
Coronavirus Business Interruption Loan Scheme

The temporary Coronavirus Business Interruption Loan Scheme supports businesses with access to loans, overdraft, invoice finance and asset finance of up to £5million for a maximum of 6 years.

The government will make a Business Interruption Payment to cover the first 12 months of interest payments and any lender fees so smaller businesses will benefit from no upfront costs and lower initial repayments. The government will also provide lenders with a guarantee of 80% on each loan (subject to certain conditions).

Who is Eligible

- The business must have a UK based business activity
- Have an annual turnover of less than £45million
- Have a viable borrowing proposal were it not for the current coronavirus outbreak
- You must self-certify that your business has been adversely impacted by coronavirus

You are **not** eligible if your business is any of the following:

- Banks, insurers and reinsurers (this does not include insurance brokers)
- Public-sector bodies
- Further-education establishments, if they are grant funded
- State-funded primary and secondary schools

How to apply

All of the accredited lenders can be found by following the link below

<https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils-2/current-accredited-lenders-and-partners/>

We would suggest you approach the lender for the loan via their website if possible.

Lenders will not take personal guarantees of any form for loans below £250,000. If the loan is above £250,000 personal guarantees may still be required however they cannot include your principle private residence and any recoveries under these are capped at a maximum of 20% of the outstanding balance after the proceeds of business assets have been applied.

If a lender turns you down you can still apply to other lenders within the scheme. As the scheme has now been opened up to smaller businesses facing cashflow difficulties if you have previously been turned down for a loan it may be worth re-contacting your lender to see if they are now in a position to offer you funding.

What you will need to apply

- The amount you would like to borrow
- What the money will be used for
- How long you would like to borrow the money for

Your lender will usually ask for evidence to support your application, this may include some or all of the following:

- Management accounts
- Cash flow forecast
- Business plan
- Historical accounts
- Details of assets held within the business

If you have any queries please do not hesitate to contact us or visit our website for further information.

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