



## **C19 BUSINESS NEWS UPDATE: GOVERNMENT ANNOUNCES “BOUNCE BACK” LOANS**

The Government has announced a new 100% Government backed loan scheme for small businesses.

Small businesses will benefit from a new fast-track finance scheme providing loans with a 100% government-backed guarantee for lenders, the Chancellor announced yesterday.

Rishi Sunak said the new Bounce Back Loans scheme, which will provide loans of up to £50,000, would help bolster the existing package of support available to the smallest businesses affected by the coronavirus pandemic.

- Businesses will be able to borrow between £2,000 and £50,000 and access the cash within days.
- Loans will be interest free for the first 12 months, and businesses can apply online through a short and simple form.
- Loan terms will be up to 6 years.
- No repayments will be due during the first 12 months.

The scheme will launch for applications on Monday 4 May. Businesses will be able to access these loans through a network of accredited lenders.

The government will work with lenders to ensure loans delivered through this scheme are advanced as quickly as possible and agree a low standardised level of interest for the remaining period of the loan.

### **ELIGIBILITY**

You can apply for a loan if your business:

- is based in the UK
- has been negatively affected by coronavirus
- was not an ‘undertaking in difficulty’ on 31 December 2019.

### **WHO CANNOT APPLY**

The following businesses are not eligible to apply:

- banks, insurers and reinsurers (but not insurance brokers)
- public-sector bodies
- further-education establishments if they are grant-funded
- state-funded primary and secondary schools
- if you are already claiming under the Coronavirus Business Interruption Loan Scheme (CBILS).

More information about the scheme will be published shortly.

Further details see: <https://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan>