen learning provider must be registered or willing to be registered with the Programme.

Your learning provider should be able to tell you whether they are registered or not. If they are not, then they should call 0845 000 0045 for more information about registration.

Remember: the LSC and the banks do not monitor or approve learning providers and cannot accept any responsibility if your chosen learning provider ceases trading or fails to deliver the education and learning you need to the standard you expect. It is your responsibility to choose an organisation that will offer the type of learning you need to the required standard.

Learning providers should call the LSC on 0845 000 0045 for more information about registration.

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5.5 Decide how much money you will need to borrow to fund your learning

Remember to consider other costs in addition to course fees, such as travel, childcare and living expenses. Most importantly think about your ability to repay the money you borrow - remember you can borrow from £300 to £10,000 to support your learning.

With a Professional and Career Development Loan, you can borrow from £300 to £10,000 to help fund full time, part time or distance learning courses of up to two years (or up to three years if the course includes one year’s relevant practical work experience).

You will need to consider all costs involved in your learning and how they will be funded. It is important you think about:

- What the course fees include, e.g. there may be exam fees that you need to be aware of.
- Checking the provider’s cancellation policy - make sure you are not liable for the full fee should you leave the course early.
- Any additional costs such as books, childcare and travel expenses.
- If any benefits you receive or national insurance contributions will be affected.
- If you can get any extra help to fund your learning, e.g. you may be eligible for other Government funded support to help with the costs of books and travel.

Work out how much you’d need to borrow, and what the repayments would be once you leave your course. Make sure you’ll have enough left over from your monthly budget to make the repayments.

It’s worth remembering that if you initially apply for less than the maximum of £10,000, you may be able to apply for additional funds to reach the maximum loan amount at a later stage. You must discuss any changes to the amount you borrow with your chosen bank.

For more advice about borrowing money, speak to one of the participating banks. Contact numbers for each of the participating banks are on their application forms enclosed at the back of this pack.

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

Remember: a Professional and Career Development Loan is a bank loan. You must repay it at the end of your training, whether or not you are in work. Think carefully about your ability to repay the loan - taking into consideration the initial cost of investing in learning, with the potential long term rewards of a new career or profession.

5.6 Choose your bank

You can only apply to one participating bank at a time. If you’re not successful with your first choice, you can apply to another bank. Before you apply, you should compare the interest rate on the loan for each participating bank.

You can only apply to one participating bank at a time. If you’re not successful with your first choice, you can apply to another bank. The length of time it takes to process your application may vary from bank to bank so make sure you apply for your loan well in advance. This gives you time to apply to another bank if you’re unsuccessful first time around.

Professional and Career Development Loans are provided by a number of UK High Street Banks. For further information on the participating banks, please contact the helpline on 0800 585 505.

To help you decide which bank to apply for, all banks are required to state an Annual Percentage Rate (APR). The APR includes important factors such as:

- The interest rate you must pay.
- How you repay the loan.
- The length of the loan agreement (or term).
- The frequency and timing of instalment payments.
- The amount of each payment.

Currently, banks offer Professional and Career Development Loans at a reduced customer rate of 9.9% per annum, equivalent to a typical APR of 5-6% over the lifetime of the loan. However, interest rates may vary from bank to bank. For further information, consult the participating banks.

Remember: you must find out what the repayments will be after you have finished your course. Talk to your chosen bank and ask for an example about how much you would need to repay based on your specific needs.

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5.7 Complete your application form and submit to your chosen bank

Application forms for participating banks can be found in the pocket at the back of this pack.

When completing the application form, make sure that you fill it out accurately and send supporting documentation, such as copies of bank statements or a utility bill as proof of your address. Your application form may be returned to you if it is incomplete or inaccurate, which will delay your application.

You will be required to provide information about the amount of money you want to borrow, your monthly living expenses and how long you need the loan for. If you are unsure about any of the details required by the participating bank, please contact their designated helpline that is included on each bank application form.

For more general help and advice around applying for a Professional and Career Development Loan, you can also call the helpline on 0800 585 505.

Make sure you submit your application form well in advance of when you think you need the fees to support your learning. Processing application forms can vary from bank to bank and can take from six weeks to three months. In exceptional circumstances you can apply after you have started your course, but there must be enough time to process your application before the course ends.

Remember: processing your application can take up to three months so fill out the form well in advance of when you need the loan and make sure you send supporting documentation, e.g. copies of bank statements etc, as any missing information could delay your application.

6. What happens next?

Once you have submitted your application form for a Professional and Career Development Loan to your chosen bank, it can take up to six weeks for an answer from the bank.

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

- Check you meet the eligibility criteria for the programme.
- Assess your ability to repay the loan when you have completed your course by checking your credit history.

The bank may be reluctant to agree the loan if you have had problems with your credit rating in the past. If you are worried about your credit history it is worth discussing this with your chosen bank BEFORE you complete and submit your application form. Contact numbers for each of the participating banks are on their application forms enclosed at the back of this pack.

The bank will let you know whether or not your application has been successful.

If you are successful, your chosen bank will send you:

- A credit agreement - you must sign this credit agreement and return it to the bank.
- A Start Certificate - you must sign the ‘learner’ part of this to confirm your planned start date for your course. Your learning provider will then be asked to complete the second part of the Start Certificate and submit to the bank.

The bank will not release any funds until your learning provider has confirmed that you have started the course. If your circumstances change after you have submitted your application or received your loan, you must contact the bank immediately.

If you are unsuccessful, it may be worthwhile applying to another participating bank.

Remember: eligibility for a Professional and Career Development Loan and acceptance onto a course do not guarantee approval of a loan as the banks have the right to refuse applications. It’s best not to start a course on the assumption that you will be given approval for the loan by a bank.
7. What is the loan payment and repayment process?

7.1 How is the loan paid?
The bank cannot release any funds until your learning provider has confirmed that you have started your course.
Course fees are paid directly to your learning provider by your chosen bank once you have started your course.
If your course costs over £2,000 and is over three months in duration, the course fee payments will be split into a number of equal stages, up to a maximum of four instalments.
Money for other expenses will be credited to your account. If your course is for one year or more and part of the loan is for living expenses, the bank will arrange for the living expenses to be paid in stages throughout the academic year of the course. If this applies to you, you may wish to contact your chosen bank to discuss further.

7.2 How do I repay the loan?
While you are studying and for up to one month after you have stopped your course, the LSC will pay the interest on the loan.
You must repay your Professional and Career Development Loan once you stop your course according to the repayment terms and conditions agreed with your chosen bank. The LSC will NOT repay the loan for you.

7.3 What if I don’t complete my course or finish early?
You must notify your bank immediately. If you do not complete your course or finish your course early, you will still be responsible for repaying the full amount of the loan to your bank. You will have one month after your last day of training before you must begin repaying your loan.
This rule applies even if your learning provider ceases training or you are dissatisfied with your course for any reason. That is why it is important to thoroughly research your course and learning provider before you start.

7.4 What if I need more time to complete my course?
You may be able to postpone your loan repayments if you have to attend your course for longer than expected (due to ill health or other special circumstances). You must agree any postponement with your bank before the date your repayments are due to start.
You will not be able to postpone the start of your repayments because a dissertation is outstanding. Time to complete this should have been included in the original course dates. Only in exceptional circumstances, for reasons beyond your control, would such a postponement be considered.

7.5 What if I can’t afford the repayments?
If you think you may have problems repaying your loan, it’s important to talk to your bank. You may be able to postpone the start of your repayments, if prior to the day when you are due to start repaying:
- You are unemployed and claiming related benefits (including credited National Insurance contributions), such as Jobseekers Allowance, Employment and Support Allowance, Income Support or Incapacity Benefit.
- You are employed and you or your partner are in receipt of one or more of the following benefits: Council Tax Benefit, Employment and Support Allowance, Housing Benefit, Income Support, Pension Credit or Working Tax Credit.
- You are taking part in a Government Training Programme and in receipt of the relevant allowance.
- You have to attend your course for longer than expected (due to ill health or other special circumstances).
You will have to agree any postponement with your bank before the date your repayments are due to start.
Provided you continue to meet one of the above conditions you may postpone the start of your repayments for up to a maximum of 17 months.

8. Additional information
For more information and advice on Professional and Career Development Loans, call the helpline on 0800 585 505 or visit www.direct.gov.uk/pcdl

Professional and Career Development Loans are available across the UK. For more information and advice about choosing a course and learning provider, try the following sources:
- Careers Advice Service – call them on 0800 100 900 for free and impartial advice on courses. If you are calling from Scotland, Wales or Northern Ireland you will be passed onto the relevant Careers Service according to your location.
- College or University Careers Services - read their prospectuses or visit them online or in person.
- Your local Jobcentre Plus office - check the job market for your chosen career and find out about whether any of your benefits will be affected.

Remember: if you do not make prior agreement with the bank and do not make repayments, the bank will pursue repayment. It is important to agree any changes to your agreement with the bank in advance.

If you have any complaints about a commercial decision made by a participating bank, you must contact the bank directly.
If you have any complaints about the operation of the Professional and Career Development Loan Programme, please contact the LSC by emailing pcdlinfo@lsc.gov.uk.
A version of this pack is also available in Welsh, Braille and by audio recording upon request.
9. Checklist

☐ Do you meet the basic eligibility criteria?
☐ Have you chosen a course that enhances your career prospects?
☐ Have you investigated your chosen learning provider?
☐ Have you asked your learning provider if they are on the Professional and Career Development Loan Register?
☐ Have you calculated how much money you need to borrow?
☐ Have you chosen a participating bank to apply for your loan?
☐ Have you completed and included all the relevant sections of the bank application form?