



Education & Skills  
Funding Agency

# 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.

**July 2018**

Of interest to adult learners

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## **What is a Professional and Career Development Loan?**

1. A Professional and Career Development Loan is a bank loan for which the Education and Skills Funding Agency pays the interest while you are in learning. The banks provide the loan capital and are responsible for all lending decisions. To help you focus on studying, the Education and Skills Funding Agency will pay the interest on the loan to the bank whilst you are studying and for one month afterwards. After which you will start repaying the loan to the bank in the usual way. Please note: a Professional and Career Development Loan must be repaid to the bank that has agreed to offer the loan, in the same way as any other commercial loan.
2. The loan can be taken out for any amount between £300 and £10,000 to fund a wide range of courses lasting up to two years (or three years if the course includes a year of work experience), and the learning or training enhances job skills or employment and career prospects. However, you cannot get a Professional and Career Development Loan if you are planning to study for a first degree, because there is a separate package of student loans available.
3. The Education and Skills Funding Agency, in partnership with the participating banks, administer the programme which includes maintaining a List of the Learning Providers who participate in the scheme.

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

4. 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.
5. Before deciding to apply you may wish to consider if:
  - a. there may be other funding options for the learning you may wish to undertake. A loan might just be one option – talk to the National Careers Service 0800 100 900
  - b. you have identified the right amount of money you need to borrow, that is, do you need to fund the course fees only or do you have other costs you need to cover?
  - c. 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
  - d. if you have a pre-existing medical condition, is this likely to affect your study? Requests for a loan repayment postponement for reasons associated with a pre-existing medical condition will not be accepted; you need to take this into account and check with the bank before you apply for the loan
  - e. have you 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
  - f. the learning you have chosen is the best choice for you, that is, 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 to gain employment?

**IMPORTANT: 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.**

### **Eligibility criteria**

6. In order to apply to one of the participating banks you must meet the eligibility criteria for the programme:
  - a. you must be aged 18 years or over
  - b. you must be a National of a country within the European Economic Area (EEA), an eligible [EU] overseas territory or Switzerland, this includes UK nationals. More details can be found at Appendix 1 of this document.
  - c. you must have been ordinarily resident in the UK for at least the previous 3 years prior to the start of your learning programme
  - d. you must be intending to work in the EEA when you have completed your learning programme.
7. You are not eligible to apply for a Professional and Career Development Loan if you:
  - a. 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)
  - b. 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
  - c. have access to funds of £16,000 or more and are therefore able to fund your learning without a Professional and Career Development Loan
  - d. intend to use a Professional and Career Development Loan to pay for anything that is being financed from another publicly-funded source
  - e. are in prison or a Young Offender Institution (YOI) or have been released on temporary licence (ROTL). However, individuals who have been released from prison or a Young Offender Institution or who remain under supervision in the community (such as electronic tagging) are eligible to apply for a Professional and Career Development Loan

- f. you are an employee of a Professional and Career Development Loans listed 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. Only in exceptional circumstances will an individual be exempted from this condition and only if it is clear there is no direct benefit to be derived by the provider from the learning being undertaken, for example, an individual undertaking temporary work in one university department whilst studying in an unrelated department of the same university.
8. It is important to note that although these are the eligibility criteria for applications for Professional and Career Development Loans, the participating bank to which you apply will also undertake their own eligibility checks before deciding whether to offer you a loan.

### **Eligible learning programmes**

9. 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.
10. The key programme eligibility criteria for Professional and Career Development Loans are:
- a. it must enhance your job skills or employment and career prospects and
  - b. it must be intended to lead directly into employment that is, not intended to lead into further learning.
11. Examples of eligible learning include:
- a. post graduate courses, for example an MSc or MA
  - b. a specialist course at a privately-owned learning provider, for example, in Homeopathy or Studio Sound Engineering
  - c. management courses, for example The Professional Consultant Course
  - d. technician-level training, for example, Plumbing or Electrical Installation
  - e. a national or Scottish Vocational Qualification (NVQ/SVQ) at a local college, for example in Hospitality and Catering and
  - f. courses leading to a professional qualification, for example, the Certificate in Programme Management.

### **Learning programmes that are not eligible**

12. 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.

13. A Professional and Career Development Loan cannot be used to fund an Internship.
14. A Professional and Career Development Loan cannot be used to pay for anything that is already funded by another source of public funding (public funding includes student loans). For example, the loan cannot be used to pay for a Higher Education (HE) first degree, fees or living expenses, (these are funded by student loans) or for any course for which you have a bursary that covers all your costs.
15. In order to ensure the best value for the public purse a Professional and Career Development Loan cannot be used to pay for learning at a learning provider:
  - a. in the EU if the equivalent learning programme is already available from a learning provider in the UK or
  - b. 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 except in exceptional circumstances.
16. Examples of ineligible learning include:
  - a. 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)
  - b. 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
  - c. franchises, that is, paying to operate or buy a licence for a franchise
  - d. a Master's degree at a learning provider in (for example) Germany when the equivalent degree is already available in the UK and
  - e. 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).

### **The Professional and Career Development Loans Learning Provider List**

17. 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 List.
18. 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 through a loan you will need to pay back.
19. Key questions you might want to consider in making your choice are:
  - a. whether or not the learning leads to a recognised and accredited qualification (if you need one)
  - b. what the provider's policies are in regard to refunds and complaints
  - c. how the course content, length and cost compare to those offered by other

providers

- d. if the course is at the right level for you and the content is clear; and
  - e. If the method of learning, that is, the number of hours study per week, distance learning or classroom-based and so on, is right for you and your circumstances.
20. 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.
21. The learning provider you choose must be registered with the Professional and Career Development Loans programme or must be willing to become registered.
22. Your learning provider should be able to tell you if they are listed and will give you their identification number.
23. If the learning provider you have chosen is not included on the LP List, they can visit <https://www.gov.uk/search> or call 0300 303 8610 for more information.
24. An application for inclusion on the learning provider list can take up to 30 working days to process and this time must be factored into the application process.
25. 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 Education and 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 list of Professional and Career Development Loans learning providers is maintained to ensure the programme is operated with due propriety.
26. The LP List is maintained for administrative purposes only 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.
27. Inclusion on the LP List in no way implies a contract or any other binding legal relationship between the Education and Skills Funding Agency and any learning provider. Inclusion on the LP List is not an implication or inference in any way that the provision delivered by learning providers on the list has been quality assured or in any way guaranteed.
28. Only learning providers who meet the requirements for inclusion will be accepted on the LP List. If a learning provider you have chosen is not accepted you will need to talk directly to them about this as you will not be eligible to apply for a Professional and Career Development Loan.

### **Costs covered by a Professional and Career Development Loan**

29. A Professional and Career Development Loan can be used for costs associated with learning:
- a. *course fees* – the loan can cover up to 80 per cent of your course fees; or 100 per cent of your course fees if you have been registered unemployed for three

months or more at the time you apply

- b. *other course costs* – books, equipment, travel expenses, childcare and any costs associated with a disability you may have
- c. *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 fewer than 30 hours per week.

30. However, a Professional and Career Development Loan can normally be used to supplement other sources of funding (excluding first HE degree) which do not meet the full costs of the learning or living expenses. 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 costs such as books, travel or living expenses.

### **How to apply**

31. Once you have checked:

- a. that you meet the eligibility criteria for a Professional and Career Development Loan
- b. have chosen your learning programme and
- c. ensured that your chosen programme of study and learning provider is registered with the programme.

32. You should complete and submit the online application form to a lender who participates in the programme.

**IMPORTANT: you must ensure that the details you have are correct and match with the details recorded on the Professional and Career Development Loan List. If this information does not match that which is held on the List, your application may be declined. If you are unsure, use the webchat or helpline to confirm the details are correct**



33. It is important you complete all sections of the application form. If you are unsure or have any questions you should contact the designated helpline or use the webchat facility.
34. Before deciding to apply, you should ensure you have read and understood the Annual Percentage Rate (APR) and other information that each bank publishes for the programme.

**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.**

**Repayments will commence one month after the course end date, regardless of whether you complete your learning programme or not.**

**IMPORTANT: You should allow between three and four weeks for the bank to process your application.**

35. If the bank agrees the loan they will send you two documents:
  - Credit Agreement which you must sign and return to them
  - 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 provider; 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 and end dates and returned the form to them.

### **How a Professional and Career Development Loan is paid**

36. 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.
37. Course fees that are funded through 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 List of learning providers accept these terms as part of their registration.
38. Funds for other learning-related costs and/or living costs will be paid directly to your bank account by the bank. It is important you discuss your individual circumstances with the bank so you fully understand how this will work.

## Repaying a Professional and Career Development Loan

39. Throughout 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 Education and Skills Funding Agency.
40. After this point you must start repaying the loan as you would any other commercial loan product, in line with the repayment terms and conditions you have agreed and signed up to with your bank. The Education and Skills Funding Agency will NOT pay the loan for you.
41. 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 then you must tell the bank immediately.
42. 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 finish 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 ceases trading for whatever reason, for example, bankruptcy.**

43. 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 (this excludes any pre-existing medical conditions) 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.
44. 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.
45. It is important that you understand a postponement cannot be guaranteed. The decision lies with the bank and they will only agree to a postponement in exceptional circumstances.
46. In deciding whether or not to grant a loan postponement the bank will assess whether you meet one of the following criteria:
  - a. you are unemployed and claiming qualifying benefits e.g. Job Seekers Allowance
  - b. you are employed and either you or your partner\* is receiving a qualifying benefit such as Council Tax Benefit
  - c. you have to attend your course for longer than expected due to ill health
  - d. 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

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

\* A partner is defined as someone you are married to or someone who you live with as though you were married.

**IMPORTANT: 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.**

### Further information and advice

47. For more information and advice about Professional and Career Development Loans then please call the National Careers Service on 0800 100 900. National Careers Service will also be able to offer more general information about learning and sources of financial help.
48. Information about the programme can also be found at: [www.gov.uk](http://www.gov.uk)
49. For independent money advice: [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)
50. 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 Job Centre 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](http://www.direct.gov.uk/moneytolearn)
  - if you are studying in Scotland: [www.skillsdevelopmentscotland.co.uk](http://www.skillsdevelopmentscotland.co.uk)
  - if you are studying in Wales: [www.studentfinancewales.co.uk](http://www.studentfinancewales.co.uk)
  - if you are studying in Northern Ireland: [www.delni.gov.uk/index/funding-support](http://www.delni.gov.uk/index/funding-support)

## **Appendix 1**

For the purposes of determining eligibility for the PCDL, the EEA includes: all member states of the EU (including the UK); Iceland, Liechtenstein, and Norway; all of the British and EU Overseas Territories listed below; and Switzerland.

### **Member States of the European Union**

Austria • Belgium • Bulgaria • Croatia • Cyprus • Czech Republic • Denmark • Estonia • Finland • France • Germany • Greece • Hungary • Ireland • Italy • Latvia • Lithuania • Luxembourg • Malta • Netherlands • Poland • Portugal • Romania • Slovakia • Slovenia • Spain • Sweden • United Kingdom

More information on European Union (EU) member states can be found on the EU website [https://europa.eu/european-union/about-eu/countries\\_en](https://europa.eu/european-union/about-eu/countries_en)

### **Notes on further territories that fall within the EU**

- Cyprus: any Cypriot national living on any part of the island qualifies for EU residency and is considered an EU national
- Finland: includes the Aland Islands
- France: the French Overseas Department (DOMS) (Guadeloupe, Martinique, French Guiana (Guyana), Reunion and Saint-Pierre et Miquelon) as part of metropolitan France
- Germany: includes the former German Democratic Republic and the tax-free port of Heligoland
- Portugal: includes Madeira and the Azores but not Macau
- Spain: includes the Balearic Islands, the Canary Islands, Ceuta and Melilla
- United Kingdom: includes Gibraltar The Channel Islands and Isle of Man are not part of the EU, nor are the sovereign bases on Cyprus
- Andorra, Monaco, San Marino and the Vatican are not part of the EU.

### **Eligible overseas territories**

Anguilla, Bermuda, British Antarctic Territory, British Indian Ocean Territory, British Virgin Islands, Cayman Islands, Falkland Islands, Henderson Island, Montserrat, Pitcairn, Ducie and Oeno Islands, South Georgia and the South Sandwich Isles, St Helena and its dependencies, Turks and Caicos Islands, Greenland and Faroe Isles, Antilles (Bonaire, Curacao, Saba, St Eustatius and St Maarten), Aruba, New Caledonia and its dependencies, French Polynesia, Saint Barthélemy, The Territory of Wallis and Futuna Islands, Mayotte, French Southern and Antarctic Territories.