

Leigh Christou

Recovery Loan Scheme Launches today (6 April)

A new government-backed loan scheme launches today (6 April) to provide additional finance to those businesses that need it.

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- ***new loan scheme will provide further support to protect businesses and jobs***
- ***loans will include 80% government guarantee and interest rate cap***
- ***government has backed £75 billion of loans to date as part of unprecedented £350 billion wider support package***

The Recovery Loan Scheme will ensure businesses continue to benefit from Government-guaranteed finance throughout 2021.

With non-essential retail and outdoor hospitality reopening next week, Ministers have ensured that appropriate support is still available to businesses to protect jobs. From today, businesses – ranging from coffee shops and restaurants, to hairdressers and gyms – and can access loans varying in size from £25,000, up to a maximum of £10 million. Invoice and asset finance is available from £1,000.

The Chancellor of the Exchequer, Rishi Sunak, said:

As we safely reopen parts of our economy, our new Recovery Loan Scheme will ensure that businesses continue to have access to the finance they need as we move out of this crisis.

This is in addition to furlough being extended until 30 September, and the New Restart Grants scheme launched last week, providing funding of up to £18,000 to eligible businesses. The Government is also supplementing this with the Plan for Jobs, focused on protecting, supporting and creating jobs across the country through the Kickstart scheme, T-level and a National Careers Service.

The scheme, which was announced at budget and runs until 31 December 2021, will be administered by the British Business Bank, with loans available through a diverse network of accredited commercial lenders. 26 lenders have already been accredited for day one of the scheme, with more to come shortly, and *the government will provide an 80% guarantee for all loans. Interest rates have been capped at 14.99%* and are expected to be much lower than that in the vast majority of cases, and Ministers are urging lenders to ensure they keep rates down to help protect jobs. *The Recovery Loan Scheme can be used as an additional loan on top of support received from the emergency schemes – such as the Bounce Back Loan Scheme and Coronavirus Business Interruption Loan Scheme – put into place last year.*

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