

Subject: CoronaVirus Update No27
Date: Tuesday, 28 April 2020 at 10:12:46 British Summer Time
From: EHA Secretary
Attachments: image001.png

Dear Member

Please kindly see the following Government update for Small Businesses:

New 100% government backed loan scheme for small business

The new [Bounce Back Loans scheme](#), announced by the Chancellor today, will allow businesses 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 from **Monday 4 May**, businesses can apply online through a short and simple form.

The Government, which has been consulting extensively with business representatives about the design of the new scheme, will provide lenders with a 100% guarantee for the loan and pay any fees and interest for the first 12 months. No repayments will be due during the first 12 months.

The loans will be easy to apply for through a short, standardised online application. Loans should reach businesses within days – providing immediate support to those that need it as easily as possible.

The scheme will launch for applications on Monday 4 May. Firms 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.

The new scheme will run alongside the existing [Coronavirus Business Interruption Loan Scheme](#) (CBILS) and [Coronavirus Large Business Interruption Loan Scheme](#) (CLBILS).

The Government is also taking additional steps on the Coronavirus Business Interruption Loan Scheme (CBILS) to ensure that lenders have the confidence they need to process finance applications quickly, including removing the per lender portfolio cap for the government guarantee, and changing the viability tests that so that all banks will need to assess is whether a business was viable pre COVID-19.

Alternative Support is Available

Please note: if you are a new businesses or a small business working from home or in managed premises, you are probably not eligible for a business grant or much in furlough support, however, you may be able to get a low interest loan from the Let's Do Business Group.

LDBG are happy to look at loans below £25k as well as CBILS loans <https://www.letsdobusinessfinance.co.uk/cbils-ldbf>

As always, your association is here to help should you require help/assistance, so please, do not hesitate to contact the office.

Take care & kind regards

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Association Secretary

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